

TRANSPORT — PRIVATE — GENERAL

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APRIL — MAY

Transnet gets mixed legacy from Sats

13/01/90 214/90
CAPE TOWN — The South African Transport Services, which officially becomes the newly commercialised Transnet today, reported a net surplus of R24m last year — R5m less than the previous year largely as a result of poor performances by SA Railways and the Catering Services.

As the last report submitted by the Sats board, it showed that between April and November 1989 income from Sats services rose by 18,7% to R8,77bn.

This was attributed largely to an increase in air, harbour and pipeline traffic as well as tariff increases which came into effect in December 1988 and April 1989.

But expenditure increased by 18,9% to R8,74bn as a result of the higher cost of fuel, electricity, material and consumable stores.

LESLEY LAMBERT

Salary adjustments negotiated by Transport Services' Trade Unions and implemented in October 1988 and July 1989, also contributed to the increase in expenditure, according to the report.

The net surplus amounted to R24m after the appropriation of R1m.

Of the various services offered by Sats, SAA continued to be one of the best performers, spending R1,59bn during the period under review and achieving a surplus of R102m which was R20m more than the previous period.

SAR Travel services reported revenue of R25m, up R2m from the previous year, expenditure of R24m, up R5m from the pre-

vious year and a surplus of R1m, down R3m from the previous year.

The catering services reported a deficit of R10m, compared with a deficit of R8m the previous period. As in the railways division, its expenditure of R29m grew at a faster rate than its revenue of R19m.

The average interest rates on Sats' investments during the period increased by almost six percentage points to 16%, showing what innovative portfolio management can achieve, the report said.

The return on the Sats Superannuation Fund increased by almost three points to 13,6% while the return on the Pension Fund for Non-White Employees grew marginally from 13,8% to 14%.

More money needed for roads

Star 2/4/90
Own Correspondent

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DURBAN — The Durban Metropolitan Chamber of Commerce today warned that unless road funding was increased substantially "the entire national road system will deteriorate into a chaotic state".

The Chamber revealed that only R1,6 billion of the R3,4 billion tax collected on fuel was used for roads in 1988, and that only a third of the funds needed annually for Natal roads were being made available.

Calling for a separate road fund to meet short- and long-term plans for the maintenance and construction of roads, the Chamber pointed out that the delaying of necessary road maintenance led to greatly increased costs.

Indications were, however, that the funding situation would deteriorate

further as education, health and housing were given a higher priority than provincial roads.

"Meanwhile, costs of road construction and maintenance have risen because of inflation plus the ageing of the existing road network," said the Chamber in its weekly news digest.

"If this trend continues, not only Natal roads but the entire national road system will deteriorate rapidly into a chaotic state."

The Chamber maintained that the principle of "user pays" for road maintenance and development was the only equitable way to ensure that sufficient money was available.

In 1989 the income from fuel taxes was expected to reach R3 400 million. This was more than double the R1 650 million spent on roads.

Traders and taxi owners agree at talks

By TOSH LEVETT-HARDING

AT LAST week's meeting between the Green and Sea Point Traders' Association and taxi owners, the latter agreed to take disciplinary action against careless drivers.

Councillor Chris Joubert said the meeting was successful on many points. One was a recommendation to the Traffic Department to use Sea Point as a pilot scheme to introduce allocated taxi stops all along Main and Beach Road.

"I believe self-discipline is the answer and we now have the co-operation of the taxi operators — who represent about 200 taxis operating in Sea Point.

"Sea Point is one of their most lucrative



TAXI TALKS ... The Green and Sea Point Traders Association having straight talks with taxi owners at the Regency Hotel, Sea Point. They are (from left) taxi owners Mr Michael Wollensclager, Mr George Muller, and Mr Yshaban Louw, city councillor Chris Joubert, chairman of the Traders Association, Mr George Langaliballe (face obscured), and Mr Norman Feitelberg, vice chairman of the Traders Association.

Picture: COLIN JOOSTE

CMT Trip 3/4/90 (332)

routes. The taxi operators were represented by a delegation of 14 and we achieved a lot in the two-hour meeting."

He said the owners had agreed to a six-monthly basic check on

their vehicles for roadworthiness and stickers were to be placed on vehicles where drivers undertake to adhere to a code of conduct.

Councillor Joubert said owners had agreed

to discipline drivers whose driving was reported by the public and this would result in two weeks' suspension, and — if repeated — dismissal.

It was also agreed that there should be regular meetings between Sea Point traders and taxi owners to monitor the success rate.

Mr Joubert told me: "We will give the public regular feedback on our progress."

"The whole attitude of the meeting with the taxi owners ended on a very good note with them agreeing to the introduction of self-discipline by drivers."

"Those who agree to adhere to a code of conduct will have a 'safe' sticker on the windscreen and we ask people in Sea Point to take note of these stickers which will be handed out by the owners."

"Our aim is to keep death off the roads and injuries to a minimum. It is now up to the drivers and the public to see that safer driving in Sea Point is the watchword."

Rotary takes 50 elderly folk for Sea Point joy ride

ABOUT 50 elderly people, including some disabled mothers and fathers, were taken on a joy ride along the prom at Sea Point last Sunday, and described the free scenic ride as "fabulous".

It was arranged by Rotary, coupled with Rotaract, an off-shoot for people between 18 and 28.

Rotarian Paul de Groot said: "There are a lot of old folk in the Sea Point and surrounding areas who have probably

never been able to walk along the promenade."

"Our object is to give them a treat, to let them smell the sea air, and this scenic drive could be a tonic to them."

"The average person capable of walking along the prom might think it a bore — but it was sheer joy for the handicapped."

He said a similar project was organised by Rotary some time ago when the organisation took wheelchair-bound people to the top of Table Mountain by cableway.

riers but we had strong men available. This scenic ride at Sea Point has been based on a similar principle."

He said the flat trailers, designed for people to sit on, had been in use for about 20 years, and had been overhauled many times.

Mr De Groot added: "We are hoping to make the scenic rides in Sea Point an annual event and we have received full co-operation from the municipal and traffic authorities."

The trailers ran from 9 am to 5 pm from near the Sea Point Pavilion to

Putco bus boycott is now called off 332

THE Putco bus boycott by Soweto commuters has been called off, Putco managing director, Dr Jack Visser, said.

Visser announced that this decision followed an

urgent executive meeting held yesterday to discuss an agreement reached at the weekend with the chairman of the Soweto Daily Passengers Committee (SDPC), Mr Stephen Sangweni.

When Sangweni was asked for comment he said the bus boycott had been postponed for a week and further details would be released today after the SDPC had met.

"Further than that I have nothing to say pending our meeting," Sangweni emphasised.

The SDPC threatened boycott action - which was scheduled for yesterday - to press for demands for a better service, an 18 percent fare decrease, a more regular service, and less overcrowding.

In response Putco threatened to withdraw its service from Soweto if the boycott went ahead.

While conceding that there were deficiencies in the bus service Visser said it was not possible for the company to reduce fares by 18 percent because of the "heavy losses," sustained by its Soweto services.

Visser warned that in the event of Putco pulling out of Soweto commuters would face hardship and lead to unemployment of a large number of the workforce.

Taxi owners appeal to residents

So we tan 3/14/90
THE Atteridgeville Sausville Taxi Owners Association yesterday appealed to the local residents organisations (Asro) to withdraw its call for a taxi boycott and to desist from threatening and intimidating commuters with violence.

Taxi owners also resolved to defy the call

to reduce fares from R1 50 to R1 20. They said they would start operating this morning after a group of youths stopped them from working yesterday.

Angry taxi drivers said they were going to defy Asro's call to boycott rent. Taxi operators also described the boycott call as "unreasonable" as

alternative transport was not provided. Most people who boarded buses said they paid more than R1 50 for a single trip. Hundreds of commuters were stranded and many late for work.

Taxi owners blocked entrances into the township and forced people out of cars.

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Uniserv to feel surcharge reduction benefits soon

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THE import surcharge reduction is expected to have a favourable impact on the working capital requirements of courier, freight and travel group United Service Technologies (Uniserv) in the current financial year.

Uniserv boosted attributable income by 88% to R13,4m in the year to February from R7,1m in the previous year in spite of a doubling of the interest bill to R4,3m from R2,3m.

Chairman Tiger Wessels explained that interest charges rose partly because higher disbursements were needed by freight division Burlington to

CHARLOTTE MATHEWS

finance clients' import duties and surcharges, especially in the area of factory relocations.

A second reason was the financing of fixed assets in courier division, Sun Couriers. Fixed assets on the balance sheet rose to R20,9m from R13,4m.

Wessels said the courier division had performed disappointingly in the first half of the year.

Earnings of 27c (20,3c) a share were declared before an extraordinary item of R1,2m which represented an unreal-

ised gain on foreign exchange. Earnings were 29,6c a share after the extraordinary item. *Divid 314/90*

The number of shares in issue rose to 46-million from 35-million because shares were issued to finance acquisitions in the previous year and an additional 4-million shares were issued to acquire foreign companies in a similar field.

A dividend of 8c a share has been declared.

"Our goal has always been long-term growth even if at times this results in short-term costs," Wessels said.

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Motorists must pay the price for good roads

Pretoria Correspondent

Holiday motorists taking the toll route to Durban or Northern Transvaal will have to pay the price for driving on good, wide roads.

Drivers travelling to Durban on the N3 will have to pay R24 in toll fees. Those towing a trailer or caravan will have to pay R27,25.

The first toll gate confronting travellers from Johannesburg or Pretoria is the Wilge toll plaza outside Villiers on the new 96 km superway between Villiers and Warden, which will open on Thursday at 2 pm.

Here the fee for a car is R11 and for a car towing a trailer or caravan it is R13.

About 210 km further on, past Van Reenen, is the Tugela toll plaza, where the toll fee for a car as well as a car with a trailer

er or caravan is R8.

Just outside Mooi River is the penultimate toll gate on the N3 to Durban — the Mooi River toll plaza. The fee for a car at this gate is R4,50, and for a car towing a caravan or trailer R5,50.

The final toll gate is the Mariannhill toll plaza about 17 km outside Durban where the fee for a car is 50c and for a car towing 75c.

Motorists are advised to take care on the N3 just before Maritzburg where construction is taking place.

The only toll gate on the N1 to Pietersburg is the Kranskop toll plaza near Warmbaths. The fee at this plaza is R3 for cars and R4,50 for cars towing a caravan or trailer. Motorists travelling only as far as Nylstroom will have to pay R1,20 — if they are towing, R1,80.

Blackmail, CP tells Nats

Pretoria Correspondent ³³²

The Conservative Party has accused the Government of using "blackmailing tactics" to force through the proposed toll road on the N18 between Pretoria and Brits.

In a statement yesterday, two party MPs, Mr Joseph Chiole (Pretoria West) and Mr Andrew Gerber (Brits), called on the Government to provide money to complete the partially constructed road.

"We note with concern the Government's blackmailing tactics of saying that the construc-

tion would take years if the road is not tolled," the statement said. *Str 3/4/90*

The proposed toll tariff of R7,20 for people driving in and out of the city each day was unacceptable, it added, especially since whites were already over-taxed.

Black minibus taxis would not use the toll road, forcing whites to use it for safety reasons.

"Plans to toll the route mean whites will have to pay again for the unplanned and unconsidered results of the National Party's policies," the statement ended.

Uniserv keeps flying high

3/4/90 Finance Staff 332
Courier, freight and travel group United Service Technologies (Uniserv) maintained its excellent record in the year to February.

Despite difficulties associated with bedding down two major acquisitions, it achieved its sixth straight year of earnings growth in the 12-month period.

Earnings per share rose 33 percent from 20.3c to 27c and the annual dividend has been lifted from 6c to 8c a share.

The results were achieved in a period which, says executive chairman MJ Wessels, was "a consolidation phase".

He says that during the year under review, the group experienced greater-than-expected difficulties in bedding down Sky Couriers.

Tollgate Group tipped to sell off troublesome Gants

By Ann Crotty

It looks as though Gants could be the first asset stripped out of cash-hungry Tollgate Group Holdings (TGH) following the change of control at Duros — the controller of Cape-based TGH.

The list of possible suitors (which includes most of the large food groups) features a surprising candidate in the form of Royal Corporation (previously Lovasz Chemicals).

In heavy volume trade, Gants went against the general market trend and gained 15c to close at 115c yesterday. A week ago it was trading at 90c.

This stronger trend comes surprisingly in the wake of the recent release of results for the 12 months to December, which showed earnings had plummeted to 2.2c from 27.5c a share.

Market sources feel the TGH team is looking for 190c a share for Gants, which is fairly steep in terms of financial 1989's performance — it represents an historic P/E rating of a massive 86.3 times.

On a net-asset-value basis, the 190c doesn't look quite so steep. The end-December 1989 balance sheet shows NAV of R119.9 million (down from R112.7 million a year earlier) — equivalent to 144c (156c) a share.

The NAV includes a significant element of trademarks, goodwill and trade names.

Apart from Royal, the list of possible suitors includes Kanhym, SAB, Premier, Fedfood, AVI (through I&J), Tiger, Bidcorp, HLH, FSI and Lever Bros.

Firm denials come from SAB, Premier, Fedfood, AVI, Tiger, and Bidcorp. FSI and Lever have been ruled out.

Kanhym chief executive Dirk Jacobs would not comment yesterday except to say it would help to broaden the group's base of value-added food products. He added Kanhym was not currently involved in negotiations.

Royal chairman Vivien Imer-

man is reported to have said that there was no deal involving Gants at this stage.

Analysts believe that Gants was an ill-advised acquisition for the rapidly growing Duros/TGH group and that the relatively long period that would be needed to set it on a firm growth trend put a fairly obvious "for sale" ticket on it.

If the new management can sell Gants at 190c, it would provide TGH with a much-needed cash injection of around R60 million.

Equally important is that it would cease to be a drain on group resources in the form of finance and management time.

For financial 1989, Gants directors declared a dividend of 8c a share, although only 2.2c was earned.

Despite management's comment that this dividend payment was "in line with the board of directors' knowledge of Gants' profit potential", some analysts believe that TGH's cash requirements were a more significant factor in determining the size of the dividend.

Industry sources believe that

the most appropriate acquirer would be one of the large food groups with sufficient resources — in the form of management skills and finance — to carry the group to a turnaround point.

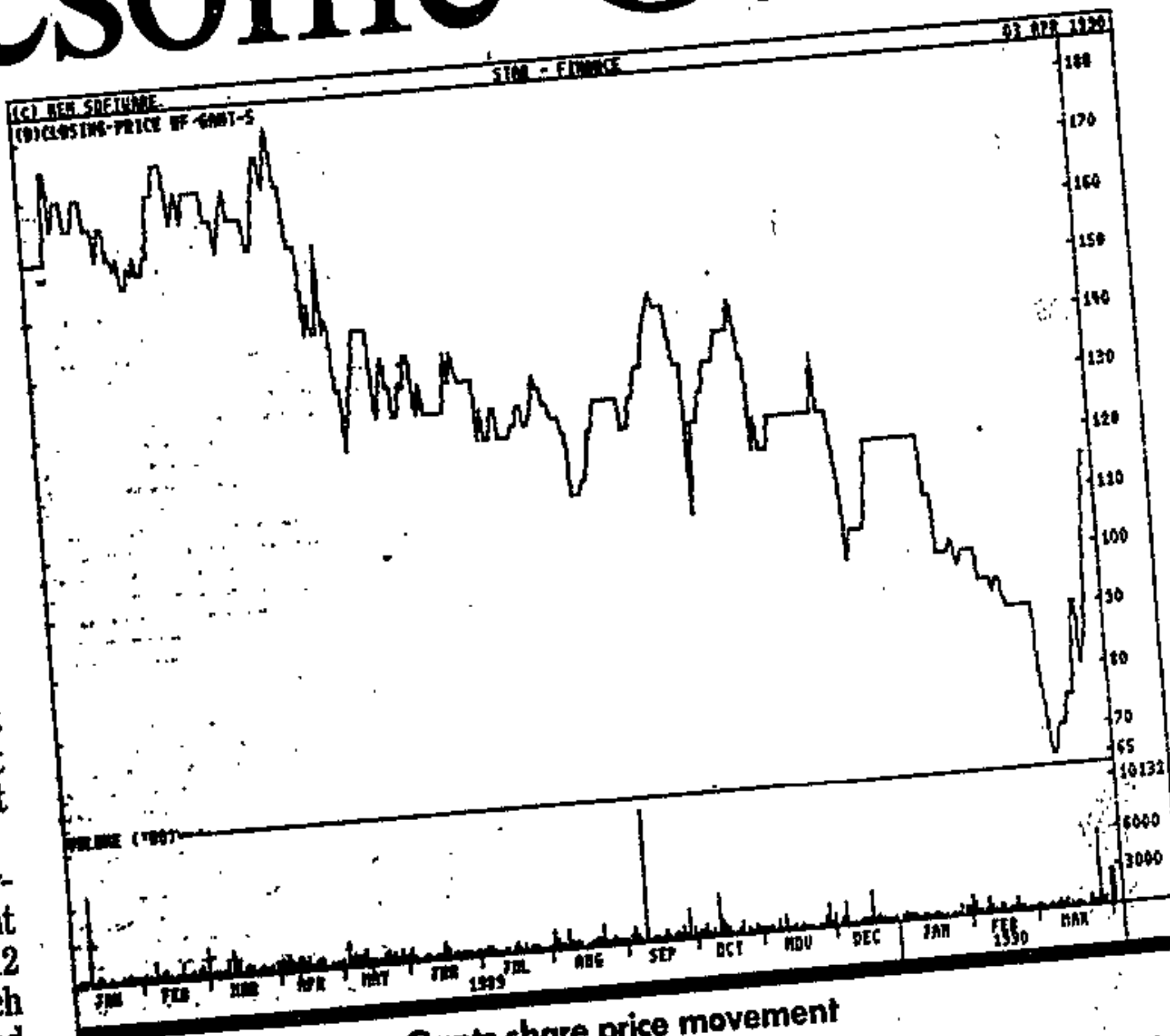
Analysts say Tiger has done well with Langeberg — the largest fruit and vegetable canning operation in SA — precisely because it had sufficient resources to carry the heavy seasonal working capital requirements and implement the necessary financial disciplines.

The heavy working capital requirements stem from the nature of the industry, which involves a two-month harvesting and canning period each year, and means that companies have to sit with large stocks for much of the year.

Gant's has also suffered from its exposure to the pineapple industry.

Unless Royal's acquisitions over recent years are proving to be massive cash cows, it is difficult to see Gants not being a drain on its resources.

Whoever buys it would have difficulty justifying a premium on NAV, given the problems that could come with it.



Soweto commuters call off bus boycott

SR 3/4/90 By Stan Hlophe

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This decision followed an executive meeting held yesterday to discuss an agreement reached at the weekend with Soweto Daily Passengers Committee (SDPC) chairman Stephen Sangweni.

When Mr Sangweni was asked for comment, he

said the bus boycott had been postponed for a week.

The SDPC threatened boycott action to press for demands for better service, an 18 percent fare decrease, a more regular service and less overcrowding.

While conceding there were deficiencies in the bus service, Dr Visser said it was impossible for Putco to cut fares by 18 percent because of the "heavy losses" sustained by its Soweto services.

Sabta prays for peace

Sowetan 4/4/90

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THE Southern African Black Taxi Association is to pray for peace and safety in the taxi industry during a national day of prayer to be held at different venues today.

Sabta's public affairs assistant manager, Ms Miki Maubane, said yesterday that the national day of prayer would coincide with the Easter Holidays.

She said the main reason for the event was the instability and lack of peace in the taxi industry. The loss of lives brought about by the increase in minibus accidents had also made it imperative to address the issue on a national level.

"Prayer seems to be the most viable solution Sabta has come up with to unite all taxi operators to bring about peace and create a climate of stability in the industry," she said.

Putco, commuters agree

Sowetan 4/7/90
PUTCO and the Soweto Daily Passengers Committee have agreed on a number of thorny issues which led to the calling off indefinitely of a planned commuter boycott.

A statement released by Putco's managing director, Dr Jack Visser,

yesterday said it was erroneously reported last week that a key issue in negotiations between the two bodies was a request by the SDPC for an 18 percent fare reduction to and from Soweto.

Visser said the SDPC had asked that the pro-

posed July fare increase was limited to an 18 percent maximum to which Putco had agreed.

Other issues discussed during negotiations by the two parties included the rezoning of Soweto in relation to the cost of coupons, accurate bus timetables and the shortage of buses during peak hour.

Pretoria taxi boycott ends

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Sowetan 4/4/90

THE two-day taxi boycott in Atteridgeville ended dramatically yesterday afternoon after the local taxi association and the residents' organisation (Asro) reached an amicable settlement.

At a press conference held after an hour-long emergency meeting, executive committee members of those parties issued a joint statement in which they agreed that the new taxi fare will be R1.30 from Tuesday to Thursday and R1.50 from Friday to Monday as well as public holidays.

The previous fare was R1.50 from Monday to

Sunday - a fare which resulted in residents' demand that it be reduced.

Dr Abraham Nkomo, Asro's chairman said he was grateful for "the statesman-like position" adopted by officials of the taxi association. "I am grateful that a peaceful resolution has been found" Nkomo said.

Mr Thomas Make, deputy chairman of the taxi association said the agreement followed proposals from Asro during their emergency meeting yesterday. Taxis started operating yesterday afternoon.

**Putco fares to
be equalised**

THEO RAWANA

PUTCO planned to rezone Soweto to equalise its fare structure so passengers would pay equal fares for equal distances, the bus company said yesterday.

The decision was announced in the wake of the postponement of a bus boycott following talks between Putco and the Soweto Daily Passenger Committee (SDPC), which had voiced dissatisfaction with the bus service.

A Putco statement said rezoning plans were expected to be completed by the end of June.

A Putco official stressed last night that rezoning plans had been drawn up long before the dispute with commuters.

Putco said the SDPC had requested limiting the July 1990 fare increases to a maximum of 18% to which Putco had agreed.

The shortage of buses in peak hours was also being addressed.

Transnet goes to market with Elfi

8/10/90 GRETA STEYN 332
TRANSNET has approached the capital market with a second issue of its Equity Linked Fixed Investment (Elfi) stock — an instrument that is both a hedge and an investment — with some changes to make it more marketable.

Elfi can be used to hedge a portfolio of JSE shares because its price is linked to the stock exchange. It consists of a bull tranche and a bear tranche — with the prices of each determined by movements of the JSE all share index. If the JSE is on an uptrend, the price of the bull tranche rises while that of the bear tranche drops.

But Elfi is also an investment just like any other capital market stock. Interest will be paid at a coupon rate of 8% for the bull tranche and 22% for the bear.

Apart from a private placement among institutions, which could raise some R200m, Transnet is approaching the open market for R50m. The issue closes at noon today. Finansbank, the merchant bankers to the issue, say in the prospectus that Transnet will issue bull and bear tranches in equal amounts.

Attractive

Finansbank's Neels Heyneke explains: "Equal amounts have to be issued to ensure Transnet is not exposed to the stock exchange at redemption date." The stock would be redeemed on April 1 1992.

Finansbank and Transnet are going all out to make Elfi II attractive to the market. In an effort to encourage liquidity, an investor who buys both tranches (bull and bear) gets separate call options on both the bull and bear tranches.

The options are European, which means they can be exercised at any time but settlement date will be at expiry on June 15 1990. The options have no premium — that is, they are free — and it is hoped they will encourage investors to take a combination of bull and bear tranches of Elfi. Such a move would have proved expensive without the "free" options thrown in. If both are taken, Transnet will issue more stock.

However, because of the options, the investor cannot lose. Transnet will therefore take 80% of profits made on exercising the options.

Market feels Gant's is ripe for plucking

Gant's share price moved up sharply again yesterday closing at 135c in heavy volume trade. Speculation about a change of control has pushed the share from 90c last week.

Despite the sustained speculation and all the market activity, there has been no comment from Gant's management or its ultimate parent, Duros, apart from indicating that at this stage Gant's is not involved in serious negotiations.

Yesterday Duros executive Mervyn Key would only state that Gant's had not been sold.

From the point of view of the market and the company itself some clear statement needs to be made about the plans for Gant's in the wake of last week's change in control at Duros and indications that some streamlining of activities was on the cards for its investment holding company, TGH.

Included in TGH's portfolio are Arwa, Gants, Norths Industries, Enterco, (all of which are listed) and; Tramway Holdings, Arrowgate Properties and Motorvia.

There are no obvious synergies between these activities and as a portfolio TGH looks uncomfortably skewed towards cash users (chief of which is Gants) and pitifully short on cash generators. An unlisted cash generator is a basic requirement for a successful and well-balanced portfolio.

TGH is reported to be looking for 190c a share for Gant's. It is difficult to justify anything in

Diagonal
Street

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ANN CROTTY



this region given the 22c eps in the 12 months to end-December and a net asset value (including goodwill, trademarks and brand-names) of 144c a share.

Industry sources believe that, despite Gant's management's stated optimism about laying the foundations for sound future profitability, there are still some major areas of concern.

The sale of Gant's would not only provide a cash injection for TGH but would also take about R30 million of Gant's borrowings off its balance sheet.

On the plus side for TGH is the fact that Gant's is an attractive asset to get into the right portfolio i.e. one that could handle the very difficult operating conditions including weather, international markets/prices and heavy working capital requirements.

Kanhym's Mr Dirk Jacobs has indicated that anything more than around 80c a share (assuming earnings of around 20c for the current financial year) would be difficult to justify.

If the RBN subsidiary of the acquisitive Royal Corporation is throwing off a lot of cash (and if Royal is not constrained by needs in its chemical operations) then it may be prepared to top Kanhym's 80c.

And then there's Arwa.

Air service to Bisho planned

4/10/90 Pretoria Bureau 332

Acorn Air, a private business venture established by South African Airways pilots, has applied to the Department of Transport for two air service licences.

It is planning to establish a scheduled service between Jan Smuts Airport and the Ciskei capital Bisho and a non-scheduled service in Southern Africa and the Indian Ocean islands.

Acorn Air intends operating two return flights a week to Bisho.

If granted, Acorn's non-scheduled licence would enable it to transport passengers to Zaire and the Seychelles.

Deadlock looms between unions, council

PRETORIA — A deadlock between the Federation of Sats Trade Unions and the Labour Council loomed as tough bargaining for a 17,5% pay hike for more than 100 000 railway workers continued yesterday.

After a five-hour session during the second day of negotiations the parties were no closer to an agreement, it was understood. The negotiations were set to continue on Monday.

The federation has 12 representatives on the council and management a similar number. A two-thirds majority is

GERALD REILLY

needed to reach finality. B/04574/90

If no consensus can be reached on Monday a dispute could be declared and referred for arbitration.

Federation general secretary Abe Koekemoer declined to comment on the negotiations last night.

It was also learned that Transnet's black trade union, representing 40 000 workers, withdrew from federation negotiations to conduct its own bargaining.

No yellow brick road

■ Official indecisiveness has led to reform in a muddle

Every country needs a workable transport policy. Not for government to control the industry but, as Transnet (formerly Sats) MD Anton Moolman puts it: "To create a playing field where all modes of surface transport can compete fairly ..."

SA is in urgent need of such a policy. Its repressive Road Transportation Act of 1977, though still on the statute books and still being applied to the bus industry, has virtually fallen into disuse as far as road freight is concerned. Even the much-heralded White Paper on National Transport Policy, intended to replace it and accepted by parliament on October 1 1987, is already out of date. What is probably the most momentous upheaval in SA's transport history is being managed by a series of ad hoc measures.

Mindful of this, the chairman of the Institute of Transport of SA, Barry Lessing,

group CE of Spoornet, Transnet's cumbersome named rail operation, recently met 12 top transport men behind closed doors in Johannesburg. The meeting was obviously the first of many; it is not known who attended, and Lessing is not prepared to say how they propose to amend policy, but it can be assumed that with Sats' new allegiance to the private sector there will be little need to consider the sensitivities of the State.

Lessing's view is that any new policy should foster the creation of a cost-effective system in which all transport modes — road, rail, air and sea — connect with each other, and each does whatever it can do best. "We must co-operate but we must also compete," he comments.

Though he refuses to divulge his invitation list, it must be accepted that Ian Moss, director of the Road Freight Association,

occupied one of the chairs — and that he clashed with Lessing. While he likes the concept of transport being inter-modal, he believes government should prevent Transnet from becoming a transport monopoly that controls all those modes.

There was probably also a strong demand that the State should listen to how the private sector wants domestic air routes and SA Airways, which is part of Transnet, to be privatised. This is an integral part of any transport policy. Jackie Walters, executive director of the SA Bus Operators' Association, no doubt fought for a workable multi-modal passenger transport industry. His sector will need assistance if it is to stay in business and get people to work and back every day. It isn't responsible for the decentralisation policy nor establishing remote townships.

According to Phil Erasmus, recently re-elected chairman of the Road Freight Association, the transport industry is troubled. Costs are rising at an alarming rate and it is being affected by some fundamental changes:

□ Transnet (SA Transport Services until February 20), the biggest single transport operator with assets of R65bn, started operating as a private-sector company on April 1, when it became a government-owned corporation and liable to taxes.

Formerly it was a government agency and run like one. The State owns all its shares but the move is a prelude to its eventual privatisation;

□ While permits are still needed, road freight transport was effectively deregulated in September when Ronnie Meyer, director-general of the Department of Transport, instructed local transportation boards to issue permits — to transport anything from anywhere to anywhere — to all operators whose trucks had valid certificates of fitness and were driven by qualified drivers.

This has opened up road transport dramatically and introduced genuine competition among operators by removing the protection the old system afforded Sats and some private operators. Many won't be able to cope and will go to the wall; and

□ The responsibility of building and maintaining roads, which has belonged to the State since the early days of the Cape, is being shifted to the private sector.

Privatised tollroads have become necessary because the State is running out of funds. This year's allocation for the building and maintenance of roads will be about half last year's R2,2bn in real terms.

All of which highlights the problems of having no accepted national transport policy. Transnet's preparation for privatisation is in line with the White Paper's recommendations but the effective deregulation of road freight transport conflicts with the White Paper. The third change, concerning roads, is a bit of ad-libbing based on a recommendation in the White Paper that private companies should be allowed to finance and build tollroads — not that they should be given existing roads to improve and toll.

The White Paper has had some benefits. It spawned the black taxi industry and had a good effect on road freight — but it also left the bus industry in a mess.

Some of its recommendations have been enacted. One is the Legal Succession of SA Transport Services Act of 1989, which allowed Sats to be split into a profitable public company, Transnet, and the loss-producing SA Rail Commuter Corp, to be funded by the State and operated by

Transnet. The Road Traffic Act, which combines the traffic ordinances of all the provinces into one Act, is another result of the White Paper; it will go into effect on May 1.

But the way the road freight sector was deregulated in September differs from the proposals of the White Paper.

It stresses that road freight should be deregulated *only* when enough test stations have been set up to check vehicles regularly; that roads are sufficiently well policed to drive off illegal operators and unlicensed drivers; and that a computer data base with comprehensive information on all drivers is up and operating. These conditions are contained in the Road Traffic Act.

Jumping the gun

This legislation is aimed at improving control over vehicle maintenance standards in order to reduce the annual R6bn bill for accidents. But even this isn't the complete package envisaged in the White Paper.

Whether the new Act will ever be enforceable, even after these shortcomings have been corrected, is doubtful. There is insufficient manpower and finance.

Meyer, therefore, jumped the gun to some extent when he deregulated truck permits in September. His directive is only a part, even though an important part, of the road freight quality system.

The White Paper's policy on the mass transport of passengers by road was responsible for the creation of the vast black taxi industry, which is creating a black middle class. But its efforts to cure the bus industry's ills failed dismally. Says Walters: "Its principles of deregulating the industry cannot be applied. This has left the bus industry in a crisis situation because of a lack of decision and inconsistency in policy application, caused largely by the White Paper's recommendations being unworkable."

Bus operators are limited to fixed routes and fares. They are disadvantaged by black taxis, which offer virtually door-to-door service. The suggested tender system is unaffordable and will cost the State more than the present commuter subsidy.

Nevertheless, the White Paper is a reasonably well-thought-out document, compiled after years of investigation by private- and public-

sector transport experts. It achieved a balance between the needs of Transnet and private-sector transporters, which is what Transnet wanted then, and it mapped out the quality system, for which private hauliers were lobbying.

It was also an improvement on the first national transport policy, the Motor Transportation Act of 1930, which was followed by the Road Transportation Act of 1977. Those Acts were passed purely to protect SA Railways & Harbours, as Transnet was known then, against the fledgling private road transport industry. Only hauliers who had permits, which were very difficult and expensive to get, could convey specific goods on specific routes.

The system was inflexible. Railways, which became Sats, and those who held similar permits, had the right to — and did — oppose every application for a new permit. It wasn't unusual for an application to become a Supreme Court matter and to cost each of the litigants up to R30 000.

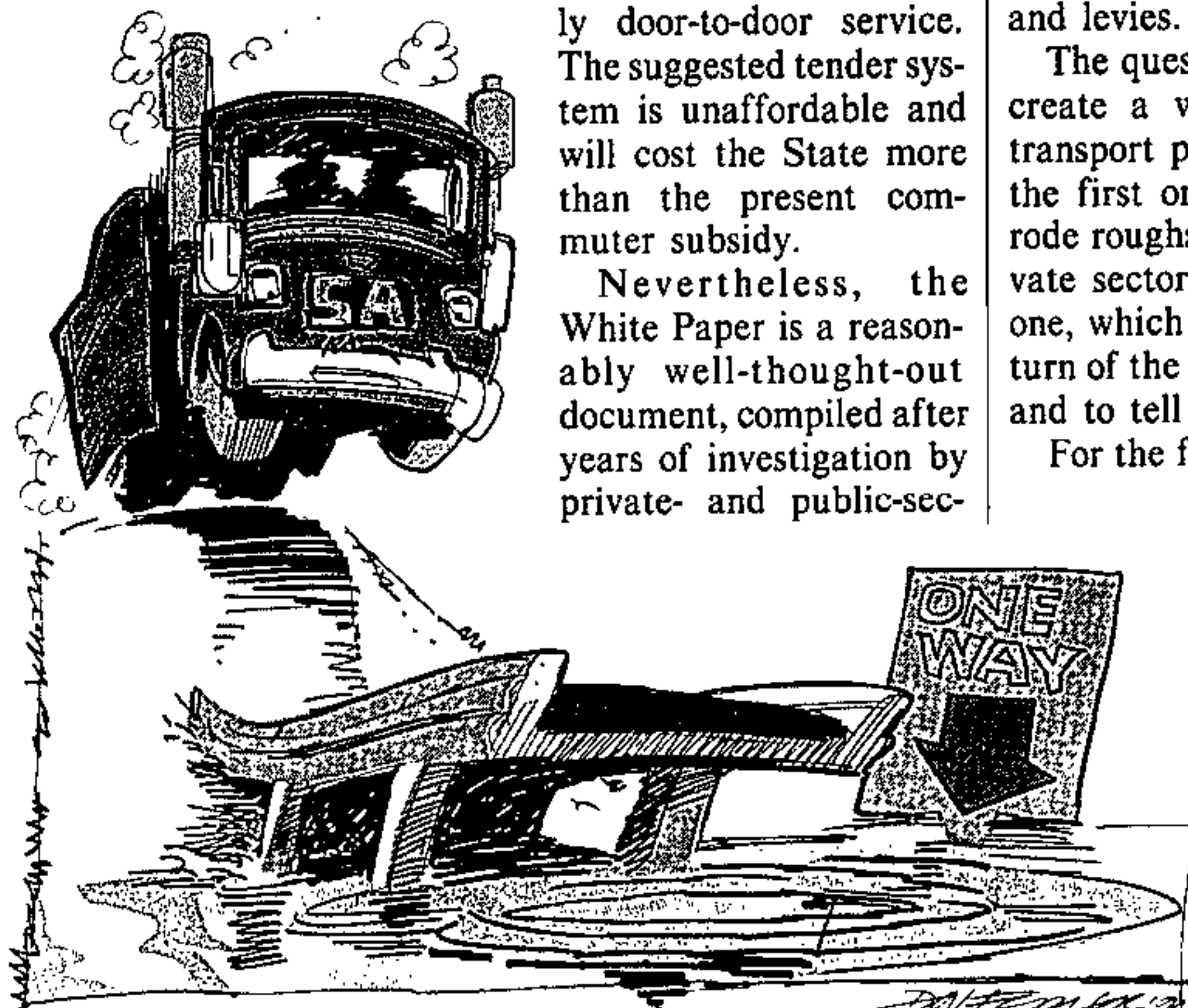
So what went wrong in changing the status quo? The most important factor was government's slowness in implementing its own recommendations. And, while it dallied, the goalposts moved.

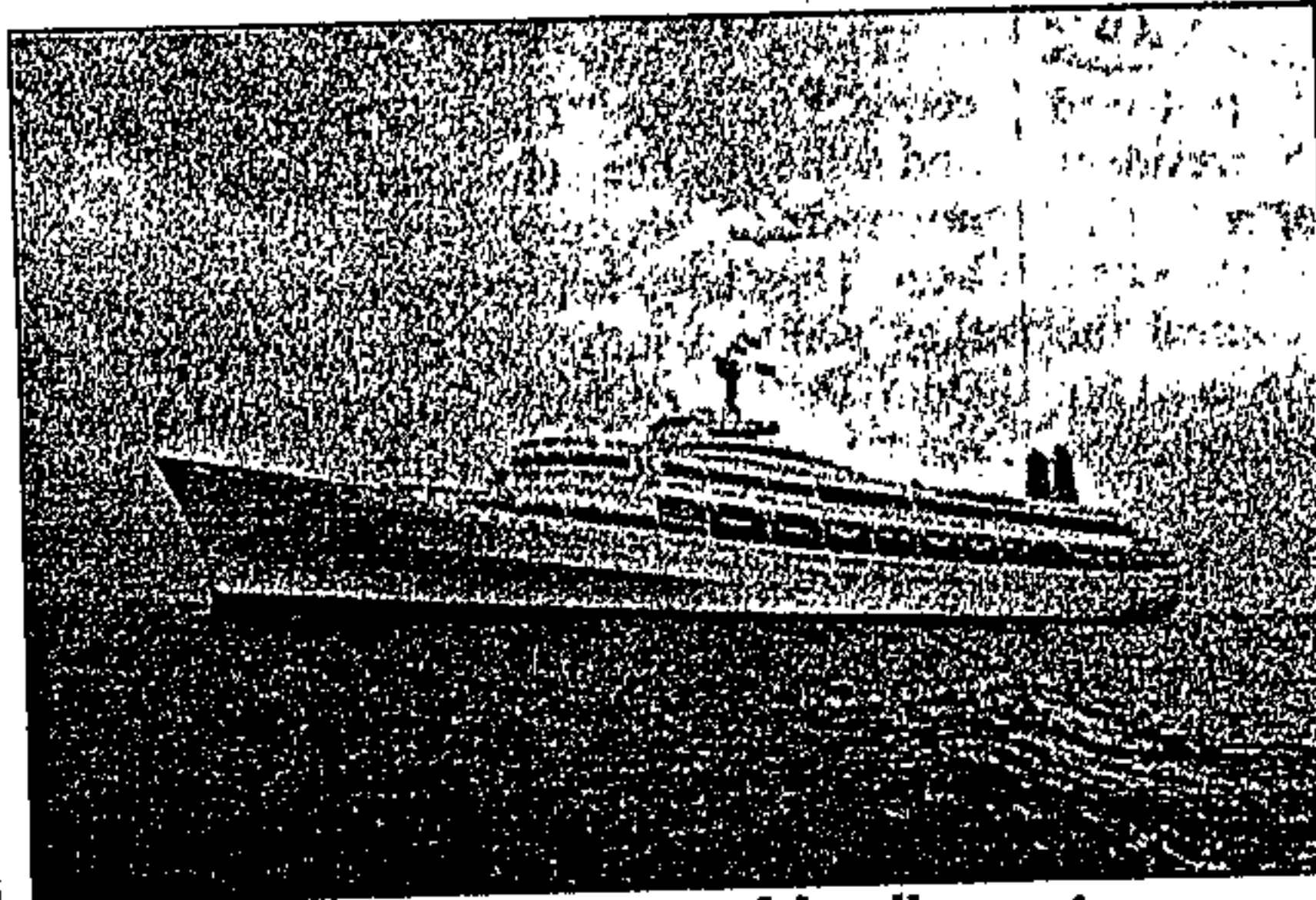
George Bartlett, Minister of Transport & Public Works, says: "Policy is dynamic and requires regular adaptation to its environment. It (the White Paper) had a gestation period of three to four years and reflects the situation pertaining some seven years ago. Since then, there have been many developments in the social, political and transport environment."

One of the things that changed while there was no transport policy was that government suddenly realised that the private road transport industry was a handy source of revenue. This led to former President P W Botha and his Cabinet allowing the Department of Finance to override the Department of Transport on many transport issues. The result was excessive licensing fees, fuel taxes and levies.

The question is: what needs to be done to create a workable, efficient and sensible transport policy? The State hammered out the first one. It worked because the State rode roughshod over all opposition. The private sector and the State created the next one, which has virtually died. Now it is the turn of the private sector to hammer one out and to tell the State what it requires.

For the first time, government won't have much say. It can no longer assume its former dictatorial role. It may be the only shareholder in Transnet but Transnet now has to conform to private-sector, not parliamentary, norms. It will have to come to heel and create a level playing field and play the game, but according to rules it may not like and which overturn its traditional position of privilege.





Looking for a friendly port

Could our ports deal with a jump in passenger traffic? Not now.

The travel business has already written off Cape Town, the most popular holiday destination for foreigners, for more cruise ships. The harbour has no passenger facilities except a cargo shed used as a terminal when a liner arrives. "It's just not adequate," says TFC Tours cruise director Alan Foggitt.

Durban, however, has a large passenger berth and terminal but this is to be converted into offices for Portnet.

Admittedly, the terminal is something of a white elephant; it's been used for only two-and-a-half months of the year. Portnet, which became a State-owned company on April 1 and must now be run like a private business, is consolidating its three Durban office locations. Its reasoning is good but, with the prospect of more liners calling at Durban, its timing may be bad.

"We've had meetings with port authorities about this and they have suggested erecting a marquee to accommodate passengers going on and off ships," Foggitt says. "But when one looks at the volume of passengers we get — about 2 000 on a liner — this could cause problems." FIM 614/90

He points out that baggage must be loaded and customs paperwork completed. Moreover, a marquee might not be the best protection against Durban's heavy summer rains or heat.

When problems arise — as in December, when two passenger ships carrying a total of more than 3 000 passengers berthed on the same day — Foggitt's company gets complaints.

Port manager Jan Mors says the passenger business is changing. "We are still in the process of looking at alternatives for passengers. With the present volume, something like a marquee should be adequate, but it's a bit premature to settle on anything yet."

Last year about a dozen passenger ships called at Durban during the cruise season, November, December and early January. This is expected to increase by three or four vessels this season.

Duncan Starke, Durban manager for Polaris Shipping, port agents for TFC, believes a solution could be found through discussions soon with port authorities.

Foggitt hopes conditions won't get too

chaotic in the coming season. Unless a solution is found he finds himself "looking forward to a nightmare in December."

□ In the Northern Hemisphere cruising is booming with vessels of up to 2 500 berths now regularly plying the popular Caribbean, Mediterranean and Pacific routes as well as regular round-the-world trips. The main market remains the US with British, Norwegian, French and Soviet lines luring rich (and not-so-rich) Americans aboard with five-star floating luxury sup-

plemented by a diet of French champagne and Russian caviar. Large cruise liners are even being built on spec for this sector.

One Japanese yard came short recently, however, because its off-the-peg cruise liner had to be turned into a hostel for students. ■

CRUISE INDUSTRY FIM 614/90

Not ready for growth

Ten years ago the US TV show "The Love Boat" helped to spur a love affair with cruise ships. The sector continues to boom, propelled by the growing number of baby-boomers looking for romance, a suntan, or just a different sort of holiday. Now SA hopes to cash in on the trend. 332

Shipping agents and tour operators concede that a return to the Union Castle days, when passenger ships called frequently at our ports, is unlikely. They're confident, however, of seeing more liners with the surging popularity of cruising and SA's growing attraction to foreign tourists. This would mean a chance for SA to get a bigger slice of the R300bn-a-year international tourism market. The country now nets around R2bn.

Transnet issue applications exceed R500m

(332) ROBERT GENTLE

THE private placing of Transnet's Equity Linked Fixed-Interest (Elfi II) bond issue, launched on April 4, has proved more popular than expected with applications for individual tranches exceeding R500m.

A statement released yesterday said applications for the bull tranche came to R250m, while those for the bear tranche reached R310m. Earlier market estimates had put the total at only about R200m.

The Elfi, unlike a traditional all-in-one bond issue, was split into bull and bear tranches whose market prices are linked to movements on the JSE.

While the private placing of the latest Elfi issue went smoothly, the same cannot be said of the R50m public offer, which Transnet said was "not as successful as hoped for".

The probable reason, Transnet said, was uncertainty about the carry policy. *Sum 174190*

Accordingly, the company launched the following clarifications on this, explaining that wholesale two-way prices would be quoted from April 19 in the individual tranches with a spread of 3% (R30 000 per R1m), good for R5m.

Moreover, the carry rate offered to market participants on the bull and bear tranches would be related to Transnet's funding rate on Elfi II. The funding cost was 15%.

With the carry rate at 15% and the borrowing rate at 15.5%, it was clear, Transnet said, that the ultimate intention was to increase the size of the issue.

In a further inducement, a buyer of both bull and bear tranches would be granted options on the tranches. The options would be "free" insofar as no premium would be paid.

The hesitancy around the public offer notwithstanding, the presence of a sizeable pool of Elfis in the market was certain to be welcomed by the local derivatives industry.

ER taxi war: police appeal for evidence

East Rand Bureau

East Rand police have appealed to complainants in the recent Katlehong taxi clash to contact the police so that statements can be taken.

A police spokesman yesterday said complainants should contact the investigating officer, Warrant Officer de Goede at (011) 906-3384.

The cases will be referred to the Attorney-General so that justice can take its course.

Slowcoaches will be forced into left lane

When the country's new Road Traffic Act comes into effect, it will be an offence to hog the right-hand lane, even if the would-be overtaker is exceeding the speed limit. It's all part of the authorities' attempts to make our roads a bit less dangerous, reports **BRENDAN SEERY**.

From June 1, the road hog flashing his lights and hooting at you to move out of the fast lane on the freeway will be in the right — legally.

On that date, South Africa's new Road Traffic Act will make it an offence for slowcoaches not to move over, regardless of the speed of the right-lane flyer.

The new rule compels the driver in the lane furthest to the right on a freeway to move to a lane to the left when the overtaking driver signals him, by flashing his lights or using his hooter.

If the slower driver does not move over when it is safe to do so, he or she will be committing an offence punishable by a fine of R2 000 or six months' jail, or both.

The Automobile Association, the National Road Safety Council and traffic authorities have welcomed the new regulation, which is one facet of a new, comprehensive Road Traffic Act which will be gazetted this week.

Overtaking

AA spokesman Mr Robin Scholtz said the new overtaking rule would help the "ease of passage" of traffic and go some way towards curing the sometimes chaotic situation on freeways where faster cars are overtaking to the right and left of slower traffic.

While he accepted that motorists travelling at the legal maximum of 120 km/h might, in effect, be accomplices in the commission of an offence if they moved over to let a speeding driver through, Mr Scholtz said he believed motorists did not have the right to take the law into their own hands by trying to force others to stick to speed limits.

The AA was concerned, however, about how the new rule would be enforced in practice by traffic officers, Mr Scholtz said.

Mr Jan O'Kelly of the traffic inspectorate of the Transvaal Provincial Administration agreed that applying the regulation might be difficult, but he said the new law was vital.

Pressure

"There must be some kind of pressure put on motorists to keep that lane as clear as possible and they must be told that it's not their duty to enforce the law," he said.

Mr O'Kelly said people deliberately blocking the fast lane might block an emergency vehicle.

"Just because the car behind you doesn't have a flashing light on the roof, or a siren or an ambulance sign, doesn't mean it might not be involved in some kind of genuine emergency," he added.

Mr Eric Wise, director of the National Road Safety Council in Pretoria, said he was thrilled about the new regulation. He described the entire issue of overtaking on the right as an emotional one, but said South African motorists had to get into the habit of regarding overtaking as an act always to be done on the right.

It was frustrating and dangerous when the fast lane was obstructed.

"Speed is not the issue here. Someone travelling at 40 km/h in the right lane is as dangerous as someone travelling at 160 km/h," Mr Wise said.

Taxis talks collapse

THE Katlehong taxi boycott talks reached a deadlock at the weekend when residents rejected a recommendation that taxis should start operating from Thursday.

Residents walked out of two meetings at Huntersfield Stadium when it was suggested that things should return to normal and taxis must resume operating for peace to prevail in the township.

The meetings were called by the Katlehong Committee of 30, set up at the time of fighting between hostel dwellers and township residents, and the Katlehong Civic Association.

The first meeting, called by the committee of 30 and attended by both hostel dwellers and township residents, resolved that peace must be restored.

**BY PHANGISILE
MTSHALI**

Residents told the organisers that they did not want to discuss the taxi boycott.

The KCA meeting also recommended that taxis should resume operating on Thursday. Residents again rejected the recommendation.

Dispute

KCA was reporting back about the recommendations by the Committee of 30, made up of the South African Black Taxi Association, Katlehong Taxi Association, Germiston and District Taxi Association and the KCA to resolve the dispute which allegedly started the Katlehong carnage last month.

KCA secretary Mr Ike Moloung said more meetings will be held this week to find ways of resolving the boycott.

express services

Changing needs set to boost industry by 20% annually

COURIER and express services are a R2bn industry with a projected average growth rate of 20% a year.

XPS marketing director Stephen Conradie says one of the main reasons behind the continued growth of the industry is the changing needs of commerce and industry.

"At the upper end of the market there are the vital high-speed, high reliability courier services — such as for sending a heart valve to a patient waiting for an immediate operation.

Speed

"Obviously, in such a situation the reliability and speed of service is of prime importance and cost is not a consideration.

"At the other end of the scale, a company might be returning broken parts from an obsolete computer. The cost would be of prime importance and the reliability a lesser consideration," says Conradie.

The express market aims at providing a service where, for either product or market demand, there is a need for both speed and reliability.

"More and more parcels are starting to fit into this category. This is being driven by changes in the way companies operate, such as the introduction of the just-in-time manufacturing system, quick re-



John Hartle ... growth could soar

sponse retailing, electronic data interchange and cost of inventory holdings.

"As a result, there is a trend worldwide for an increasing number of goods to become more time critical.

"We estimate the SA market for delivery of parcels and documents which fall into this category to be worth about R2bn a year," says Conradie.

The world market has been growing at an estimated 30% a year for the past 15 years.

Even the development and rapid spread of fax machines does not seem to

have affected growth of the industry as a whole.

DHL marketing manager John Brill says fax has actually benefited the industry.

"Fax has helped by increasing the communication links between companies and has meant an increase in traffic. This has led to more business for the courier services.

"There are cost advantages, and it is cheaper to send documents by courier if there are more than seven pages," says Brill.

London is DHL's most popular destination from SA and one kg of documents

costs R81. However, there are discounts for packages over three kg.

A parcel will cost R190 a kg to London.

The reason for the substantially higher cost is that duty is payable on parcels and they must pass through customs.

This involves considerable running around and paperwork.

TNT GM John Hartle says he expects growth in the SA market to follow the overseas forecasts of 20%.

"However, there are factors which could send SA growth through the roof.

Lifted

"Namibia is now an international destination and if sanctions are lifted courier and express parcel services are going to become even more important for SA businesses.

"We would also expect a substantial growth in traffic to the neighbouring states," says Hartle.

The local market is very competitive, with a number of major players.

"I hope this will not spark a rate war. All the carriers should behave in a responsible fashion and charge a fair rate. Courier and express services are expensive to operate and companies must make enough profits to plough back into the business, enabling them to extend the networks," says Hartle.



JOHN BRILL

International business is the money spinner

BIDAM 10/4/90 332

THE word courier often conjures up images of stern-faced men carrying briefcases chained to their wrists.

However, DHL marketing manager John Brill says, while special couriers are available, there is very little call for their services in SA.

"Special couriers are used more overseas but even there they are rare."

DHL's emphasis is on its international business and, given the size of the company's network, the parcel or packet tends to travel the whole distance in DHL hands.

The company moved 50-million items worldwide during 1989.

Brill says the company does not turn away domestic business, but admits this is not its major strength.

It offers two major parcel and document delivery services.

Says Brill: "According to the airline figures, we are

the leaders in both these categories.

"With the normal courier service, the courier takes all the packets and parcels as excess baggage.

"The courier ensures he is the last to check in so that his luggage will be loaded on to the plane last.

"Therefore, at the other end, the courier's luggage will be off-loaded first, speeding up the deliveries."

Cut-off

There is a cut-off time for parcels taking the international routes of 7.30pm, which means the parcels must reach DHL's offices by 6pm in order to make the flight.

At the other end, the bags are picked up, sorted and dispatched to their final destinations.

Brill says deliveries take about two days to London, three days to the US and three-four days to South America and the Far East.

DHL does not ship everything. Says Brill: "We don't transport items such as cash, jewellery and travellers' cheques.

"People still try. For example, we had one customer who tried to ship R29 000 in R50 notes — he called it a book. As with other cases, we returned the money to the customer and explained that we do not ship cash."

TNT is another company which has an emphasis on the international business.

GM John Hartle says TNT operates to Durban, Port Elizabeth, East London, Pretoria, Cape Town and Johannesburg, offering a next day service.

However, the main thrust of TNT's business is directed at the international courier market.

Hartle says the international couriers must still provide a domestic service.

"Often the ability to provide both services is an important advantage. Most companies want a one-stop-

shop. For example, a company may have a Cape Town and a London office," says Hartle.

With this in mind, TNT is to open a number of new local offices during 1990.

"We believe that expanding our local service will give us a larger slice of the international market as well," he says.

In addition TNT (SA) has a two-fold international traffic responsibility — to move both inbound and outbound traffic.

Improve

More local offices will improve the services on offer to the overseas companies sending parcels to SA as well as adding to the local service.

Exporters, shipping agents and banks are major users of the courier services and there is an ever increasing traffic in hi-tech products such as computer software and microprocessor chips.

FIERCE COMPETITION IS CHANGING THE NATURE OF THE INDUSTRY

COMPETITION in the road freight transport business is likely to become fierce over the next few years.

The Public Carriers Association warns that if operators can't take the heat they should get out of the kitchen.

Executive director Ian Moss says operators have been burdened by cost escalations in the region of 30% over the past year and have not been able to recover their costs, leaving the industry in a weak state.

Says Moss: "There is some good news in that operating cost increases over the first quarter of this year have stabilised. Figures indicate total cost increases have been in the two to four percent range." *10 April 1990*

He says that according to Prof Wynand Pretorius of the Rand Afrikaans University transport economics department, only 15% of private road transport and just on 40% of public road transport were regulated by the permit system during 1987.

"With the recent developments in goods-all-classes permits, it should be agreed that in practical terms most of the SA transport system, except for hazardous products, is effectively deregulated from economic control measures," says Moss.

Increased ³³²

Professor Pretorius says, excluding toll charges, total costs of operating five- and seven-axle articulated vehicles have increased signifi-

cantly during 1987 to 1989.

The cost increases have been concentrated in rising ownership costs, fuel price increases, higher replacement part prices and tyre costs.

Moss says the competition in the SA transport market is following the trend in the US and Europe, which developed after deregulation, and is becoming increasingly more sophisticated.

"Leading edge transport operators in the UK and the US are having a

rethink about competition and the notion goes that if you cannot manage competition, meaning you don't understand the basic structures underlying all the competitive forces, then it would be better to disinvest from transport rather than accept severe financial penalties.

"It is extremely important to know exactly which factors and costs underlie the competitive process and increasing attention will have to be given to this problem," he says.

Changes in SAA will have to be watched carefully

B10-7 10/4/90 332

MANY of the courier and express companies are heavily reliant on SAA for their fast domestic deliveries.

However, some indicate that problems are developing with the service SAA offers.

Data Courier Services (DCS) derives 50% of its business from the advertising agencies — carrying advertising copy from point to point.

Anything

However, the company caters for anyone who needs to send a time-critical package. It will move anything "from that vital computer spare part to the mother-in-law's present".

The company is doing well, but worried DCS owner Guy Kibler says: "I am concerned about the planned privatisation of

SAA. As a courier company, we make extensive use of SAA's services and any drop in efficiency or increase in price will effect our business.

"We use SAA's 'H' rate cargo service and previously SAA's service was excellent.

"However, SAA recently offered a golden handshake to its staff as a retrenchment package.

"There were some of the airline's experienced and skilled staff who accepted the offer.

"They left on March 15 and since then we have experienced a drop-off in the quality of service. The staff remaining are simply overworked.

"There are already signals that SAA will be raising its prices between 20% and 30% and this will have to be passed on to our customers."

Kibler is also concerned that freight price hikes are in the pipeline. He says the feedback the company has been getting suggest the rises will be in the 20% to 30% range.

The company is one of the most efficient in the market and as such has kept its prices down to "the lowest level in the market". However, substantial increases in rates will affect all the courier services.

Denies

"We did not set out to win the advertising agencies as our main client base, it just happened," says Kibler.

SAA senior manager Public Relations Officer Leon Els denies there has been any fall-off in the standard of the airline's service.

"It is true that 600 SAA

employees from a variety of sections did accept the retrenchment package. However, we are not aware of any lowering of standards as a result.

"All the managers are looking at their department needs and transferring staff where necessary.

"Where necessary, more staff are being hired."

He says the airline will be increasing its domestic tariffs in fares and freight charges.

"However, there has been no decision as to when the increases will come into effect nor have we decided on the level of the increases," says Els.

Sun Couriers international division MD Peter Baker says Sun has not had any problems with SAA's service, but he points out that the company operates in such a way as to preclude

inefficiencies where possible.

"We pack our own containers and deliver them practically to the aircraft and pick up again on the other side.

"As long as the planes takes off, our deliveries will be made."

Baker says the company receives a rate of about R2,80 a kg from SAA. However, it must ship hundreds of tons of freight to qualify for the rate.

Expect

Baker is not particularly concerned over price rises.

"We expect our partners in the industry (such as SAA) to provide a good service at a fair price.

"If either the level of service or the price is unacceptable to us we will do the job ourselves, as we have done in the past," says Baker.

Enraged taximan mauls traffic cop

JOHANNESBURG. — A young traffic officer here was yesterday bitten and seriously injured by an enraged minibus taxi owner whose vehicle was about to be towed away in the city centre.

Mr Marius le Grange, 20, was treated at Milpark Hospital for a wound to his arm, which was so severe "it looked as if a lion had savaged him", said traffic department spokesman Mr Ben Theunissen.

He said the incident happened after Mr Le Grange investigated a complaint about a minibus on the corner of Jeppe and Goch streets at 11.45pm. Mr Le Grange found a man washing his vehicle on the pavement but allowed him to complete the job.

The man disappeared, however, and Mr Le Grange summoned a tow truck to remove the vehicle.

As the vehicle was hooked up, the taxi

driver suddenly reappeared, jumped into his vehicle and tried to drive off, ripping off the towing apparatus from the truck.

Mr Le Grange tried to arrest the man and was bitten on the arm and assaulted.

The taxi driver escaped.

Mr Theunissen said the vehicle was in the city pound. — Sapa

Campaign for taxis heading for Moria

South African 11/4/90

THE National Black Consumer Union will focus on the road to Moria in its first road safety campaign, directed at taxi drivers and commuters.

People attending the Zionist Christian Church meeting are expected to

swell the numbers on the N1 between Pietersburg and Pretoria. Assistance such as radio-updates on traffic and road conditions, special guidelines and road safety rules will be made available.

A pamphlet with road

safety information will be handed out to 15 000 taxi drivers and commuters at the main taxi ranks in Johannesburg and Pretoria tomorrow and on Friday.

Road safety banners and adverts will be erected at various points along the road. Star Taxi Music will carry the message on its cassette.

Project Spear, with AA, have made three minibuses available to patrol the N1 during the peak periods. They will each have a paramedic and a motor mechanic on board.

Taxi men warned over ZCC gathering

332

Sowetan 11/4/90

By JOSHUA RABOROKO

MINIBUS taxi operators throughout the country have been asked to exercise caution when travelling on the road to Pietersburg as from tomorrow.

The Zion Christian Church's 90th anniversary which is expected to attract more than a million people will be held in Morija, in the northern Transvaal, starting Friday.

The Southern Africa Black Taxi Association (Sabta) and the Southern Africa Long Distance Association (Saldta), have both issued statements spelling out stringent measures that will be taken to avoid the carnage on the South African roads, especially during the Easter weekend.

The president of Saldta, Mr Peter Rabali, yesterday said 30 officials had been appointed to monitor traffic.

"I wish to appeal to taxi drivers, particularly those wishing to travel on long distances, to adhere to the traffic rules and regulations and should not exceed speed limits.

He advised commuters not to carry big articles before and during the trips as that would not ease the burden on the minibuses.

The communication's manager of Sabta, Mr Knox Matjila, said his association was not leaving any stone unturned in the its nationwide campaign to ensure that the high accident rate was reduced.

He said special patrols would be concentrated on the N1 north from the Pretoria-Witwatersrand-Vereeniging complex because of the heavy flow of traffic that was expected.

The National Black Consumer Union, through Sabta, will cooperate with the National Road Safety, the Transvaal Provincial Administration and the Automobile Association, would ensure that the

drivers and commuters were cared for.

More than 15 000 pamphlets would be distributed on road safety measures at main taxi ranks in Johannesburg today and tomorrow.

Project Spear had also thrown its weight to the campaign.

Hundreds of buses and motorists travelling on this road have also been asked to drive carefully to avoid accidents.

Two slain in

Body snatcher sparks fears

OWNERS of a Tsakane funeral parlour fear for their lives after a relative was caught trying to exhume a body from a new grave at Tsakane cemetery in the dead of the night at the weekend, writes PHANGISILE MTSHALI.

The Magudulela daughters, who inherited Magudulela Funeral Parlour from their father, have asked the Tsakane Civic Association for protection after rumours that residents wanted to burn down their business.

"We are appealing to the community to calm down until the whole matter has been thoroughly investigated," TCA president Mr Themba Mabuza said.

Mabuza said residents near the graveyard were alerted at 2am on Sunday that a man was digging a new grave.

The people who found him digging attacked him. He was reportedly saved by TCA members.

"He later told us that

● To page 2

taxi war

TWO prominent Alexandra Township taxi owners were shot dead and another was critically injured in separate shootings on Tuesday.

This has sparked fears of a new taxi war in the township.

Witwatersrand police said they were investigating a possible taxi war after the deaths of Mr Thami Michael Motswi (36) and Mr Raymond Masangwane (28) who were shot about the same time in different parts of Alexandra on Tuesday night.

Police could not confirm the shooting of Mr Benny Kutumela, who was allegedly shot eight times in front of Wynberg Business College on Tuesday afternoon.

However, the superintendent of Hillbrow Hospital said Kutumela had been admitted late in the afternoon.

Kutumela is a former member of Alexandra, Randburg, Midrand and Sandton Taxi Association (Armsta) and a member of the taxi squad committee.

Motswi, a member of the Alexandra United Taxi Association, was shot a few metres from his father's house while chatting to a friend.

Gunshots

A neighbour said she heard five gunshots just after 8pm. When she rushed to the scene she found Motswi lying down, bleeding.

He was taken to Alexandra Clinic where he died.

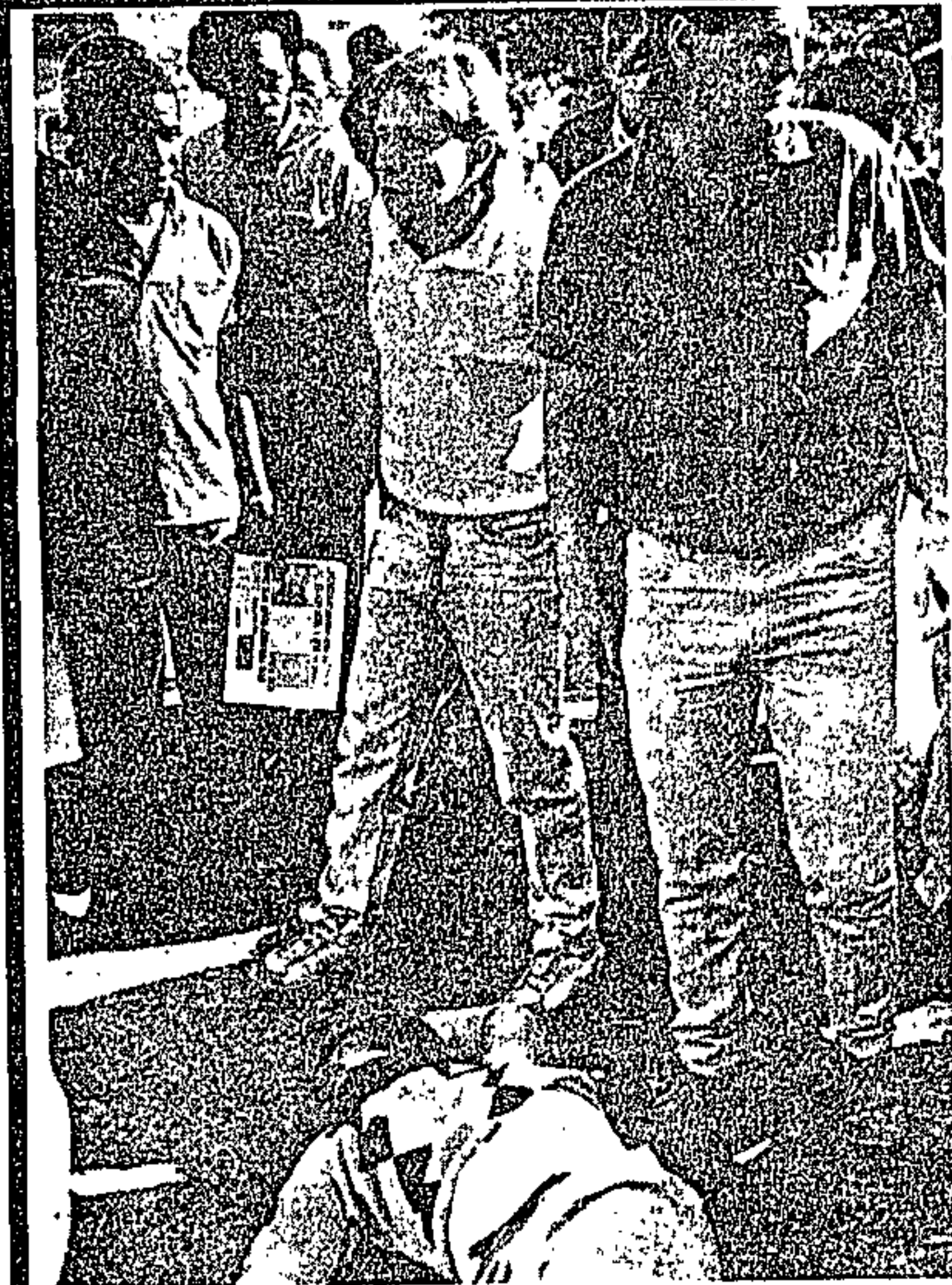
A witness said the assailant was wearing a mask and shot Motswi without saying a word.

About the same time, Masangwane died instantly after he was shot outside his 11th Avenue home.

He was an executive member of Armsta and an Alexandra City Council employee.

The Alexandra Civic Organisation has appealed

● To page 2



A suspected bank robber lies dead on the street after he was shot by police soon after a robbery at an Allied Building Society branch in central Johannesburg yesterday. Four others escaped with an unspecified amount of cash. Story on page 3.

Pic: SEAN WOODS

By PHANGISILE MTSHALI

Taxi war

● From page 1

for peace among taxi operators.

"Community organisations have been intervening since early February when tension began," ACO publicity secretary Mr Obed Bapela said.

"There are people who do not want peace and unity among taxi operators.

"After successful unity talks that ended last year's taxi war, one of the associations pulled out of the newly formed Auto immediately."

A feud between the two organisations broke out in 1985 and reached its height in 1988 with the death of a number of taxi owners from both sides.

No further incidents of shootings had been reported until this week's deaths.

JEPPE STREET, JHB.
834-7257
KING GEORGE STREET,
JR. NOORD STREET, JHB.
29-3225

ECIALS

SUNLIGHT
SOAP
500 g
R129

SUNOL
OIL
5 lt
R1279

ALL
GOLD
TOMATO
SAUCE
750 ml
R259

'S BAKED BEANS
SPAGHETTI IN
TOMATO SAUCE

12 x 410 g

war

● From page 1

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Taxi

Sowetan 14/4/90

332

New organisation sees diversification of black transport

B1 Day 12/4/92 THEO RAWANA

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THE black transport industry has broken out of the confines of passenger vehicles with the founding of the National African Federated Transport Organisation (Nafto).

The launch of the Nafcoc-affiliated Nafto at the end of last month saw black transport diversifying into such areas as cartage, air freight, haulage, shipping, taxi transport, busing and trucking.

Nafto secretary Ntise Matlhoko said in an interview this week the organisation, with a national membership of 40 000, was an amalgamation of independent transport associations.

These included the SA Long Distance Taxi Association (Saldta), Majakathata, Majelathoko, Federated International Taxi Organisation (Fito), Alexandra-Randburg-Sandton Taxi Association (Armsta), Vaal Morning Star and the Black Union of SA Taxi Organisations (Busato).

"It was born out of a need to unite black transport under one wing and foil the attempts of white organisations to swallow black operators and live off their sweat," said Matlhoko, who studied shipping in London.

Nafto runs a driver-training programme in conjunction with Sasol, which sponsored the launch with Caltex.

The Nafto Foundation, a security fund in which members have to invest at least 15% of a vehicle's purchase price, runs a car-finance scheme called Nafto Transport Finance, in conjunction with Stannic.

The finance scheme offers deposits for vehicles and comprehensive insurance and protection for family in the event of a member's death or serious injury.

Saldta president Peter Rabali is chairman with Nafto-Busato's Simon Mathysen as vice-president. Jacob Baleni and Matthew Motsieloa are commercial directors and Mtlhoko is the secretary.

Two Alexandra taxi owners shot dead

Own Correspondent

Two prominent Alexandra township taxi owners were shot dead and another critically injured in separate shootings on Tuesday.

This has sparked fears of a new taxi war in the township.

Witwatersrand police said they were investigating a possible taxi war after the death of Mr Thami Michael Motswi (36) and Mr Raymond Masangwane (28), who were shot at about the same time in different parts of Alexandra on Tuesday night.

Police could not confirm the shooting of Mr Benny Kutumela, who was allegedly shot eight times in front of Wynberg Business College on Tuesday. However, the superintendent of Hillbrow Hospital said Mr Kutumela had been admitted late on Tuesday afternoon.

Mr Kutumela is a former member of the Alexandra, Randburg, Midrand and Sandton Taxi Association (Armsta) and a member of the taxi squad committee.

Mr Motswi, a member of the Alexandra United Taxi Association (Auta), was shot a few metres from his father's house while chatting to a friend.

Wearing mask

A neighbour said he heard five shots shortly after 8 pm. When she rushed to the scene she found Mr Motswi lying on the ground. He was taken to the Alexandra Clinic where he died.

A witness said the gunman was wearing a mask and shot Mr Motswi without saying a word.

About the same time, Mr Masangwane died instantly after he was shot outside his 11th Avenue home. He was an executive member of Armsta and an Alexandra council employee.

The Alexandra Civic Organisation (ACO) has appealed for peace among taxi operators.

"Community organisations have been intervening since early February, when tension began," said ACO publicity secretary Mr Obed Bapela.

"After successful unity talks that ended last year's taxi war, one of the associations pulled out of the newly formed Auta immediately."

A feud between the two organisations broke out in 1985 and reached its height in 1988 with the death of a number of taxi owners from both sides.

Holiday road death toll hits 124

AT LEAST 124 people died in road accidents at the weekend — with 35 deaths in the Cape.

Last Easter 194 people died.

A National Road Safety Council (NRSC) spokesman said this year's Easter death toll "looks quite good compared to last year, though it is too early for accurate comparisons".

Police reported that 54 people died in the Transvaal, 35 in the Cape, 21 in Natal and 14 in the Free State. Pedestrians accounted for 53 fatalities.

Minibus taxi accidents were involved in about 19 of the weekend road deaths, one of the lowest figures in several years, the spokesman said.

The NRSC said that although a large number of drivers behaved safely and responsibly, some road users ignored traffic safety advice.

Traffic streams home

Capetonians who spent the weekend at coastal resorts were cruising home along the N2 at a rate of 1 786 cars an hour yesterday afternoon, dropping to 1 471 an hour last night.

The count on the N1 through the Huguenot Tunnel increased to 1 069 cars an hour both ways yesterday. A steady count of 600 cars an hour was recorded on the N7, as holidaymakers returned from the West Coast.

In some of the accidents reported at the weekend:

- An unidentified woman and a baby were killed outside the Maitland cemetery at 8.14pm on Sunday when the car in which they were travelling hit a lamp post.

- A Brooklyn man, Mr Shaun Karsula of Koeberg Road, died near his home early on Sunday. His companions, Miss Kathy Mitchell, Miss Ronnette Edwards and Mr Joe Lawrence, were all seriously injured when their car left the road and hit a tree.

- Two people were killed and another 21 members of the Zionist Christian Church, Estcourt, were injured when their minibus spun out of control and overturned near Durban on Sunday. The driver of the minibus was decapitated and a woman died when the vehicle fell on her.

- In Grahamstown a hitch-hiker was killed when he fell from the back of a bakkie in Raglan Road on Saturday afternoon. — Staff Reporter and Sapa

Toll roads prove to be life-savers over Easter

Toll roads — claimed by many to "rip off" motorists and said to be too expensive to build in cash-strapped South Africa — proved a life-saver for many thousands of holidaymakers over the Easter weekend.

The pay-as-you-drive super roads which (almost) link the Rand and Pretoria to the beaches and holiday resorts of Natal and the Eastern Transvaal, are believed by road safety officials to be one of the key reasons why the Easter road death rate has been the lowest in six years.

While toll tariffs are still a subject of dispute, safety experts base their assumption on one key fact: "six years ago there were no toll roads to allow for easy driving during peak season."

However, the experts are also angered by the standard of driving shown on many main and subsidiary routes.

Even though 144 people are known to have died — the lowest number since 1984 and 60 less than the same time last year — there are still people who disregard the rules of the road, safety officials say.

Speed, pedestrians, drunken driving and what is described as "erratic drivers" are the reasons for the high death toll that took the lives of pedestrians, cyclists, motorcyclists and car drivers over the long weekend.

NRSC officials are horrified that people rushing to the coast from the Pretoria-Rand area last Thursday were driving so fast on the freeway skirting Heidelberg that 66 percent were over the speed limit of 120 km/h.

And the homeward journey was also a rush: on Easter Monday, 79 percent of all motorists were breaking that speed limit.

At toll plazas on all main routes it was found, too, that large numbers of motorists

Speed kills — as many motorists discovered over the Easter holiday weekend. But road safety officials are pleased that the death toll has been kept down for the first time in six years — and they say toll roads are one of the main reasons, reports **NORMAN CHANDLER.**

did not even bother to slow down when approaching the toll gates — some were still doing over 100 km/h, say toll gate officials.

"What we have found is that when traffic volumes are high, people speed and are irritated by having to stay behind slower cars. Conversely, when volumes are low, they behave in an irresponsible manner," said an NRSC officer.

But there is another silver lining for officials from safety and motoring organisations and toll road companies.

"People are starting to plan their journeys, and that is a big plus-factor for everyone."

"It means families are taking care, that they are realising holidays are not merely a case of getting into a car and driving like hell to Durban," said one official.

"People are actually stopping at the new service centres on major routes, stretching their legs, overcoming the exhaustion of a long drive, and getting to their destinations in one piece."

There are numerous factors dictating holiday traffic, according to the NRSC.

The top road-safety organisation in the country says it is concerned about motorists who take to the side roads in a bid to beat paying tolls.

"These are the people who travel on roads designated as small routes rather than on the R and N routes," said a spokesman. They think that traffic volumes on the alternative routes will be low — but how wrong they have proved to be.

"Some of the worst accidents over the weekend occurred on these small routes. People think they are not in heavy traffic and drive over the speed limit, knowing that traffic authorities are chiefly policing the main routes," the spokesman added.

Here's a sobering statistic for the alternative route travellers: 73 of the 144 motorists, pedestrians, cyclists and motorcyclists killed on the roads over the holiday weekend died on those alternative routes.

Pedestrians and the distance between vehicles is still a major problem for safety groups, and the NRSC intends launching another concerted effort to overcome these twin problems.

"It is very expensive for people, particularly in the rural areas, to buy reflective clothing, so something else will have to be devised to help pedestrians. The matter of vehicle distance is another education programme which has to be decided upon," a spokesman said.

Meanwhile, there is praise from all groups for the behaviour and driving of black taxis over the weekend.

"Feedback from Sabta members is praiseworthy of the manner in which that organisation informed its members of road safety. It was very effective and played a major role in cutting down on deaths and bad driving over Easter. The 21 deaths caused through minicab accidents is lower than in previous years," a spokesman said.

Boost for driver training project

By ALI MPHAKI

TOYOTA has donated four Super 10 minibuses for the Project Spear driver training programme of the S A Black Taxi Association (Sabta).

The whole programme was developed in conjunction with the National Road Safety Council for Scientific and Industrial Research.

Launched in August 1988 as a joint venture

between Sabta and Associated Training Resources, Project Spear hopes to tackle driver training in the black taxi industry which operates an estimated 100 000 vehicles.

Project Spear, which

has its offices in Johannesburg, has drawn up driver training agreements with various organisations throughout the country.

The initial target is to train five to 10 people per week at each centre.

Taxi owners will contribute towards the cost of the courses: an example being R250 to R300 for a two-day course.

Dorbyl awarded largest contract of its kind yet

19/4/90

BRENT MELVILLE

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THE largest contract of its kind in SA history has been awarded to Dorbyl Marine for the construction of three massive container ships worth about R350m.

Dorbyl Marine MD Joe Bullough said the ships would each be 133m long with a deadweight of 9 300 tons and the capacity to carry 885 containers. "It marks the biggest contract we have ever received," he said.

He was reticent, however, to disclose further details, though industry sources believe the customer is a German company based in Cyprus. The first ship is to be delivered in November 1991, the third in November 1992.

Bullough said the contract would generate an additional 350 jobs in the shipyard and provide continuity of production following completion of the two hulls and superstructures of ships presently on the slipways.

TrustBank and Central Merchant Bank have provided the export finance facility with export credit insurance cover provided by the Credit Guarantee Insurance Corporation (CGIC).

CGIC MD Chris Liesewitz said the deal was one of the biggest insurance policies on exported capital goods that the group had ever issued. "In the last couple of years the total value of capital goods earmarked for export insured by the company has been no more than R180m annually," he said.

He confirmed that the deal had been insured to the value of just over R300m.

□SAPA reports that the Labour Party (LP), in a statement yesterday, said government should withdraw the visas, work permits and temporary residence permits of the expatriate or foreign workers at the heart of the Dorbyl dispute and repatriate them.

The statement, signed by five LP MPs from Natal, said the LP reiterated its support for and identification with the Dorbyl workers in their demands.

This means that one in every 149 of the 165 734 mini-buses on the road in 1988 was involved in a fatal accident. In 1987, the figure was one in every 160 out of a total of 145 486. Mini-buses have the highest accident rate of any vehicle. They comprised less than 4% of all the licensed vehicles on the road in 1988, but were involved in 10,6% of all fatal collisions and 11,7% of all serious collisions.

With 90% of mini-buses used as black taxis, the Southern African Black Taxi Association is alarmed at the soaring death rate. Spokesman Knox Matjila says it is mustering support from law enforcement agencies, the Department of Transport, the Automobile Association and other groups to devise a strategy to reduce the number of accidents. The association says inadequate driver training is the major cause, so strategy will focus on that.

Ironically, heavy commercial and articulated vehicles are often seen as the most accident-prone vehicles. Their fatal accident rate has also risen, but not as dramatically — from 828 in 1977 to 1 063 in 1984 and 1 143 in 1988. There are, however, 200 000 of them on the road — many more than the number of mini-buses.

Exhausted, untrained drivers

Why all the mini-bus carnage? Transport consultants say that in addition to inadequate training, drivers — most of whom own their vehicles — are often exhausted because they work a 20-hour day. Also, mini-buses that may be designed to take 15 small-framed Japanese passengers are overloaded when carrying 15, large South Africans.

Executive director of the National Association of Automobile Manufacturers Nico Vermeulen denies that the typical load carried by mini-buses in SA makes them unsafe. He says they have a more than adequate margin of safety and can cope with heavier loads than the maximum permitted.

One Johannesburg consultant, who declined to be named because he works for several taxi firms, says mini-buses are overloaded even when they carry the number of passengers they're licensed to carry. This is because the law assumes the average South African weighs 63 kg, "which is much less than the average black person weighs." The average SA adult weighs 77 kg, according to Old Mutual.

"And when they are used for long distance work, such as taking people home on weekends, every passenger takes his or her luggage and any number of purchases with them on the bus," he says. "So even if loaded with the right number of passengers, each one of those buses is overloaded."

The Road Safety Council often comes across examples of black taxi drivers with a complete lack of training or even an understanding of their vehicles' capabilities

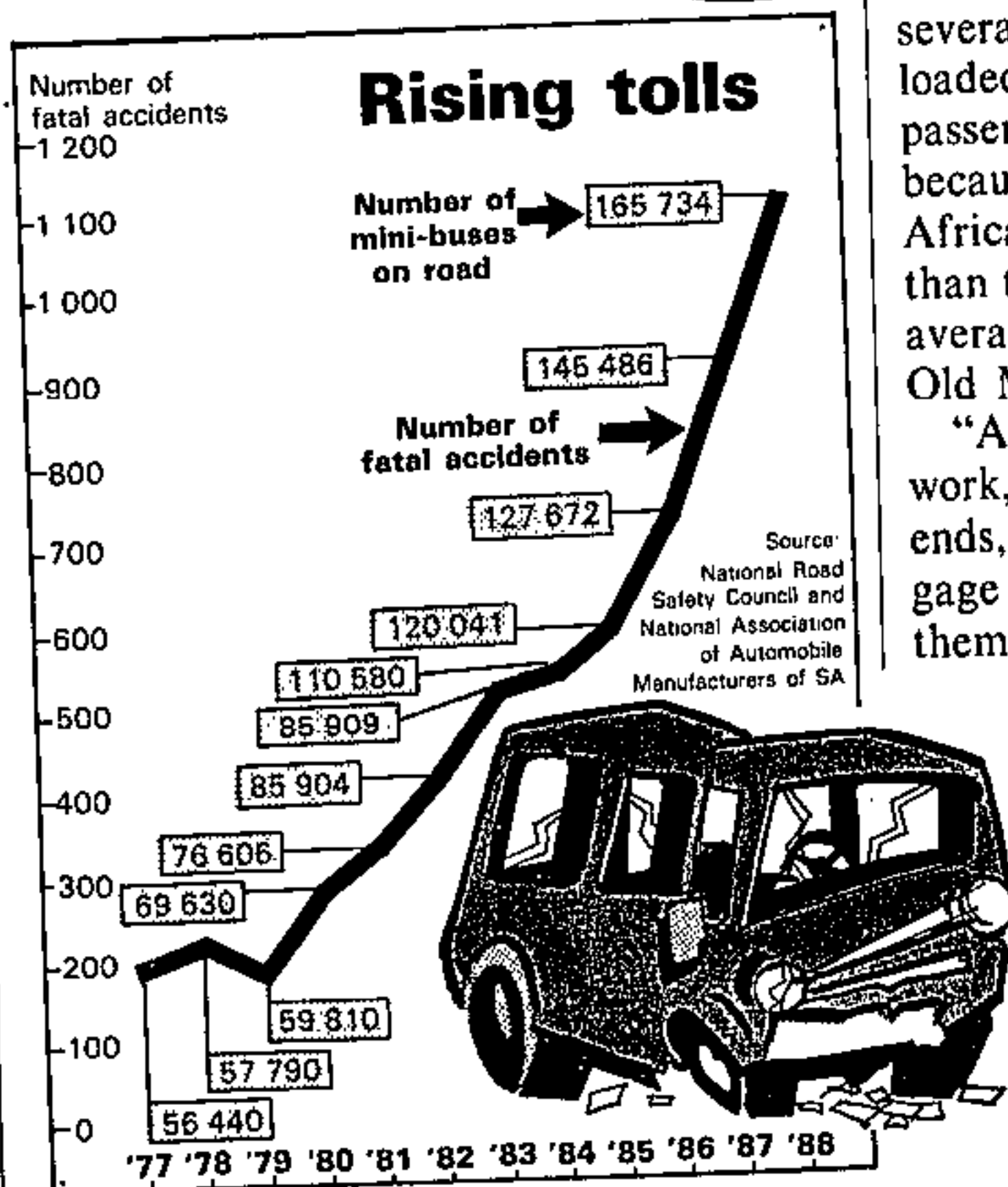
A driver, who was the only

survivor of a head-on collision that killed his 12 passengers in 1988, told an official that no one had ever told him his vehicle was not as responsive when transporting 13 people as it was when he was the only occupant. ■

BLACK TAXIS F/M 20/4/90

The killing streets

The number of fatal accidents involving mini-buses continues to escalate. Figures released last week by the National Road Safety Council show they jumped to 1 109 in 1988, up 22% from 909 in 1987. 332



ity apparatus was intact and it

road to a democratic government was vital if the to be negotiated, Schwarz said.

Mini-bus record defended

10/04/90 BARRY STREEK 332

CAPE TOWN — Mini-buses, statistically, had a lower accident rate in 1988 than buses and passenger cars, the National Road Safety Council (NRSC) disclosed in their annual report to Parliament yesterday.

The number of accidents involving mini-buses did increase by 42,6% between 1986 and 1988 to total 47 952, and the number of people killed in minibus accidents more than doubled over the three years to reach 853.

But the accident rate for minibuses was lower than that for buses and passenger vehicles.

The accident rate for buses per 100-million kilometres was 1 208 and the rate for passenger cars was 986, while the rate for minibuses was 971.

Accidents for commercial vehicles per 100-million kilometres was 382, the rate for motorcycles 391, and the rate for tractors was 466.

The council said the overall accident rate in terms of collisions and fatalities declined in 1988 and its research indicated that the decline was maintained last year.

"The ever increasing number of minibuses on roads and the high collision involvement among this group of road-users received serious attention and this road traffic safety problem will receive precedence in 1990."

In 1988, there were 702 681 vehicles involved in collisions with an average collision rate of 744 in 100-million.

Nearly half of the 10 691 people killed in accidents — 4 950 — were pedestrians. The rate of fatal collisions was 10,2 in 100-million kilometres.

In 1988, there were 145 967 registered minibuses and 47 952 of these were involved in collisions, in which 853 people were killed, 3 382 people received serious injuries and 7 019 minor injuries, the road safety council said

Bureau looks at privatisation

CAPE TOWN — The Bureau for Information hopes to make recommendations to government by the end of this month on the possible privatisation of its functions, according to its annual report tabled in Parliament yesterday.

In introductory comments, the report says that as an interim step in this restructuring process, the bureau had already closed seven of its 13 regional offices.

"Although this has diminished its national communication capability, the decision was unfortunately unavoidable from the point of view of cost-effectiveness."

Dealing with its foreign media liaison functions, the report says there were 240 accredited foreign media representatives based in SA in 1989 in the following categories: 144 correspondents, 29 administrative personnel, 53 technical personnel and 14 photographers.

Reports compiled by the accredited foreign media were monitored regularly and, where necessary, periodic discussions were held with correspondents on their reporting. — Sapa.

GRINCOR

Offshore boost

FIM 20/4/90

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Activities: Storage, handling and transport of goods.

Control: Grindrod Holdings 53,3%.

Chairmen: W M Grindrod; MD: I M Groves.

Capital structure: 25,2m ord. Market capitalisation: R94,5m.

Share market: Price: 375c. Yields: 6,1% on dividend; 16,6% on earnings; PE ratio, 6,0; cover, 2,7. 12-month high, 380c; low, 230c.

Trading volume last quarter, 174 000 shares.

Year to Dec 31	'86	'87	'88	'89
ST debt (Rm)	9,3	12,8	20,8	17,9
LT debt (Rm)	14,8	45,5	73,0	54,4
Debt:equity ratio	0,35	0,83	1,25	0,69
Shareholders' interest	0,42	0,31	0,26	0,30
Int & leasing cover ..	3,4	3,2	3,6	3,9
Return on cap (%) ..	13,0	8,7	10,6	15,1
Turnover (Rm)	218,4	274,6	345,2	424,0
Pre-int profit (Rm) ...	20,6	18,4	29,2	46,5
Pre-int margin (%) ..	9,1	5,9	7,2	9,8
Earnings (c)	29,4	18,4	40,3	62,3
Dividends (c)	17,9	12,5	18	23
Net worth (c)	188	178	187	253

Expansion of offshore interests seems to be paying off handsomely for Grincor. Attributable earnings from this source soared from about R500 000 (5% of the total) in 1988, to R2,8m (18,1%) last year, turning what would have been a 33% improvement in earnings — if the group had had to rely solely on domestic operations — into an overall 55% gain. This pattern should continue as the group moves towards its objective of a 40% foreign contribution.

Last year's earnings gain brought the total improvement since the 1987 setback to 239%. It has been accompanied by a vastly expanded total asset base, up from R211m to R307m (also probably reflecting expansion of offshore interests and a weaker rand), with the result that most of the 1989 performance ratios were only modestly better than in 1986.

Asset-turn, for example, was unchanged at 1,4 times over the three-year period; the trading margin improved from 9,1% to 9,6% and the pre-interest return on funds employed nudged up from 13% to 15,1%. The only ratio showing significant improvement was ROE which, at almost 25%, has come a

long way from the rather pedestrian 15,7% of three years ago; it would seem that higher gearing has been significant here.

Ironically, though Grincor has never been particularly high geared relative to its line of business, a lot of attention appears to have been devoted last year to strengthening the balance sheet. Borrowings net of cash have dropped from R89,3m and the debt ratio has virtually halved.

Judging by interest charges, however, it would seem much of the reduction occurred late in the year. Average cost of debt doubled to 18% and, if borrowings remain low this year, interest savings will probably go a long way in providing the real earnings growth forecast by chairman Murray Grindrod.

Despite sound performance over the past two years and growing importance of foreign earnings, Grincor's market rating has not improved as one would have expected. While the dividend yield has moderated, it still represents a massive discount to the industrial market while the p/e is slightly higher than in April last year.

This rating seems, on the face of it, a bit anomalous as the group could have quite a lot going for it over the next few years: interest savings and profits enhanced by currency considerations in the short term, while a little further ahead it might not be too optimistic to look to improved export volumes as political pressure against SA wanes.

Against this, the share's rating took a knock with the 1987 earnings setback — the timing was definitely unfortunate, given tender investor companies of which Grincor (listed in November 1986) was one.

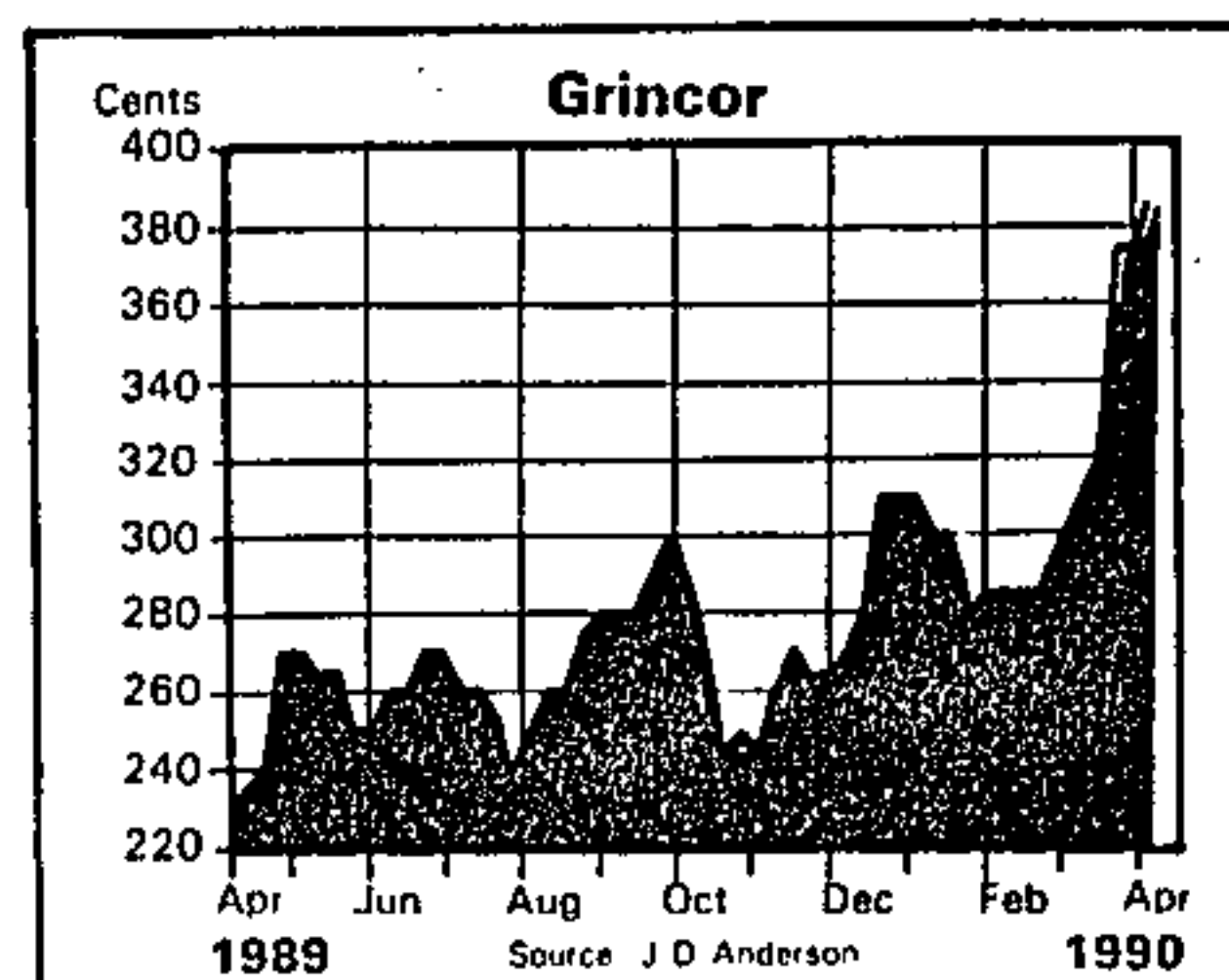
Brian Thompson

CADBURY SCHWEPES

More to chew on

Cadbury Schweppes (Cadswep) experienced strong turnover growth last year but its profit growth was hindered by narrower margins and a higher interest bill. The rise in turnover was principally due to the inclusion of Chapelat-Humphries (C-H) and volume growth in Bromor and Cadbury.

The acquisition of an 82,5% holding in C-H has secured a larger share of the sugar confectionery market. The company complements the existing product range and includes the Chappies and Wicks brands. C-H's operating profit for the year exceeded the pre-acquisition estimates but was inhibited by capacity constraints. Cadswep has an option to acquire the outstanding 17,5% of the issued shares of C-H after May 1 1992.



Sabta won't join any political movement

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Journal 20/4/70

By JOSHUA RABOROKO

ALL members of the Southern Africa Black Taxi Association (Sabta) are free to join political movements of their own choice, but the association will not affiliate to any political organisation, sources said this week.

Sabta's public affairs manager Mr Mike Ntlatleng said the association fully supported community and political organisations and trade unions in their opposition to apartheid.

The organisation was reacting to reports that two of the taxi associations - the Port Elizabeth Black Taxi Association (Pebta) and the United Black Taxi Association (Ubta) - who are their members, have chosen to affiliate to a political movement.

The reports stem from a meeting where the two affiliates formed an interim committee with the aim to form a single taxi association.

After the meeting there were reports that the committee will be called "Amandla" which Sabta regarded as a political slogan.

Vice president of Pebta, Mr S R Beja, who is also a member of the committee, said reports that the committee was called "Amandla" - by all judgment a political slogan - were totally untrue and misleading.

Duty

"The constitution of our motherbody is clear on this issue - we have no political affiliations. However, individual members are not barred from political alliances and affiliation," Beja said.

He said the duty of the committee was to unify the two associations into one unit. The attempts to unite them would obviously help bring about peace in the region.

New toll roads will bite drivers' wallets

Sta 20/4/90 332

By Claire Robertson,
Pretoria Bureau

Motorists, already paying taxes and fuel levies amounting to more than double what is being spent on roads — according to the Automobile Association Foundation — may face at least seven new State toll roads.

The Department of Transport has confirmed that it is considering seven roads, some to be built, maintained, and tolled by the State. Some see this as asking motorists to pay twice for the use of roads.

The roads, some already built and others due to be opened by the year 2000, are the Natal south coast N2; a stretch on the Natal north coast; a road between White River and Nelspruit; one from Johannesburg to Klerksdorp; from Pretoria to Rustenburg; from western Johannesburg to western Pretoria; and an extension of the N1 north from Warmbaths to Pietersburg.

The State already runs tolls at the Huguenot Tunnel, on the

Tsitsikamma Forest road, at Mariannhill in Natal, and Kranskop in the northern Transvaal.

The motorist using a State-owned toll road will already have paid for at least part of the road through income tax and the fuel levies.

In spite of these taxes, funding available for roads has "been eroded by almost 50 per cent in the past two years", says Dr Romano del Mistro, executive director of the AA Foundation, the privately funded, non-profit body researching transport matters.

"Over the past two years, funds available for national and provincial roads have declined by about R200 million a year.

"While we can understand the priorities of the Government, it is also important for it to remember that road-users already pay more than twice what is being spent for roads through taxation on fuel."

According to a spokesman for the Department of Transport, no final decision has been taken on five of the seven roads.

"The State is investigating all possibilities where toll roads

can be viable to assist in providing roads earlier than would be possible with normal funding from the Exchequer.

"It is not a matter of paying two or three times," he said, but added that none of the existing Government toll roads was completely financed by tolls.

Although legislation to allow for the privatisation of roads is currently before the Cabinet, "we have no intention to link (feasibility studies for these roads) with current agreements with the two private toll firms."

Private toll firms carry the entire cost of financing and construction of new roads — recouping this in tolls alone.

The toll firms claim the "user pays" principle makes them more efficient, more likely to provide attractive services, and safe roads — and also to charge reasonable amounts.

Although the cost to the motorist on these roads is considerably higher than charged on State toll roads, the companies argue that in the case of State-run toll roads, even people who do not use specific roads pay for them through taxes and fuel levies, and those using the roads must pay the toll — and are paying twice.

Also, tolls on new roads could come to resemble those paid to private firms when the State attempts to recoup monies borrowed for construction — as opposed to funds gained through tax and levies.

In October, Minister of Transport Mr George Bartlett warned that State tolls were likely to increase.

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.

Taxi safety: action group formed

By PATRICK MAFARO

22/4/90

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A TAXI Safety Action Group (TSAG), operating under the auspices of Sabta and chaired by Vladis Servas of the Council for Scientific and Industrial Research (CSIR), has been formed to help reduce the number of accidents caused by taxis.

Membership is representative of a broad cross-section of concerned parties and includes organisations such as the National Road Safety Council (NRSC), the Automobile Association (AA), the National Association of Automobile Manufacturers of South Africa (Naamsa), the Southern Africa Long Distance Taxi Association (Saldta), Project Spear, traffic authorities, the South African Police, the Department of Transport, the United Long Distance Taxi Association (ULDTA) and the South African Bureau of Standards (SABS).

Minibuses caused 21 deaths over the Easter weekend.

TSAG will address road safety through policy, law enforcement, training, technical matters and communications.

To maintain the momentum of passenger safety, Project Spear recently received four minibuses for its driver training programme, developed in conjunction with the NRSC and CSIR.

This programme includes training of driver instructors. The first 12 have completed their induction training course at the Eastern Cape Training Centre in Port Elizabeth.

Project Spear's initial plan is to draw up four or more different courses. Each will last between two and five days. Project Spear MD Henry Serfontein said it a driver could complete the full programme within 15 months.

New violence fuels Katlehong taxi war

CAPL Tint 23/4/90

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GERMISTON. — A simmering taxi war that has already claimed nearly 50 lives erupted at Katlehong near Germiston again on Saturday night.

apparently sparking off new violence.

Police public relations spokesmen said it was "very quiet" in Katlehong yesterday. — Sapa

Youths stopped cars entering the township and searched them for weapons and a taxi was set alight.

Residents came across the mutilated body of an unidentified man about 5pm yesterday on the railway line near Kwe-sine and Pilot stations.

However, police in Pretoria said no murders had been reported in the township yesterday.

Nearly 50 people died in the township a month ago, when a feud between rival taxi organisations exploded into violence. Operators stopped serving the township but some began again on Friday,

Katlehong taxi war breaks out again

A simmering taxi war that has already claimed nearly 50 lives erupted at Katlehong near Germiston again on Saturday night.

Youths stopped cars entering the township and searched them for weapons and a taxi was set alight.

Residents came across the body of an unidentified man at about 5pm on Sunday on the railway line near Kwesine and Pilot stations.

Sapa's correspondent reports the man had been badly mutilated and identification was impossible because of the number of

stab wounds.

However, police in Pretoria said no murders had been reported in the township yesterday.

Nearly 50 people died in the township a month ago, when a feud between rival taxi organisations exploded into violence.

The correspondent reported that hundreds of youths barricaded streets yesterday with burning tyres. One taxi was stopped, the passengers hauled out and assaulted and the taxi set alight.

Since the killings a month ago, the Germiston and District Taxi Association and the Katlehong Taxi Association have not been operating in Kat-

lehong.

The South African Black Taxi Association had suspended its affiliate, the Germiston and District Association, until the feud was resolved.

But, some taxis started operating on Friday -- which apparently sparked off the violence.

Gunshots were heard in the Ramokonupi and Zulu sections, the correspondent said.

Police public relations said it was "very quiet" in Katlehong yesterday with only four stonethrowing incidents reported.

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23/4/90
BID 21

Cargo wins R10m deal for Caltex transport

CHARLOTTE MATHEWS

CARGO CARRIERS has secured a five-year, R2m-a-year contract with Caltex for the bulk carriage of petrol, diesel and paraffin arriving at Mossel Bay, and is negotiating with other oil companies for similar contracts.

MD Patrick Murray said last week Cargo was now running four vehicles for Caltex which were capable of carrying 60-million litres of fuel a year.

Cargo was negotiating to put a fifth vehicle into operation, which would add another R480 000 a year to the contract.

Road transport group Cargo, which is 34,6% held by Bolton Industrial Holdings, also acquired J & G Transport in Ficksburg just before the end of the February financial year. Results for the year are due out shortly.

In the southern Cape, Cargo is doing bridging for Caltex. This involves moving fuel inland from storage tanks at Mossel Bay, and some distribution.

Transnet Biday 23/4/90 overcomes market (332) reluctance

GRETA STEYN

CAPITAL market players' initial reluctance to subscribe to the R50m public offer of Transnet's Equity Linked Fixed Investment stock (Elfi) disappeared after a concerted effort by both Transnet and Finanskab to stress Elfi's enhanced marketability.

The offer to the public, aimed primarily at jobbers rather than investors, was extended and was then fully subscribed. An earlier private placing had drawn better-than-expected interest from institutional investors and R500m was allocated.

Transnet group financial manager Eugene Kruger said the hesitancy to take up the public offer was because of uncertainty over its "carry" policy, which he hoped had now been cleared up. It was a generous carry offer and Transnet pledged to continue with it.

Kruger said: "We will offer carries at rates around 15%-15,5% and as long as our average cost of funding on this instrument remains at that level, the policy stands. This is a serious effort by Transnet to support the market."

With money market rates at around 19%, market players described the policy as generous and said it would encourage speculators to be long of the stock — as they would avoid the negative costs of carry.

Finanskab Deputy GM Helen Masson ascribed the turnaround in sentiment on the public offer to increased awareness of Transnet's positive "carry policy". She also believed the market would be encouraged by the fact that the bull and the bear tranches of the stock, linked to the JSE overall index, would be marketed separately.

Sowetan 24/4/90

Future SA the spotlight at business talks

By JOSHUA
RABOROKO

HARARE - MORE than 100 South African black business people visiting Zimbabwe and their local counterparts will today discuss import and export opportunities for small businesses in a post-apartheid South Africa.

The South African delegation, to be led by the chairman of the Get Ahead Foundation, Dr Nthato Motlana, will explore means of gaining access to outside markets.

Among guests at the conference will be president of the South African Black Taxi Association Mr James Ngcoya, Sabta's deputy marketing manager Mr Jabu Mabuza, chief executive of WR Consultants Mr WR Ramushaba and representatives of the external mission of the ANC and the PAC.

It is also understood that Sabta is to address the problem of road transport and the possibility of extending its operations into Zimbabwe.

Earlier, two Zimbabwean Cabinet ministers told the South African visitors to work hard for political and economic liberation in their country.

The group was also welcomed by representa-

tives of the ANC and PAC in exile.

Motlana said black business operations in South Africa were limited to the retail of basic household goods in the black areas with little prospect of access to outside markets.

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Lull in taxi feud

24/4/90

South Africa

KATLEHONG in the East Rand was quiet but tense yesterday following the burning of two taxis and a bus at the weekend.

The violence has evoked renewed condemnation and fresh appeals for calm from the ANC, the United Democratic Front and the Southern African Black Taxi Association.

The UDF's Southern Transvaal region announced it would send a task force today to assist in re-establishing peace in the area.

A house belonging to a member of the Katlehong Civic Association, Mr Nelson Mabizela, was petrol-bombed early yesterday morning.

Two petrol bombs were thrown and one went through the window of the living room, causing minimal damage to the house.

Mabizela said he did not think the attack was related to the renewed clashes.

The KCA is representing Katlehong residents in peace talks between the warring taxi groups, the Germiston and District Taxi Association and the Katlehong Taxi Association.

Taxis burnt as violence returns to Katlehong

By Stan Hlophe

Two taxis and a privately-owned bus were set alight and several other vehicles damaged when a group of youths went on the rampage at the weekend in Katlehong on the East Rand.

Yesterday the township was quiet, but tense. Large rocks barricaded main roads leading to the township.

Township residents said a group of youths stopped the taxis and beat passengers with sjamboks, warning them not to board taxis because of a boycott which started in the township last month.

The boycott started after a route dispute between the Germiston and District Taxi Association (GDTA) and the Katlehong Taxi Organisation (Kato).

At least 50 people were injured when the boycott escalated into full-scale fighting between taxi owners and youths.

GDTA members yesterday blamed the Katlehong Civic Association (KCA) and youths.

They said: "We were given permission by the KCA to resume operating last Thursday. This was after talks between Sabta and the KCA. But to our surprise we were stopped, forced off the road, passengers sjambokked, our vehicles stoned and two others set alight."

They said private vehicles

were allowed to operate and saw this as "a ploy to force us out of business".

The GDTA members said gangs of unemployed youths, backed by the KCA, were attacking them. "The KCA want us to affiliate to a union. That will not work. We are a business and we will not survive."

A KCA spokesman said the organisation had had several discussions with Sabta, the GDTA, and Kato, and it was decided that taxis should suspend their operations pending the formation of a new association.

"We strongly condemn the violence ... however, there are certain elements within the GDTA who are bent on perpetuating violence in the community. Recently one youth was abducted from his home and assaulted by these people."

The spokesman said private vehicles were given permission to operate last month because there was no co-operation between the associations.

"No taxi was allowed to resume operating until talks have been finalised."

The ANC yesterday called for an end to the violence, saying outbreaks of this kind could only serve "apartheid interests", reports Sapa.

The UDF said a task force would be sent to Katlehong today to re-establish peace.

ECTATION UP 17,5%

0 (Unaudited)

	Pro forma 12 months to 31 August 1989
0	1 654 898
7	145 570
8	34 435
10	111 135
16	36 776
12	74 359
10	2 826
15	29
17	71 504
15	22 430
6	318,8
7	106
2	3,0
8	4,2
%	33,1%

	Pro forma 31 August 1989
00	310 447
50	450
89	7 068
17	191
44	326 156
36	150 924
80	477 080
44	200 651
81	50 223
135	512 596

Teargas used to break up Kroonstad crowd

KROONSTAD — At least one person was reportedly injured when police fired teargas to disperse about 1 500 people who staged a sit-down outside the civic centre in Maokeng township near Kroonstad yesterday.

The crowd was given two minutes to disperse; thereafter police fired a barrage of teargas, police said.

The group was part of a crowd of about 6 000 which converged on the civic centre demanding the resignation of mayor Caswell Koekoe and the town council.

Shortly after the crowd had been dispersed, police fired more teargas at people congregated on pavements or in private yards.

A boy was treated at Boitumelo Hospital near Maokeng for a head wound allegedly sustained when he was hit by a teargas cannister.

□ WILSON ZWANE reports that at least one taxi was set alight and several others were damaged when hundreds of Katlehong youths stopped, stoned and petrol-bombed taxis on Saturday.

Katlehong Civic Organisation spokesman Ken Moetsi said the violence was sparked when the Germiston and District Taxi Association resumed operations in the township.

Moetsi said the association was intimidating Katlehong residents by resuming operations. It was not supposed to operate while investigations were in progress into the causes of its feud with the Katlehong Taxi Association.

The feud between the two associations has reportedly claimed about 50 lives.

Since the taxi war the Germiston and District Taxi Association and the Katlehong Taxi Association have not been operating in the township.

Sabta spokesman Fanyana Shiburi said yesterday a meeting of interested parties was to be held last night to decide what action should be taken against Germiston and District Taxi Association for resuming its services.

Sabta suspended the association because of its war with the Katlehong association over routes in Katlehong.

NATAL UNREST DEATHS

September 1987 — January 1989:	668
February 1989 — April 22 1990:	934
Past 24 hours' official toll:	2
TOTAL:	1 604

Laser plans R2m cost cuts

LESLEY LAMBERT

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CAPE TOWN — Laser Transport, the leading household removals group, which began to feel the effects of the economic downturn during the second quarter of last year, plans to save up to R2m this year by a major cost-cutting programme. *810 am 25/4/90*

Chairman Peter Thomas told shareholders at the company's annual meeting in Cape Town yesterday that Laser would achieve the savings by rationalising the group's extensive branch network, retrenching staff over a long period, reducing the fleet of 899 vehicles and managing the fleet more efficiently.

He said the benefits of these cost savings would help the group to weather the economic downturn and would be reflected in the balance sheet at the end of the financial year.

During the past financial year to December 1989, the group's turnover grew by 18% to R106m and untaxed earnings grew 23% to R88m. But higher tax and interest bills pushed net earnings down 6% to R6,2m.

Removals 'first hit in downswing'

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Capt. Tint 25/4/90

By ARI JACOBSON

THE earliest indicator of a downward swing in the economy is the performance of the household removal firms, said Peter Thomas, chairman of Laser Transport Holdings, at its AGM yesterday.

Car sales, the traditional market barometer, started coming down over the last month while household removals felt the pinch four to five months ago.

Laser, a domestic and international removal group, performed well up to halfway through the year until the decline in the economy impacted on bottomline profits to year end.

In the chairman's statement Peter Thomas said "this was reflected by a reduction in the volume of business, domestically as well as internationally, accompanied by sharp rising costs, of more than 25% over the previous year".

Turnover increased by 18% to R106,4m (R90,1m) but helped along by tighter expenditure controls and supportive rationalisation procedures filtered through to operating income up 17% at R14,6m (R12,4m).

Issy Goldberg representing the minority shareholders as chairman of the Shareholders Association of SA said the net asset value (NAV) of the group at R2,15 was roughly on a par with its market rating.

"The replacement cost of the group's fleet of 900 vehicles at R50m has more than doubled over the

original cost of R20m while its depreciation value has fallen to R11m."

This said Goldberg portrays the ever-declining cost of money especially over the last four years when the vehicles were purchased.

"Escalating costs provides a perfect barrier to entry and forces the owners to keep vehicles fundamental to its business in good repair."

More important, said Goldberg, the NAV could be boosted to R6 if the fleet was represented at replacement value (R50m) instead of the depreciated figure of R11m.

Looking at the income statement, Goldberg said a higher interest bill at R3m (R1,9m) and a rising tax rate from 38% to 46% reduced earnings a share from 66c to 62c which Golberg described as disappointing.

A dividend of 25c which was 2,5 times covered by earnings, must be maintained, even at the expense of a lower cover, to provide solid dividend payouts, he said.

"With tax relief announcements brought forth in the current budget, company's will be rated on dividend declarations."

Goldberg told the group's management that unions should be made to understand the precarious position of the group when if unrealistic wage demands were made.

"Turnover of the group at R106m translated into attributable earnings of R3m, which means a mere 3c of every R1 remains in the company's coffers."

Cap Times 25/4/90 **R24m bus subsidies** *332*

A BUS company was paid R24,6 million in subsidies over the past two years to transport passengers between Botshabelo and Bloemfontein, and Thaba Nchu and Bloemfontein, Minister of Transport Mr George Bartlett said yesterday.

N Tvl toll plaza to raise tariffs

Staff Reporter
Tariff charges at the Kranskop toll plaza on the N1 between Warmbaths and Middelfontein are to be increased from Monday, according to a statement released by the Department of Transport yesterday.

"To remain within the financial framework of the project, and due to increased maintenance costs, tariffs have to be raised as envisaged during the planning of the toll road," the statement said.

For a trip along the road between the Warmbaths interchange and Middelfontein, the tariff will be increased from R3 to R4 for light motor vehicles (from R1,50 to R2 an axle).

In the case of heavy motor vehicles, the toll cost will be increased from R2,50 to R3 an axle.

For a light motor vehicle trip between the Warmbaths interchange and the Nylstroom interchange, the tariffs will be increased from 60c to 80c an axle and for heavy vehicles the increase will be from R1,20 to R1,50.

The existing 20 percent rebate will remain in force when three or more debit cards valued at R150 each are purchased simultaneously, the statement added.

Users of the new deposit account system will also retain their 20 percent discount if the account is settled within 30 days.

Details may be obtained from the Department of Transport or Kranskop toll plaza manager.

Taximen to study safety proposals

By Stan Hlophe

The South African Black Taxi Association (Sabta) will meet next week to co-ordinate information from various committees involved in alleviating minibus road accidents.

Sabta's communications manager, Mr Knox Matjila, said this week that the committee known as Taxi Safety Action Group (TSAG), formed at the beginning of the year, was preparing information to be presented at the meeting.

The committee consists of representatives from the Department of Transport, the National Road Safety Council, the Council for Scientific and Industrial Research, Sabta and community leaders.

Decreased

It is expected to make recommendations aimed at reducing the high number of road accidents involving or caused by taxis.

Mr Matjila said fatalities on the roads involving or caused by taxis had decreased by about 35 percent during the Easter holidays.

He attributed the decrease in road fatalities involving minibuses to "Project Spear" which emphasised road safety training for taxi drivers.

He was confident that the trend would continue, provided other motorists, commuters and pedestrians also played their part.

Mr Matjila said the new road safety laws against drunken driving, effective from May 1, which stipulated a maximum fine of R4 000 or one year's imprisonment, or both, were a step in the right direction.

Katlehong taxi war moves for peace hit major snags

Sowetan 26/4/90

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PEACE negotiations to set up a single taxi association in Katlehong, East Rand, yesterday broke down when the Katlehong Civic Association withdrew from the committee of 13.

A KCA spokesman said residents gave them a mandate to withdraw from the talks.

He gave no reasons for the withdrawal.

Setting up a single taxi organisation was also a condition for ending the taxi boycott that started in March as a protest against the taxi war, he said.

The KCA are the sec-

ond party to withdraw from the talks.

However, Kato alleged they have been excluded from the committee of 13, which has organised the talks, after they expressed dissatisfaction about the participation of the South African Black Taxi Association.

"We cannot continue to negotiate successfully as long as Sabta, which is not our mother body, is involved in the talks," a spokesman for Kato, Mr J Mbele, said.

Kato said their members had affiliated to the Black Union of South Af-

rican Taxi Operators since October 1989.

The committee of 13 was established at the height of the Katlehong carnage last month in an attempt to prevent future taxi wars in the township.

Sabta has expressed disappointment at the breakdown of the talks and has called on all peace-loving residents of Katlehong to seek ways of resolving the conflict.

"Sabta remains seriously committed to exploring all avenues to find peace through negotiations," a statement released by Sabta late last night said.

Sabta want to operate in Zim

BULAWAYO - The Southern Africa Black Taxi Association would like to extend its operations and experience in the neighbouring African states including Zimbabwe, the association deputy marketing manager, Mr Jabu Mabuza, said here yesterday.

Addressing a conference entitled "The Need for Ground Transport between South Africa and the entire Southern African region, now and in the future," he said Sabta had already made a modest start in Namibia and Mozambique.

Mabuza, who is one of the 142 black business people touring Zimbabwe, said he would like to see the next area of operation in Zimbabwe. Sabta would do that with the consent of the Zimbabwean government.

He said a taxi association would be formed in each city and town to deal with local matters. They would be encouraged to form a Zimbabwe United Taxi Association (Zuta).

Benefits

Zuta would be a full group member of Sabta with international status and would form part of the management committee to be selected by the executive committee.

At the same time, Sabta marketing would set up a parallel company in Zimbabwe. The marketing division would help the Zimbabwe company to negotiate with the commercial sector to gain the benefits of bulk buying, and help to fi-

By Joshua Raboroko in Zimbabwe

nance the activities of the new association.

Sabta would help to develop a Zimbabwe version of the unique finance scheme to enable even those with no credit record to get finance for purchasing taxis, he said.

Mabuza said the taxi industry had a bleak history when the South Afri-

can Government threatened to ban it, but the movement was so strong that the Government had to agree that it was a permanent part of the transport scene.

Sabta's president, Mr James Ngcoya, said his association would like to give something back to its neighbours.

Council to probe black taxi problems

Star 1960 332
Municipal Reporter

Johannesburg City Council has established a special committee to investigate parking and other problems of black taxis in the city.

Councillors were told on Tuesday that a Section 59 committee with the management committee head of transport, Mr Paul Asherson, as chairman had been established.

Serious consideration would be given to the decking of existing railway lines for the establishment of additional parking ranks for taxis.

Training

The lack of adequate communication channels between the taxi industry, council officials and city councillors would also be dealt with by the committee.

Policies dealing with taxi operations in the city would be formulated and driver training, safety awareness programmes and conflicting management techniques looked at, councillors heard. The committee will also comprise transportation experts and taxi operators.

Mr Asherson said the situation was serious and it was time Johannesburg got "its act together" and told taxi operators what was expected.

Jaw-jaw

"This is a sincere attempt by the city to get its own house in order. This committee will not be another 'jaw-jaw situation'. We have to come up with a solution as the increase in taxis and licensing has gone up by 400 percent."

Referring to the parking problem in the city, National Party councillor Mr Cecil Long said: "The sad part is that we have not been able to accommodate these people to enable them to run their businesses efficiently."

His colleague Mr Jan van Blerk called on the private sector to become involved in providing services for the burgeoning taxi business in the city.

Anger rises over buses

DREW FORREST

MAJOR restructuring in the bus industry is bringing workers under intense pressure, says the Transport and General Workers Union (TGWU).

Depots are being closed, services curtailed, with retrenchments, and tougher discipline being imposed nationwide.

At the same time, industry spokesmen have warned that government plans to slash fare subsidies could deepen the crisis and exacerbate township unrest.

As part of an intense lobbying campaign, the Southern African Bus Operators Association has sent a document to Minister of Transport Mr George Bartlett spelling out the potentially disastrous results of State subsidisation policies.

In conjunction with the

Department of Transport, it has also submitted a memorandum to the Cabinet.

Yesterday, Putco announced that after a seven-week strike at its Wynberg depot, it is to close the division and run it from Soweto and Dobsonville.

Up to 150 of the 450 jobs at Wynberg could be lost, said Putco managing director Dr Jack Visser.

At the same time, the TGWU is to mount an Industrial Court challenge to the imminent closure of Putco's Springs depot, where most of the 230 workers are set to lose their jobs.

The uneconomical Alberton division will also close next week.

The union will argue that the Springs closure is unfair in that alternatives have not been fully explored, and that only a month's notice was given.

TGWU official Mrs Jane Barrett charged



DR JACK VISSER: 150 jobs may be lost.

that bus firms, under heavy pressure from minibus taxis, and facing subsidy cuts, were reacting by "putting the squeeze on workers".

Over the past year the union had also hit problems of depot closures, service cuts, redundancies, and tighter discipline in centres such as Durban, Maritzburg, and Bloemfontein.

"What's happening is awful," said Mrs Barrett. "We're facing the long-term loss of a relatively efficient subsidised trans-

port system."

Dr Visser said that as a result of the loss of the off-peak commuter market to minibuses, Putco now carried fewer than half the 400 million passengers it did in 1982.

Extreme pressure on profit margins had meant the loss of 4 000 jobs in four years, while the number of buses had fallen from 3 500 to barely 2 000.

He stressed that with the flood of black people to the cities, there was "no way" the minibus industry could supply metropolitan transport needs on its own.

A bus industry spokesman warned that sharp fare rises could spark violent response in townships.

"Subsidies have to be phased out over a period. The poor live farthest from their place of work because of Government policies — the Government can't suddenly tell them: We can't pay."

HARBOURS

You can't be half pregnant

When the project was launched in November 1988, the redevelopment of Cape Town's Victoria and Alfred docks was hailed as the greatest thing since sliced biltong. But criticism is mounting over the disturbing lack of progress.

It is difficult to fathom the extent of this discord but it has become doubly significant with the announcement that, after years of procrastination, Durban's R400m to R450m redevelopment of the Victoria Embankment will soon be going ahead (*Property* April 6).

This raises a million dollar question: Will Transnet use the Victoria and Alfred docks experience as a development blueprint or a lesson on the pitfalls to be avoided?

Certainly, if one listens to Transnet-owned Victoria and Alfred Waterfront Co (V&AW) MD David Jack, there's no reason to believe the Cape Town format should be altered for Durban.

He quickly points out that the Cape Town formula was based on recommendations from the private sector. He is also adamant that the project has not been delayed. In fact, he says, it's 18 months ahead of schedule.

The format worked out by Transnet, after discussions with the private sector (particularly Sapoia), involved the establishment of a private company V&AW to co-ordinate the development.

However, private sector developers say there is an essential difference between V&AW and the Sapoia recommendations. V&AW was not, as advocated, floated as a private company with private sector shareholders. It's a wholly owned Transnet subsidiary and, as such, it is still very much part of the public sector.

One developer argues that in establishing V&AW as a private company in public sector hands, the harbour project possibly got the worst of both worlds.

"It took time to establish V&AW, just as it would to float a company. But, having been established, a private company would have had to look to its free market laurels in terms of performance and profitability. This pressure for achievement is absent from V&AW's shareholders. The danger is that it could become a bureaucratic public sector clone."

Rebutting the argument that the company would have required a profit record before it could go public, the critics contend: "Underdeveloped gold mines are floated on this basis all the time. The market pays a price based on what future profit performances are likely to be."

Jack expresses surprise at some of the criticism. He says many people are amazed at the progress made. He also points out that,

apart from "two minor deviations," V&AW was established in line with Sapoia's recommendations. These were, basically, to establish a private company and to look towards a listing.

Jack says: "I would advise Transnet that the establishment of a private company dedicated to the development of Durban's waterfront is even more applicable than for Cape Town. This is partly because Durban has two areas of land for development, some in the Point area and some owned by the local authority.

"The ideal would be to establish a Transnet-Durban Corp partnership under a separate company, with its own independent board of directors."

He says it would probably be possible to fairly criticise the Cape Town project because proposals were invited from developers and architects when insufficient preparatory work had been done on the site. This was before he (Jack) took over in March 1989. "Though people may have expected the whole area to be made available for development from the start, we've found, since taking over, that a considerable part of the waterfront is committed to long leases. This

has severely restricted early development opportunities."

Nevertheless, he claims, progress is being made in the Pierhead precinct — the only area available now. "We've allocated a site for Bertie's Landing, a sailing academy, restaurant and tavern and we're evaluating the potential for another restaurant, several hotels, and other amenities, like an aquarium, for development by private sector syndicates."

Of other areas he says: "Development rights over changes of land use, the provision of services and rates and taxes, are still being negotiated with the city council; the tank farm area will probably only be available for redevelopment in about two years and studies on the sea wall protection in Granger Bay will probably take most of 1990."

Transnet, he asserts, is pleased with the progress. It has allocated R63m for infrastructural work and building renovation.

In essence, Jack sees V&AW as a development company which, though it won't carry out all the waterfront work, will not limit its role to dishing out projects to others. "We must offer the development opportunities to our shareholders (Transnet). It will be up to

P.T.O.

AMAZING GRACE HERALDED

A new R7,8m campus for Grace College in Fleurhof (near Johannesburg) will be officially opened on April 28 by Anglo-American and De Beers Chairman's Fund chairman Michael O'Dowd.

A non-racial, independent secondary school, Grace College has its origins in the 1985 black education crisis when schools were closed for several months and many pupils were unable to write

exams. Concerned parent and community groups took the initiative in establishing private schools. Two such schools were Tswelopele Secondary School and Perseverance College, which merged last year to form Grace College. Says O'Dowd: "It is particularly impressive that Grace College is entirely the product of black initiative, an initiative from the community directly affected. We talk a lot about community initiative. This is an example of what it means and what big things it can achieve." The new premises, financed by the chairman's fund, contrasts sharply with the rented office space in Commissioner Street where classes were held until earlier this year. After battling with cramped conditions and the noise of traffic, teachers and pupils are now accommodated in spacious buildings in a rural setting. With the first phase complete, the school comprises 14 classrooms, two laboratories, an administration block, a maintenance workshop and change rooms. Work will start shortly on the laying out of two sports fields.



FIM 27/4/90

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them whether we take on the work ourselves in joint ventures with others, or leave it to other developers to handle."

However, the ambiguity of the V&AW situation seems to create a very real possibility that the development could degenerate into a directionless heap. Jack, however, is adamant that V&AW will eventually be listed. Let's hope this will be sooner rather than later and that, if Transnet takes this route for Durban, it will involve the establishment of a private development company in a very real sense. ■

Police seal off 'Spruit

SECURITY force members sealed off a large portion of Katlehong - scene of a recent taxi war and several terror attacks - yesterday and searched thousands of homes, residents and vehicles.

More than 3 000 policemen, soldiers and municipal policemen took part in the swoop, one of the biggest displays of security force might on the Reef to date.

Southern 3/4/90
Crime

The aim of the operation was to "build bridges" between the SAP and Katlehong residents, prevent crime and to show that security forces could still protect the inhabitants of the East Rand township, said Witwatersrand police spokesman Colonel Frans Malherbe.

Fifteen suspects were arrested in the action, which lasted from 6am to 1pm.

"The main aim was to build bridges between the police and the public of Katlehong," he said.

332 (2008) 30/4/90

'Building bridges' in Katlehong

Crime Reporter

Security force members yesterday sealed off a large portion of Katlehong — scene of a recent taxi war and several terrorism attacks — near Germiston and searched thousands of homes, residents and vehicles.

More than 3 000 policemen, soldiers and municipal police men took part in the swoop.

During the action, carried out in pouring rain from 6 am to 1 pm over an area of several square kilometres, 15 suspects were arrested.

It was one of the biggest displays of security force might on the Reef to date.

Witwatersrand police spokesman Colonel Frans Malherbe said the aim of the operation was to "build bridges" between the police and Katlehong residents, prevent crime and show that security forces could still protect the inhabitants of the township.

"The main aim was to build bridges between the police and the public of Katlehong. This was done on a personal contact basis and pamphlets were handed out explaining the purpose of the operation," the colonel said.

"Other aims were crime prevention and showing the public that the police and security forces have the capability to protect them.

"This action was very well received by Katlehong residents."

Colonel Malherbe said soldiers and policemen set up road blocks and searched thousands of vehicles, homes and people in the area, where councillors had been attacked and at least one hand grenade incident reported.

About 40 percent of the township was sealed off and thoroughly searched.

Two arrests were made for possession of dagga, four for possessing stolen property and one for possession of a petrol bomb. Two unlicensed guns were recovered.

THE UNIVERSITY OF CHICAGO

P.E taxis to crack down on drivers for white owners

Mbw 3/4/90 332
The Argus Bureau

PORT ELIZABETH — Black taxi owners have launched a campaign against drivers who front for white owners.

The local Black Taxi Association says minibuses owned by white businessmen are strangling the market and causing problems.

Mr L S Madonci, chairman of the P.E. Black Taxi Association, said Pehta and the Uncedo Black Taxi Association will investigate how many taxis were owned by whites.

Both associations knew of white-owned minibus taxis which operated on black taxi routes as if owned by blacks.

Mr Madonci said white businessmen were milking black taxi owners. He said there was no discipline among taxi operators who were driving for white owners because they had no interest in expanding black business.

He said taxi operators were demanding that every taxi owner should be made to produce his licence of vehicle registration to indicate who actually owned the vehicle.

Taximen to meet ³³²

^{Star 1/5/90}
Efforts are being made to form a single taxi association in Katlehong on the East Rand, where feuding between rival taxi groups has led to bloody fighting.

The president of the South African Black Taxi Association (Sabta), Mr James Ngcoya, said that a meeting to launch a new taxi association in Katlehong would be held at the D H Williams Hall tomorrow.

Taxi operations in Katlehong were suspended by Sabta during the taxi war to avoid further violence.

Residents have called for the formation of one taxi association to defuse tension.

Tomorrow's meeting, which starts at 10 am, will enable taxi permit holders to launch a new association and elect office bearers. — East Rand Bureau.

scarcely
the ground to stand

Education is vital to curb reckless driving

25/90 By Shirley Woodgate (332)

Increased penalties for drunk and reckless driving were sound in principle but failed to address the critical element of education which was still missing in the burgeoning mini-taxi industry, said transport consultant Mr Paul Browning.

Commenting on the June 1 crackdown when offenders will face fines of up to R8 000 or two years' jail, he said if old methods had not worked, it was unlikely more of the old would succeed on their own.

"If the authorities genuinely wish to see an improvement in what is viewed as a critical area of road transport, then they will have to apply not only the stick but the carrot," he said.

Since the owner nowadays was very rarely the driver, the entrepreneur should be persuaded of the value of employing safe and competent drivers.

There was not only a need for better driver training but teaching the taxi-owner to become a better businessman.

Safe operation essential

"He must be taught to recognise that safe operation is absolutely essential if he is to stay in business.

"There is also concern as to how the new measures will be applied in the case of the taxi industry.

"The danger is that the First World laws will be seen by the taxi industry as just another means of making life difficult for them," he said.

Mr Paul Asherson, chairman of Johannesburg City Council's Transport Committee which has launched an investigation into problems surrounding the taxi industry, said the increased penalties went some way towards reducing drunk and reckless driving but ignored the existing problem of collecting fines.

The increased fines were more inflation-related since the previous R1 000 penalty for drunken driving was outdated considering the severity of the offence.

An alternative to be considered was the on-the-spot arrest of offenders who, through reckless or drunken driving, led to the loss of lives, said Mr Asherson.

Sowetan 3/1/90

Merger will end taxi rivalry

By MATSHUBE
MFOLOE

A NEW taxi association is to be formed today in East Rand's Katlehong township - the scene of a "taxi war" which claimed more than 40 lives about a month ago.

The move is expected to bring to an end the bitter rivalry between two local taxi organisations, the Katlehong Taxi Association (KTA) and the Germiston and District Taxi Association.

The president of the Southern Africa Black Taxi Association (Sabta), Mr James Ngcoya, yesterday said that elections would also be held at the meeting.

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Suspended

Ngcoya said the township's taxi service, suspended at the height of the feud, would be restored on Friday, and vehicles of new members would be identified by a "special sticker".

He said the Transvaal Taxi Association's executive members would preside at the meeting. The meeting will be held at the D H Williams Hall, and starts at 10am.

Ngcoya said it was "only through the formation of a single and united taxi association" that lasting peace and understanding could be achieved in Katlehong.

Push for action on city's minibus taxi

By DON HOLIDAY
Municipal Reporter

THE city's taxi industry liaison committee is pushing for top-level talks with the government to address the rapidly deteriorating minibus situation in Cape Town.

Yesterday two separate accidents in Cape Town involving minibus taxis claimed the lives of six people and seriously injured 16 more.

On Monday the liaison committee will recommend to the city council's utilities and works committee that representations be made to the Minister of Transport to convene such a meeting.

The issue of driver identification would be the main subject of the meeting.

Utilities and works committee chairman Mr Leon Markovitz today described the minibus taxi situation as "serious".

One of the major causes for concern was the "extreme difficulty" experienced by traffic officers in submitting warrants to taxi-drivers who had committed violations.

Offenders frequently supplied false names and addresses and no by-law existed to force drivers to carry positive identification.

This encouraged a "certain element" of taxi-drivers to drive recklessly and dangerously as their chances of being punished were slight, Mr Markovitz said.

This behaviour often had tragic results.

GREATER CONTROL

A memorandum from the liaison committee to the utilities and works committee said that, to illustrate the magnitude of the problem, 954 warrants were outstanding which involved only 12 vehicles.

The liaison committee will also recommend that the traffic manager and the city's legal adviser investigate the possibility of drafting a by-law to compel all minibus taxi-drivers operating in the municipal area to carry positive identification.

Mr Markovitz said Johannesburg had regulations which entitled traffic officers to arrest taxi-drivers if they did not have positive identification.

"We do not want to go as far as arresting a whole lot of taxi-drivers, but there should be some regulation requiring them to carry identification.

"I must emphasise that it is only a certain element in the taxi industry which is causing the problems.

Talks between the city council and the taxi industry representatives have produced unanimous support for greater control of the drivers.

"We are not prepared to allow this element to continue in this fashion," said Mr Markovitz.

Cargo Carriers delivers the goods'

CNT
10/15/90
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JOHANNESBURG. — Cargo Carriers has delivered the goods in its latest financial year to February by boosting earnings a share by 43,4% to 37,3c.

The annual dividend was increased by virtually the same to a 2,9 times covered 13c.

In his report last year, chairman Bill Beck forecast "a satisfactory increase in earnings and dividends in the current year ending February 28, 1990."

Labour problems continued into the second half and did affect results, which have nevertheless lived up to Beck's earlier expectations.

Management expects the trend to continue into the current year with a real increase in both earnings and

dividends per share.

There was a significant recovery in margins and a 22,4% rise in turnover to R174,56m translating into a 62,6% gain in operating profit at R15,7m.

The financing of this increase in business, together with "capital costs of fleet replacement, the upgrading of facilities and higher interest rates" resulted in a significant rise in depreciation and interest paid.

This reduced growth at the pre-tax level to R12,196m.

Attributable profit was up by 43,4% and, with no change in issued capital, earnings per share rose by the same level. — Sapa

OFFICES

Space age? FIM 4/5/90

The countdown to Transnet's plans to sell "air space" above the Johannesburg Station is on schedule. And, all things being equal, a keen developer could be on site early next year.

That's according to the man at the helm, Transnet director of business development, Fuzz Loubser.

He says 11 proposals have been received from developers interested in the scheme (Property November 23). These are in the process of being evaluated by Transnet and the Johannesburg City Council.

The concept involves the provision of 7 000 m² of lettable area in the "air space" above the railway tracks on the east side of Johannesburg Station between King George and Wanderers Streets.

This is the first space above railway lines to be released by Transnet. When fully developed, it will provide for a 1,5 km strip of offices between the Queen Elizabeth Bridge and End Street (excluding the station), linking the CBD, Braamfontein and Hillbrow.

Loubser says the proposal adjudication procedure should be completed within the next week or two.

From this evaluation process Transnet should be able to select a short list of "pre-qualifiers" who will be invited to submit formal financial offers.

"We are working closely with the council on this issue, partly because of the terms under which the council has granted rights for the development of the air space, and because we want to ensure that whatever concept emerges complies with Johannesburg's town planning criteria."

He adds that presentations submitted are a positive indication the market believes the project is economically viable.

"We were concerned the major upfront structural costs and technical complexity of decking a railway may have put development out of reach. However, the response to our proposal call indicates otherwise." That being the case, he says the next round of adjudication will be primarily on financial grounds and will, therefore, constitute tenders.

He believes two months will be required to prepare final submissions for the second round of bidding. This will be followed by another two-month adjudication. Transnet should be in a position to make an award by October. "On that basis, one could expect a keen developer to be on site early in 1991," Loubser says.

He stresses the award will include performance clauses which will prevent speculative developers acquiring the "air space" and sitting on it for years before developing. ■

FINANCIAL MAIL MAY 4 1990

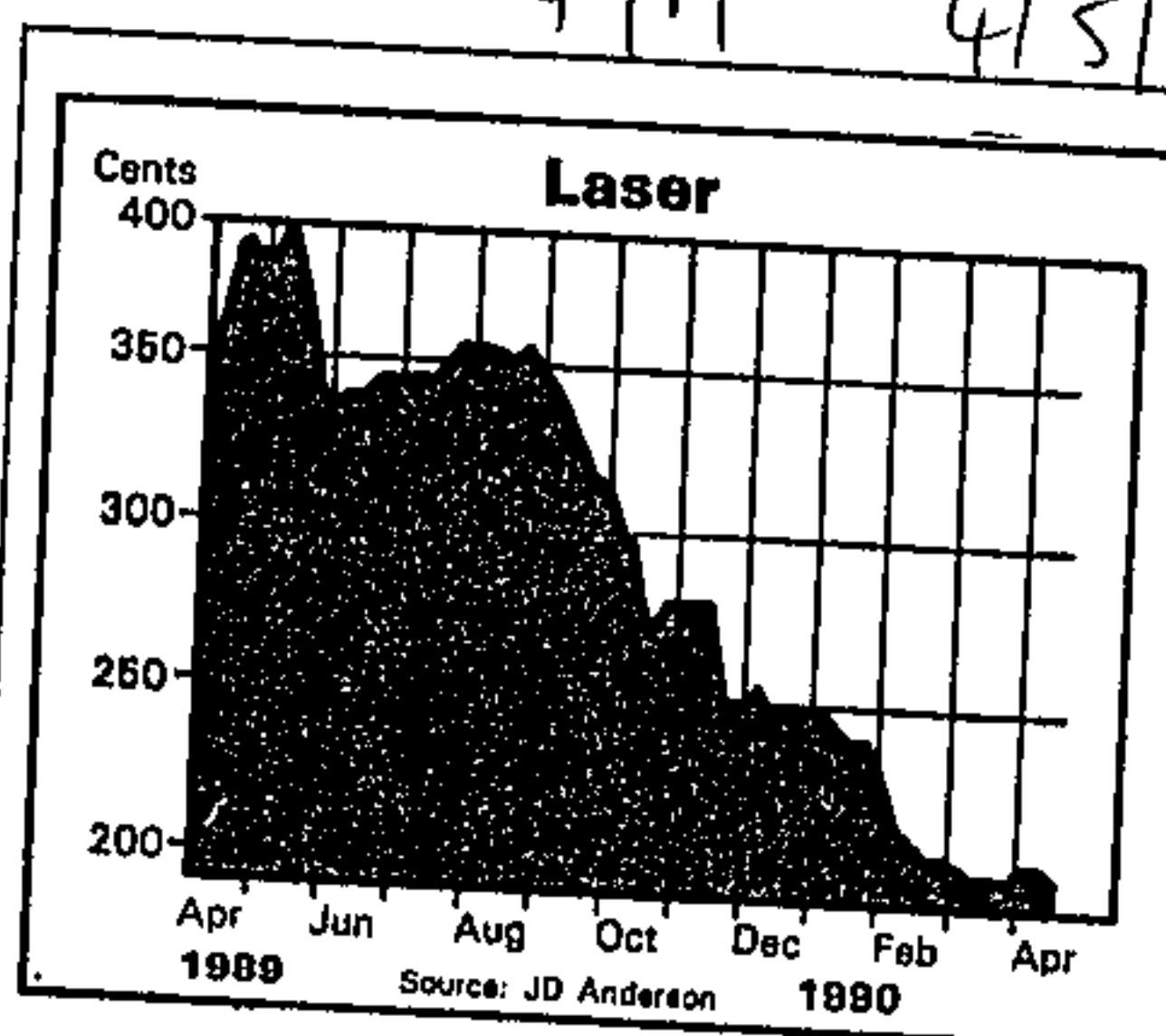
ASST Manager	11/76	11/77	4/82	12/82	8/83	4/84	7/86	7/87
ARMED INCR	56	56	56	56	56	56	56	56
ARMED INCR	89.82	81.74	73.86	70.49	67.24	62.49	58.50	52.45
ARMED INCR	60.00	61.00	63.92	66.92	69.92	72.92	75.92	78.92
ARMED INCR	11/76	11/77	4/82	12/82	8/83	4/84	7/86	7/87

Berman	56	56	56	56	56	56	56	56
Berman	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50
Berman	75.60	68.80	61.18	58.91	55.91	51.96	46.1	43.1
Berman	14.20	15.60	27.92	31.62	35.31	38.91	42.51	46.1
Berman	21.24	21.25	21.90	23.00	23.76	24.08	24.1	24.1
Berman	56	56	56	56	56	56	56	56
Berman	43.85	46.15	48.45	50.75	53.05	55.35	57.65	60.00
Berman	65.64	67.94	70.24	72.54	74.84	77.14	79.44	81.74
Berman	56	56	56	56	56	56	56	56
Berman	22.80	25.10	27.40	29.70	32.00	34.30	36.60	38.90
Berman	34.13	34.13	34.13	34.13	34.13	34.13	34.13	34.13
Berman	56	56	56	56	56	56	56	56
Berman	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Berman	1	1	1	1	1	1	1	1
Berman	15.30	16.80	18.30	19.80	21.30	22.80	24.30	25.80
Berman	56	56	56	56	56	56	56	56

Heavier loads (332)

The twin burdens of greater tax and interest payments were the apparent cause of a "flat" in Laser's earnings picture during last year. Even so, the figures reveal a financially leaner organisation than that which existed a year ago.

Together, these increases hammered EPS down to 62c (66c). No doubt, everything possible was done to reduce the tax burden but the average rate of tax moved up to 46,2% from 37,4%. And this is where chairman Peter Thomas expects the tax rate to stabilise. In similar vein, the effective interest rate on gross borrowings at the year-end moved up to 24,8% compared with 12,5% payable during the 1988 year. This increase accounted for an additional R1,2m interest having to be paid even though gross borrow-



Activities: Transportation and storage of household goods nationally and internationally; freight forwarding and insurance services.

Control: Directors 59,2% (1988: 61,5%).

Chairman: P R S Thomas; MD: D H Kaye.

Capital structure: 10m ord. Market capitalisation: R20m.

Share market: Price: 200c. Yields: 12,5% on dividend; 31% on earnings; PE ratio, 3,2; cover, 2,48. 12-month high, 400c; low, 200c.

Trading volume last quarter, 173 715 shares.

Year to Dec 31	'86	'87	'88	'89
ST debt (Rm)	—	—	—	3,0
LT debt (Rm)	6,3	11,2	14,9	9,4
Debt:equity ratio	0,58	0,8	0,9	0,58
Shareholders' interest	0,26	0,28	0,38	0,38
Int & leasing cover ..	7,8	10,3	6,7	4,7
Return on cap (%) ..	23	20	24	26
Turnover (Rm)	63,6	80,4	90,0	106,4
Pre-int profit (Rm) ...	6,7	9,0	12,4	14,6
Pre-int margin (%) ..	10,0	11,1	13,8	13,7
Earnings (c)	43	52	66	62
Dividends (c)	13	20	25	25
Net worth (c)	75	122	164	214

ings fell to R12,4m (R14,7m).

Long-term debt has been reduced by the simple expedient of disposing of "certain property owning subsidiaries" to an associate company at the net book value of R8,6m in December. While this goes some way to explaining why total interest paid for the year was so high even after interest-bearing debt was reduced, it does mean that gearing is now lower and that overall interest charges for this year should also be lessened.

However, for the first time since it was listed in 1986, the company is now into the bank for short-term finance. For years it has operated a negative working capital ratio, usually with significantly large cash credit balances to support this strategy. But, over the past two years, additional financing requirements have taken their toll and now these positive balances have gone negative to the extent of R3m. In the current highly competitive environment, the overdraft is financing a demand for more credit by customers, since debtor balances increased by no less than 33% to R19,9m.

The fall-off in emigration has been partly responsible for this additional credit requirement. Emigrants pay in advance for shipping when they leave the country, which has helped Laser's cash flow. But the business mix has now changed. Domestic removals are enjoying an increased slice of total business. And this trend is likely to continue, says Thomas, especially because the most recent political developments are likely to dampen emigration and increase inbound removals.

Group MD Dennis Kaye has always maintained that the removals industry is characterised by specialist niche areas, hence the interesting and hitherto successful approach of pitting inter-group companies against each other in the marketplace. To continue this policy, Laser now intends to "strengthen its base through the acquisition of smaller, established removal companies" this year.

Kaye is reluctant to forecast this year's earnings though he expects performance to be much the same or slightly better than last year when earnings fell by 6%.

Get-tough plan after minibus taxi smashes rise 28%

By DON HOLLIDAY 332
Municipal Reporter

THE number of minibus taxi accidents in Cape Town has jumped by 28 percent from 2 541 in 1988 to 3 256 in 1989, causing 25 deaths last year.

This was said in a hard-hitting report tabled today by traffic manager Mr Wouter Smit at a meeting of the city council's utilities and works committee.

Thirteen of the deaths were in accidents involving "pirate" taxis.

Four days ago, five nurses and a taxi-driver were killed and five passengers seriously injured in a minibus accident in Mitchell's Plain.

400 "PIRATES"

Mr Smit condemned much of the taxi industry for having a "total disregard for traffic laws".

About 3 700 taxis were now operating in Cape Town, compared with 435 in 1986. About 400 were "pirate" operators.

Last year, taxis committed 16 499 offences, including 1 656 for passenger overloading and 4 236 for operating without public driving permits.

One vehicle, CA 571262, had 133 warrants totalling R71 370 outstanding against 31 drivers with a variation of the same surname and different first names or vice versa.

Only one admission of guilt fine had been paid by a taxi driver last year.

IMPOUND VEHICLES

Mr Smit recommended that taxi associations be advised that from June 1 drivers of registered and "pirate" taxis be detained and the vehicles impounded if positive identification could not be produced after a traffic offence.

He also recommended that the Minister of Transport be asked to limit the issue of taxi permits until controls and taxi-rank infrastructures could be provided.

"The inability to deal effectively with drivers committing traffic violations has resulted in a climate of total disregard for traffic laws and regulations ... and an attitude that the economic goals and objectives of the taxi industry should take precedence over safety and other control measures.

"Any legal requirement which may impede the economic spoils of a trip is considered to be an unfair restriction and, likewise, any action by a traffic officer," said the report.

Deregulation of the industry and the perceived profits to be made had resulted in an excessive number of taxis being allowed to operate in a "somewhat limited market".

PROBLEMS WITH ID

This had created conflict on a number of routes and at ranks resulting in many of the taxi organisations using "strongarm tactics".

The crux of the problem remained the positive identification of the driver. Many failed to carry any form of identification.

"Often drivers will hide documents such as the public driving permit and rather accept a prosecution for no public driving permit to avoid identification, particularly if he may have driving or other violations against him.

"It is believed a number of taxi-drivers, like other drivers, operate without valid driver's licences.

"The difficulty created by the traffic officer not being in a position to verify the name and address of the driver other than to detain him for 12 hours, which will certainly cause an uproar, is compounded when a warrant of arrest is issued to a driver for failing to appear in court and the person cannot be traced."

OUTSTANDING WARRANTS

The department had 9 203 warrants on hand for drivers living in the townships and Khayelitsha.

From January to March this year only 387 warrants had been executed.

Many applied for permits at locations with limited passenger potential and, on getting their permits, operated the more profitable routes in competition with others.

CPM 7/5/90 (332)

Staff Reporter

NEW vistas will open for travellers in June when the South African shipping company Safmarine launches a passenger service between Cape Town and Southampton.

Four container ships will be used for the service, which will be available 64 times a year.

A company spokesman said it had been decided to use the four vessels — the SA Winterberg, SA Waterberg, SA Helderberg and SA Sederberg

SA ships to carry travellers

— because of the big public demand for accommodation on the ships.

Fares are equivalent to a single air ticket to London, with one-way fees ranging from R3 700

to R4 500 for each person.

The fees depend on the size of the cabin and the facilities offered to the 10 passengers who can be accommodated in the five two-bed cabins available.

The spokesman said three meals a day would be provided and passengers would have access to a lounge with a cocktail bar, a TV room, a swimming pool, a library and personal laundry services.

Opt. 7/15 7/5/90 332

MMVAF divides market between major players

Own Correspondent

JOHANNESBURG. — The Multilateral Motor Vehicle Accidents Fund (MMVAF) has divided the motor accident market between the major players, but a spokesman says this does not amount to a monopolistic practice.

He says newcomers to the field can apply to a specially constituted committee to be considered as agents handling claims on behalf of the fund.

The latest available figures — for the financial year to end-April 1988 — show that administration fees paid to agents were R5m.

In terms of the present system the MMVAF divides the days in the year between the major players on the basis of their market share.

The Third Party claims arising from accidents which take place on any particular day are handled by the insurance company allocated to that specific day, and this agent is paid a fee by the MMVAF for handling the claim.

This system, finally introduced from May last year, has obviated the need for Third Party discs and, the MMVAF spokesman says, has expedited the

processing of claims and cut down on the cost of processing them.

The agents also handle court cases on behalf of the MMVAF.

"A newcomer to the market is not automatically included in the system but has to be considered by the director and a special committee established for this purpose," the MMVAF spokesman says.

"An application will be considered on its merits."

He says the system works well and agents are satisfied with their allocated days and with the (undisclosed) fees paid.

In terms of the present system, days are allocated to 12 companies. Santam has 140 days a year and the second largest agent, President, has 41 days a year.

The amount in MMVAF at the end of the 1988 financial year was R231,5m. The amount obtained from the Third Party levy on fuel was R256m and direct claims paid were R253m. There were other expenses such as re-insurance, hospitals and administration.

The levy on fuel is 3,6c a litre on petrol and 2,7c on diesel.

Scale of SA taxi industry 'wildly exaggerated' (332)

MATTHEW CURTIN

ESTIMATES of the scale of the black minibus taxi industry and the extent of white ownership are wildly exaggerated, according to a forthcoming SA Institute of Race Relations publication by Colleen McCaul.

McCaul's research, reviewed in the April edition of Race Relation News, put the number of black taxis, based on registration figures, at around 55 000, short of prevalent media estimates of 100 000 vehicles. White ownership is insignificant, running at 14% at most.

But SA Black Taxi Association communications manager Knox Matjila rejected McCaul's claims yesterday.

There were over 100 000 taxis affiliated to Sabta alone. White ownership of taxis was on the increase with Sabta estimates of 30% of the industry six months ago.

The greater economic muscle and security of whites gave them easier access to the industry than blacks, said Matjila. Whites had illegally acquired licences which were then transferred to black-driver fronts.

Matjila said Sabta was concerned over white encroachment which would be the subject of a Sabta investigation in the Free State this month.

But interviewed yesterday, McCaul warned Sabta's statistics were politically weighted. Claims of 50% ownership were touted by Sabta to secure their involvement in the deregulation of the industry, with the aim of controlled taxi permit issue.

She agreed it was possible in some areas white ownership reached 30%, but Sabta had used Central Statistical Service figures of 45% white ownership of minibuses without discretion.

CSS figures showed 70% of the minibus market was non-taxi. Between 1979 and 1987 white registration of minibuses had declined from 53% to 44%, while black registration had increased from 20% to 28%.

McCaul said 133 000 taxis were sold in the same period, and using Department of Transport estimates, 30% of commuter traffic was by taxi, the number of taxis on the road ranged from 45 000 to 70 000, depending on taxi occupancy rates.

The SAIRR report said accidents involving taxis had also been put out of proportion. McCaul quoted Transport Ministry statistics showing the minibus accident rate per hundred-million kilometres was lower than that of other vehicles, although the fatality and injury rate was higher because of the number of passengers carried.

McCaul said Sabta was addressing the accident rate as a priority, relegating plans to start an airline, a take-over of white municipal transport and running a motor-assembly plant.

She nevertheless confirmed the black taxi business was booming. By 1989 black taxi share of the commuter market had rocketed from nothing in 1978 to being the single largest, outstripping both buses and trains.

Self-employment Institute director Theo Rudman also spoke of the meteoric rise of the industry at a speech to a small business conference in Empangeni last week.

Between the recession years of 1984 and 1986, the taxi sector was the only growth area in the motor industry.

Rudman said the financing of black taxis had demonstrated the formal business opportunities provided by the booming informal sector if a creative and mindful approach was taken to the problems of black people.

'Most disregard the law'

CAPE TOWN — The number of minibus taxi accidents in Cape Town has jumped by 28% from 2 541 in 1988 to 3 256 in 1989, causing 25 deaths last year.

These figures were given in a report tabled yesterday by traffic manager Wouter Smit at a meeting of the city council's utilities and works committee.

Smit condemned much of the taxi industry for having a "total disregard for traffic laws".

About 3 700 taxis were now operating in Cape Town. Last year taxis committed 16 499 offences, including 1 656 for passenger overloading and 4 236 for operating without public driving permits.

One vehicle, CA 571262, had 133 warrants totalling R71 370 outstanding against 31 drivers with a variation of the same surname and different first names or vice versa.

Smit recommended that taxi associations be advised that from June 1 drivers of registered and "pirate" taxis be detained and the taxis impounded if identification could not be produced after a traffic offence. He also recommended that new taxi permits be limited until controls and taxi-rank infrastructures could be provided. — Sapa.

Boumat Limited

(Reg. No. 04/01284/06)

Directors: ID Brittan (Chairman), S Borsook (Deputy Chairman) (British), DJ Gevisser (Group Managing Director), OC Buchel, PR Glendinning, AL Kolbe, KJ Hipper (German), H Moskow, CBN Schreuder, RT Truster.

Boumat acquires Power Industrial Cen

Davis Borkum Hare & Co. Inc., is authorised to announce with effect from 1 March 1990.

PIC was established in 1978, is situated in Ben of Le Roy Somer generators in the 0,6KVA to 10KVA range.

PIC supplies most of the major engine importers coupled to their respective brand engines. PIC designs as bases, frames and panels, and assemble these to the specific requirements. Quality control is of a high standard tested before despatch. In addition to the above, PIC, once again building custom designed units to the exact of their choice.

Durity Power Products (Pty) Limited, (DPP) an existing distributor of the Yanmar range of diesel and petrol engines and DaiShin range of portable pump sets. It supplies the agricultural markets with engines, generators and petrol engine. The acquisition of PIC will greatly strengthen range of high quality generator sets, thereby enhancing exact requirements.

DPP/PIC are delighted to be associated with Yanmar are market leaders in the world for their respective products.

PIC will fall under the control of Roy Oberholzer, the

The purchase price of PIC is R1 320 000 and this has no significant effect on Boumat's earnings and net assets year ending 31 March 1990.

7 MAY 1990

Registered Office

86 Grayston Drive, Sandown, Sandton 2196

Harsh ID drive against minibus drivers

CML Temp's
8/5/90
332

Municipal Reporter

TRAFFIC chief Mr Wouter Smit yesterday announced a crackdown on minibus/taxi drivers who cannot produce identification after a traffic violation.

His report was tabled against a background of horrifying smashes involving minibuses:

- Six people — five of them nurses — were killed and five injured in a collision in Mitchells Plain between a minibus full of nurses and a front-end loader;

- A man and a woman were killed and 14 others injured when a minibus overturned near Mount Edgecombe in Natal early yesterday. Police are seeking the driver, who fled from the scene.

Mr Smit said in his report before the City Council's utilities and works committee yesterday that from June 1, transgressing minibus taxi drivers would be "detained and their vehicles impounded" if no positive identification could be produced.

It would be possible to do this because the Road Traffic Act would come into effect on that date. The Act includes a new definition of a minibus, so that taxis carrying more than nine passengers "will also be subject to the provisions of the municipal traffic regulations".

Mr Smit said yesterday that the positive identification of drivers remained the crux of his traffic department's problem in dealing with transgressors.

Some drivers hid their public driving permits to avoid identification.

Katlehong taxis to start again later this month

By Matshube Mfoloe

TAXI operations in Katlehong near Germiston will resume on May 20.

The decision was taken by the Germiston and District Taxi Association (GND) and the Katlehong Taxi Association (KTA) at separate meetings called by the United Democratic Front's task force. The meetings were another effort for peace in the township.

Last week's meetings were attended by officials from the Southern Africa Black Taxi Association (Sabta) and the Black United Southern African Taxi Organisation (Busato). It was agreed that operations be suspended until May 20.

According to the chairman of the task force, UDF's assistant-general-secretary, Mr Jackson Mthembu, a peace rally has been organised where the warring KTA and G and D would apologise to the community for the bloody taxi war which claimed 45 lives early this year.

The two associations will also assure the community that the feud will not recur.

Mthembu said it was his organisation's plea that the tiff between KTA and the G and D be buried.

FINANCE

Lyntex wants company consolidated

CHARLOTTE MATHEWS

DCM-listed Lyntex Transport believes the next year should be spent consolidating the company and establishing the value of its shares.

"Once the share price is where it ought to be we can use the shares for acquisitions," chairman Eugene Marais said yesterday.

At the beginning of April the Lyntex share fell to 13c but had picked up to 30c yesterday, where it is still below the year's high of 52c reached last July.

"The shares are still grossly undervalued," Marais said. "Net asset value is about 44c. A realistic price would be around 52c."

He pointed out that at interim stage to December Lyntex had doubled earnings to 7.8c (3.6c) a share although turnover had dropped slightly to R11.9m from R12.6m.

At this level it offers a nil dividend yield because it passed on last year's distribution and a price:earnings ratio of 2.1. This compares with a dividend yield of 2.7% and a p:e of 14.5 for the DCM sector and a dividend yield of 4.2% and p:e of 6.8 for the transport sector.

Marais said results for the year to June would still show the effects of high interest charges incurred to improve the company's liquidity but would also establish that interest charges for the following year would be substantially lower.

Unit trusts differ on investment strategy

LIZ ROUSE

UNIT trusts are not taking a monolithic view on investment strategy for 1990, making nonsense of the old saying that institutional investors follow one another like sheep.

Views elicited from portfolio managers ranged from extreme caution — increased liquidity — to putting more funds into the market whenever quality stocks showed good value at lower levels.

They also differ on where values will lie in the next six to nine months.

While Syfrets Growth fund's portfolio manager Anthony Gibson last week outlined a cautious strategy in the equities market and a defensive increase in liquid assets to 26% in the current June quarter, from 20% in the December quarter, Southern Equity Fund's Carel de Ridder is prepared to push more funds into the market if prices fall to attractive buying levels.

In between are the conservatives like Sanlam whose portfolio manager Stafford Thomas is satisfied to keep liquidity at the March quarter's low 11%.

Giant Old Mutual, about to launch another unit trust next week, was unwilling to comment at this stage. However, the expansion of its unit trust stable spells

confidence in equities.

Although June quarter average liquidity percentages will probably not differ much from the end-March percentages, there may be divergencies later in the year. Most unit trusts reduced their liquidity levels in the March quarter as market value of their portfolios soared in the pre-Mandela release euphoria.

Liquidity

Average liquidity of the general and specialist funds declined to 15.6% in the bumper March quarter from 19% in the December quarter. But in early February the ANC's nationalisation/sanctions statement changed the picture.

Thomas says Sanlam's unit trusts are unlikely to go beyond their March quarter liquidity levels.

Sanlam unit trusts' liquidity were reduced in the March quarter. Sanlam Trust's was down at 10.7% from 15.9% in the December quarter, the Industrial Trust's at 14.1% from 14.1% and the Mining Trust at 10.3% from 18.1%.

Although fund managers are alert to a possible change in equity trends in view of political uncertainties, a weak gold price, high

interest rates and declining economic activity, there is no cause to increase liquidity, says Thomas.

The Sanlam unit trusts are experiencing a steady inflow of money from the more affluent investment sector and are still reflecting a net inflow of funds.

The fact the dividend part of a unit trust's distribution is now tax-free is reflected in greater interest shown in units by the higher tax level investor.

However, investment by the smaller investor has dried up as less affluent investors are obviously under financial pressure, he says.

Sanlam's investment strategy remains one of buying quality stock at reasonable prices. Thomas foresees at worst a sideways movement on the JSE board but no indication of a major setback in 1990.

Wall Street is looking brighter and Thomas foresees an improvement on the JSE over the next few weeks.

He says foreign sales of SA shares have dried up to virtually zero after SA stocks worth hundreds of millions of rand were off-loaded in February/March, following the nationalisation scare.

Southern Equity Trust's De Ridder says the fund's

liquidity will be maintained at 15% in the June quarter, but he would be prepared to push investment in equities to 90% of total assets, given cheaper price levels.

Southern will be looking for buying opportunities among good quality second-liners, some of which are already showing excellent value. De Ridder's strategy will be to pick up previously over-priced stocks when the market goes lower.

Platinum

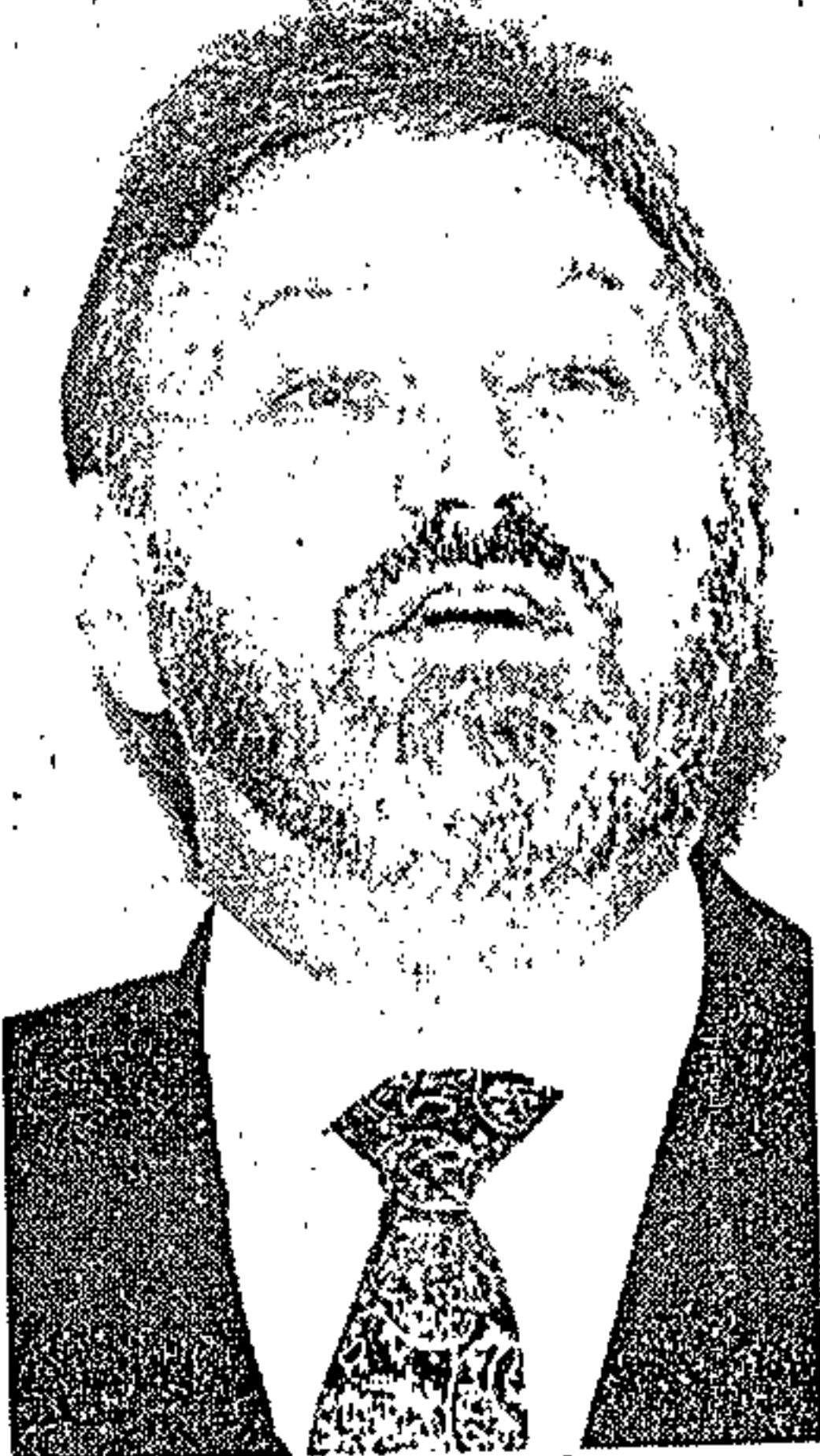
UAL's Alister Colquhoun says some second-liners are attractive at current levels, but portfolio managers are looking at marketability as well. UAL funds will be looking at stocks with consistent performance and ability to maintain their earnings momentum.

Colquhoun says there is a lot more going for the non-gold mining sector than the middle of the road industrial sector. The UAL funds have concentrated on diamonds and platinum.

UAL Mining and Resources is increasing its focus on non-gold minings such as Samanco and Palamin and intends committing new funds to shares in this category rather than gold.

3/Day 9/15/90 332

Six new taxi ranks for Jo'burg



Paul Asherson at the conference yesterday. Picture: ROBERT BOTHA

SIX black taxi terminuses would be set up in Johannesburg in the next three years, moving from on-street ranking operations to off-street facilities, Johannesburg City Council transport committee chairman Paul Asherson said yesterday.

Asherson said at a Press conference the council's taxi planning committee had approved a liaison structure which involved planners, the taxi industry, the traffic department and commuter bodies.

About 3 000 taxis shuttled between Soweto and the CBD, each doing six trips a day and carrying about 20 000 people, which translated into 30% of Soweto commuters, he said.

The council had bought land at R30m for two of the terminuses — the Newtown bus and taxi terminus and the Bree Street/Kazerne bus and taxi terminus.

Metropolitan Planning acting deputy director Riaan Pierold said private developers had come forward with proposals of about R200m for the development.

THEO RAWANA

The council would have spent about R10m in the next two years on joint development ventures with the private sector for the improvement of ranking facilities.

Other terminuses are: the Noord Street taxi rank; the Albert Street taxi terminus; the Kort Street on-street terminus and the city and suburban long distance terminus.

Asherson said the committee would call regularly on outside bodies such as Transnet, the CBD Association, private developers, consultants and taxi organisations for advice on issues including ranking, storage, drop-off facilities, routing, taxi lanes or roads and ancillary facilities.

He said the projects would meet only the current demand of about 2 500 ranking facilities. "This takes no account of growth or expansion of the industry.

"We are determined not only to catch up the backlog, but to also press ahead with further initiatives."

Court grants M.D.'s application for financial aid

Bonus for shareholders as Putco announces special dividend

BUS company Putco is announcing a special dividend of 310c a share today because in recent years the company's scale of operations has been reduced and money set aside for replacement of buses is therefore distributable, the directors say.

On Monday Putco shares reached a new high for the year of 210c. They have more than doubled from the 90c registered last October.

In recent months Putco has an-

CHARLOTTE MATHEWS

nounced the closure of its uneconomical Springs and Alberton depots.

MD Jack Visser recently said the company was now carrying less than half the 400-million passengers carried in 1982 because of the loss of the off-peak commuter market to mini-buses.

In four years 4 000 jobs had been lost and the number of buses was now down to 2 000 from 3 500.

332 For the six months to December the company nevertheless reported earnings of 2c a share compared to a 16c loss a share in December 1988.

The interim results were to some extent propped up by interest receipts of R8,5m, an indication of the company's cash on hand at the end of last year.

In the financial year to end-June 1989, a total dividend of 8c was paid, and a dividend of 4c was paid for the six months to end-December 1989.

Minibus taxis block city police station

By HENRI DU PLESSIS
Staff Reporter

MORE than 20 angry minibus taxi drivers used their vehicles to block the entrance to Manenberg police station to protest against traffic tickets.

According to the latest police unrest report the drivers and passengers, described as a "large group", were protesting against traffic tickets which had been issued to them.

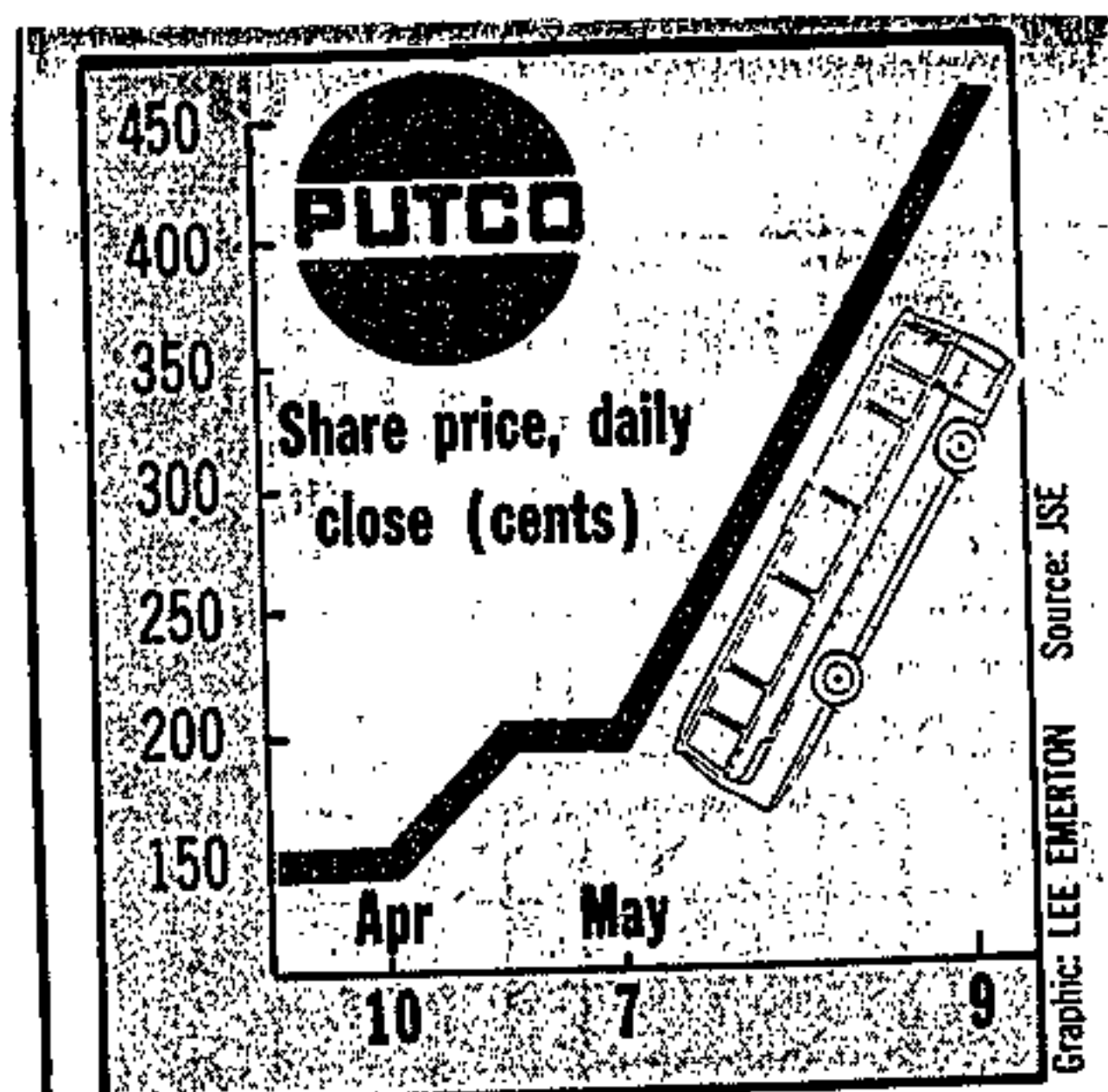
Police asked the drivers to move their vehicles, but the men refused and 24 were ar-

rested. The taxis were later removed.

The South African Black Taxi Association (Sabta) was aware of the incident, but was not involved, Mr Basil Nagel, chairman of the organisation in the Western Cape, said today.

"I heard about it yesterday afternoon, but I am not in a position to comment because we had nothing to do with it."

Another taxi protest took place in the centre of the city about three months ago when vehicles were used in a demonstration against hire-purchase instalments.



Putco shares rocket in hectic JSE trade

CHARLOTTE MATHEWS **332**

THE announcement of a special dividend payment of 310c to Putco shareholders yesterday kicked the shares up to 550c in early morning trade on the JSE from Tuesday evening's close of 210c.

After a morning of excited trading the pace slackened later and the shares closed at 450c. The day's 240c gain represents a 114,3% rise on the opening price and put Putco at the top of JSE's list of the day's price gainers. **81 Day 10/5/90**

Over 200 000 shares changed hands in 43 deals, nearly 1% of the shares in issue. Putco directors' announcement of a

□ To Page 2

Putco shares **81 Day 10/5/90**

payout of 310c a share on 26,4-million shares represents the distribution of R81,9m which they said was money set aside for the replacement of buses.

This was no longer needed because the scale of the company's operations had been reduced over recent years.

The special dividend payment explains the 23,5% rise in Putco shares last week.

Dealers on the floor said the demand for the shares was purely motivated by the

cash payment which goes to shareholders registered at the close of business on May 25. They said the price was likely to fall back after the closing date.

Putco MD Jack Visser said the price had risen beyond expectations but the directors were really indifferent to the whole situation.

"I am not elated about what the shares do. They react to market forces."

□ From Page 1

Protest: 24 taxi drivers in court

Staff Reporter 332

TWENTY-FOUR taxi drivers, who allegedly used their vehicles to block the Manenberg police station to protest against traffic tickets, have appeared in Athlone Magistrate's Court.

They were not asked to plead to a charge of contravening the Internal Security Act by holding an illegal gathering.

They were released on R100 bail each and the hearing was postponed until June 28.

The magistrate was Mr F M Mouton. Mr N Letton appeared for the State. Mr K Armien of Essa Moosa and Associates appeared for the men.

Taxi drivers, passengers attack traffic cop, driver

By JOHAN SCHRÖNEN
Staff Reporter

11/5/70 332
TAXI drivers and passengers have attacked a traffic officer and an Autonet employee in two incidents in Bellville South.

Traffic officer Mr Jonathan Langenhoven, based at the Regional Services Council's depot in Elsies River, stopped a minibus taxi yesterday and was testing its brakes when a second taxi stopped.

The two drivers pulled Mr Langenhoven out of the taxi and started hitting and kicking him. He was also hit on the head with a knobkerrie as he

tried to run away.

A truck driver stopped and rescued the injured officer. Mr Langenhoven was taken to Tygerberg Hospital for treatment and was discharged.

Mr George Bernardo, acting traffic chief of the Regional Services Council, said that the council was "most concerned".

In the second incident, Mr G Samuelson, an Autonet driver, was stabbed in the neck by passengers of a minibus taxi about 600m from where the traffic officer was being attacked.

Mr Samuelson was taken to Tygerberg Hospital for treatment.

17/6/15 11/5/98 (268) 332

Spoornet may not be privatised — De Villiers

SPOORNET may not be privatised for a long time, if ever, the Minister of Privatisation and Public Enterprises, Dr Dawie de Villiers, has said.

Introducing the debate of the Extended Public Committee yesterday, he said the Department of Transport Services had recently been transformed into a broad transport company and a commuter services corporation.

This did not constitute the transfer of ownership to the private sector and was wrongly referred to as privatisation.

"REAL MISSION"

Sats had restructured its operations into five separate divisions and many separate, smaller business units.

"This exercise, which will take a long time to bring to its

final conclusion, is done to direct one of the largest State enterprises to efficiently concentrate on its real mission in the economy. This entails the commercialisation of its activities.

"Having arranged its business into different divisions, it will now be easier to manage each respective division on a commercial basis. Every division may not necessarily make a profit and socio-economic services may still have to be performed in certain instances.

"In these circumstances, we may find that Spoornet in itself may not be privatised for a long time — if ever — while South African Airways and Road Transport may well be attractive prospective candidates for investment by private investors or entrepreneurs." — Sapa.

New deal for charters will boost tourism

Cape Times 11/5/90

332

Staff Reporter

THE government has made a vital concession in this week's announcement of charter flights to South Africa—the aircraft bringing tourists in will be allowed to carry South African passengers on their return flights.

The so-called “upliftment” rights, announced by the Minister of Trade, Industry and Tourism, Mr Kent Durr, will help local tourism operators.

Mr Durr said the intention of the policy was to relax previous rigid control over charter flights.

However, the new rights would be allowed subject to approval from the National Transport Commission.

Restrictions on the right to carry South African passengers on outbound flights have in the past made international charter ventures financially unattractive to local operators.

It was the refusal by transport authorities to grant these rights to Cape-based company Masterleisure which forced the company to close the Christmas season charter venture it launched last year.

Without upliftment rights there

is the likelihood that return flights will be half empty or that carriers will be grounded until the first foreign arrivals, who are likely to visit for an average two weeks, are ready to return home.

Mr Durr said that single or ad hoc flights, including charters over routes where no scheduled services were operated, round-the-world charter flights and other drop-in charters which included South Africa in a broader itinerary, would receive favourable consideration by the National Transport Commission.

Private sector operators and travel agents said yesterday that these services had all been available—subject to approval—before the policy was revised.

A significant condition of approval was the requirement that passengers on the charter services demonstrate through the applicant operator that they had spent a significant amount of money during their stay in SA. This would pressure the operators to sell package deals, including accommodation, industry spokesmen said.

Mr Durr said government would not adopt a totally deregulated policy which would promote cheap mass-charter air traf-

fic because it would be harmful to scheduled carriers and would lead to the development of low-income tourism which would not benefit the country.

He said the policy represented the most responsible method of achieving the development objectives of South Africa's tourist industry, while maintaining a healthy network of scheduled services to and from SA.

Tourism bodies said yesterday that billions of rands could be injected into South Africa's tourism industry following the decision.

Captour chairman Mr Louis Kreiner said yesterday that the move was one of the “most exciting” happenings in the tourism industry to date and that it could result in billions of rands being injected into the South African economy.

Mr Kreiner said tourism could become the country's largest industry before gold and that South Africa could become “the tourist destination in the world”.

Association of South African Travel Agents (Asata) president Mr Rupert Lawlor agreed with Mr Kreiner but maintained that the charters should be geared for out of season.

Staff Reporters

FOLLOWING attacks launched by groups of men in minibuses the Regional Services Council is considering more stringent by-laws to control minibus taxis.

The RSC's acting traffic chief, Mr G Bernardo, said the council had decided to draw up legislation in reaction to two different assaults on Thursday.

In one incident, a traffic officer, Mr J C Langenhoven, was assaulted after he found that the brakes of a minibus taxi

More curbs likely on minibus taxis

CML 7.6.8 12/5/90 332

were faulty and that it "did not have a reverse gear".

In a separate incident on the same day, Mr G Samuelsen was attacked in Elsie's River by a crowd of men who arrived in four minibuses.

They hit him over the head and took the Uzi sub-machine gun he had

been carrying.

Meanwhile, Cape Town City Council traffic chief Mr Wouter Smit said the driver or drivers of the city's most notorious taxi — which has 133 warrants worth R71 000 in fines outstanding against its drivers — had not yet been apprehended.

Airport tax soon, talk of new road toll

Capt. Tink's 12/5/90 332

Political Staff

TRANSPORT Minister Mr George Bartlett produced a double jolt for travellers yesterday — airport taxes and the possibility of metropolitan toll roads.

The airport taxes would be introduced soon, he said, but the concept of tolling major roads in and around cities was still "just an idea".

Mr Bartlett said the tax on all domestic departures was expected to be about R3 and about R25 for foreign departures.

Deregulation of air transport went hand-in-hand with commercialisation, and airports had to be self-financing, he said. State airports were losing money and funds for capital expenses

were becoming increasingly difficult to obtain.

"Levyng passenger charges is common around the world and will not significantly affect travelling costs."

He said the board of airport operators was happy with the move.

Mr Bartlett dropped his hint of a "metro toll" on roads during the debate when replying to inquiries about the proposed MR77 road around Durban which would, in effect, be an outer ring road.

If existing roads in the metropolitan areas were tolled there might be enough money to build proper roads in disadvantaged areas, such as black townships, and in developing areas, he said.

Bolton fails to arouse excitement of investors

B/Day 14/5/90

332

INVESTORS appear unexcited over prospects for Bolton Industrial Holdings (BIH) as the share price has shown little progress since January 1989.

The accompanying chart shows the share managed to rise above 800c on two occasions, but strong selling pressure quickly put an end to these rallies.

BIH's primary source of income is its 34.6% holding in

ANALYSIS: STEPHEN RICHTER

Cargo Carriers and the 74.1% stake in Bolton Footwear.

Both companies operate in industries which can be influenced by the economic cycle. Consequently, investors are sceptical about near-term prospects for these companies, which is accurately reflected in the share price movement of BIH.

In the 12 months ended February 28 1989, earnings for BIH declined slightly to 120.6c a share compared with 126.7c for the same period of the previous year. Bolton Footwear then showed the strongest performance, while the results at Cargo Carriers were disappointing.

But it appears the situation has improved at Cargo Carriers for the year ended February 1990, as EPS jumped by 43.4% to 37.3c, and the dividend was raised by a similar percentage. BIH joint MD Brian Puchert indicates deregulation has created opportunities in the transport industry, and Cargo has capitalised on this.

Management has made an effort to increase the group's overall operating performance. Vehicle utilisation has been closely looked at, resulting in cost reduction accompanied by an increase in turnover.

While earnings have shown substantial improvement at Cargo, the opposite has developed at Bolton Footwear. Although turnover advanced by 66% to R188m, substantially higher finance charges reduced the increase in EPS for financial 1990 to 10% to 33.4c (30.3c).

Management indicates the higher borrowings at Bolton Footwear were a direct result of the sharp increase

in turnover reported at the interim stage. This led to an increase in stocks and debtors at a time when imports were also at above average levels.

This also holds true for the recently acquired A & D Spitz chain, included in Bolton Footwear's results for the first time. A & D Spitz has met budget as this group's overall performance was in line with the target set.

Steps have been taken by Bolton Footwear to improve stock and debtor control, while imports will be monitored closely.

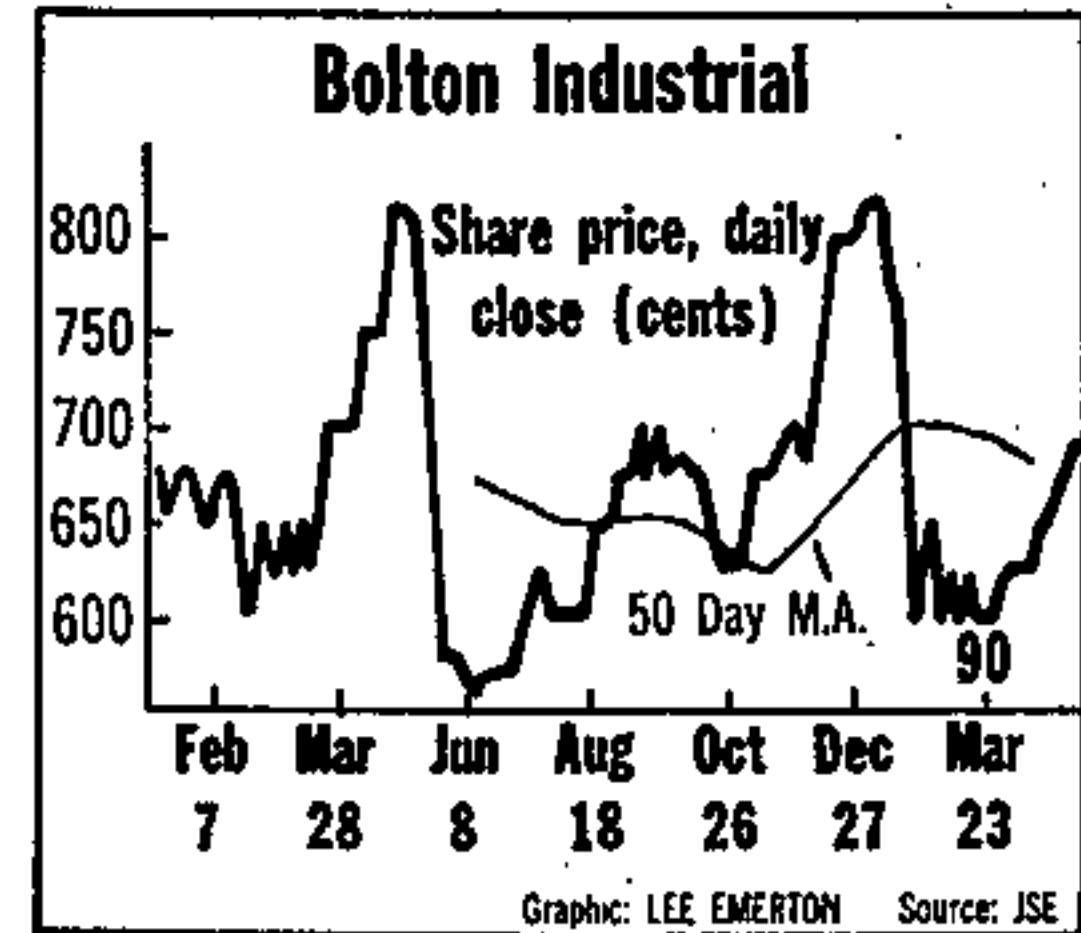
It is expected the group's debt-equity ratio will remain within acceptable limits.

Although the combined performance of these major operating companies helped boost BIH pre-tax profit by 41%

to R27.8m (R19.7m), a 62% jump in income attributable to outside shareholders reduced the rise in attributable income to 18.7% or R7.4m (R6.2m).

Outside shareholders took a greater proportion of BIH income as the earnings improvement took place at Cargo Carriers in which BIH holds only a 34.6% stake. In addition, Bolton Footwear acquired a major interest in A & D Spitz with a partner, who is also entitled to a portion of income generated by the group.

Therefore, it would seem investors will need to be convinced that earnings growth at Bolton Footwear and Cargo Carriers are in a firm uptrend before bidding up the share price of BIH.



Call for talks on minibus crackdown

By EDWARD MOLOINYANE
Staff Reporter

THE South African Black Taxi Association has called on Cape Town City Council to negotiate with it before arresting taxi-drivers and impounding their vehicles for failing to produce positive identification.

The measure, recommended by the traffic department recently, is aimed at dealing effectively with drivers committing traffic violations, amid fears that the sharp increase in the number of minibuses in the Western Cape poses a threat to road safety.

"SENSITIVE"

The association's Western Cape chairman, Mr Basil Nagel, said in a statement that the organisation had taken the initiative of establishing — and had been participating in — taxi liaison committees in Cape Town for four years.

"Sabta is open to negotiations with the authorities in Cape Town and we urge the City Council not to exploit the already sensitive situation in the taxi industry.

"We are mindful of the fact that road safety is non-negotiable; that passenger safety is of utmost importance.

"We will be able to cherish those ideals only if proper consultation and understanding is reached.

"We finally urge the City Council of Cape Town to have intensive consultations with the taxi fraternity before the implementation of these regulations."

Mini-bus taxis make a big dent

ALAN FINE

THE black taxi industry has made huge inroads into the formal public transport industry, Central Statistical Service (CSS) figures show.

A Wits Business School paper on the subject published recently predicted the mini-bus business — estimated to be made up of 80 000 taxis — will continue to be a major participant in the mass urban transport network, although it would be required to address important strategic issues.

The paper, by Joel Barolsky, contended private bus companies had suffered a 39% decrease in black passengers transported since 1983.

The accompanying graph shows the trend in that market from 1985 to 1989, while latest statistics show the fall to have been 12% — from 706-million to 622-million a year — since 1987 alone.

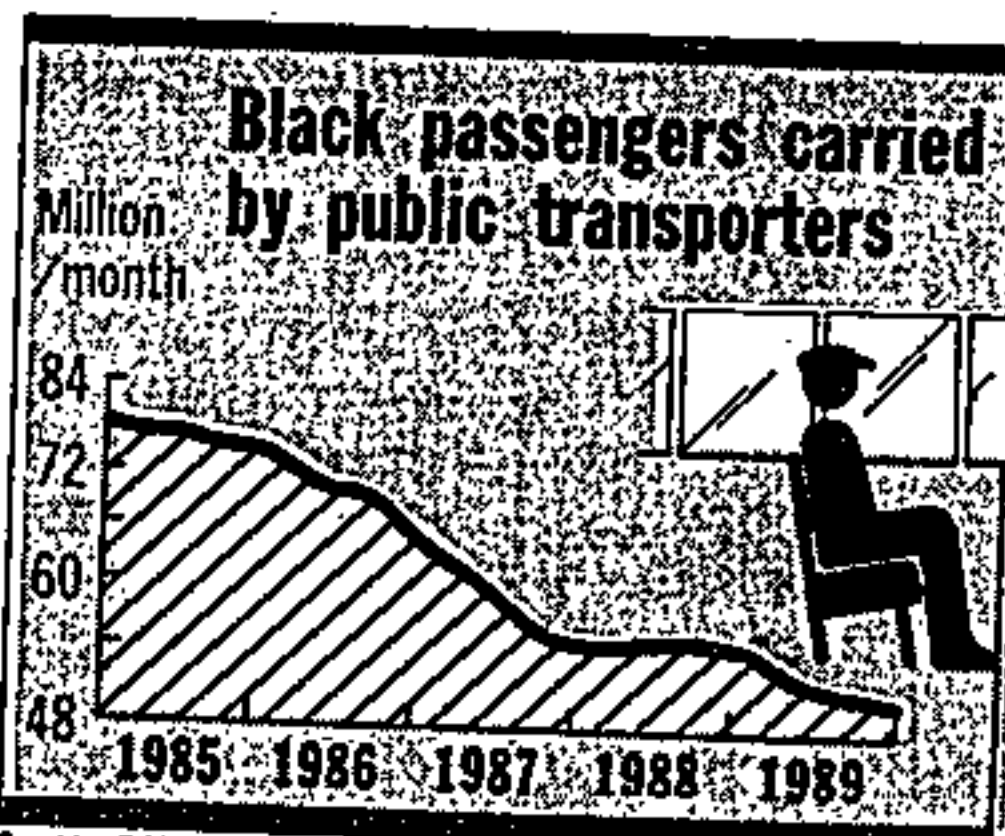
According to CSS, municipal passenger transport lost 14% of its passengers from 1987 to 1989 (173-million to 148-million).

Of the three main sections of the formal public transport sector, Transnet appears to have suffered the smallest loss.

Although Transnet's relatively small rural service had shrunk in passenger terms by 76% since 1982, its urban rail passenger numbers dropped by 13% in that period.

CSS statistics for the period since 1987 showed Transnet to be holding its passenger losses to about 1% a year.

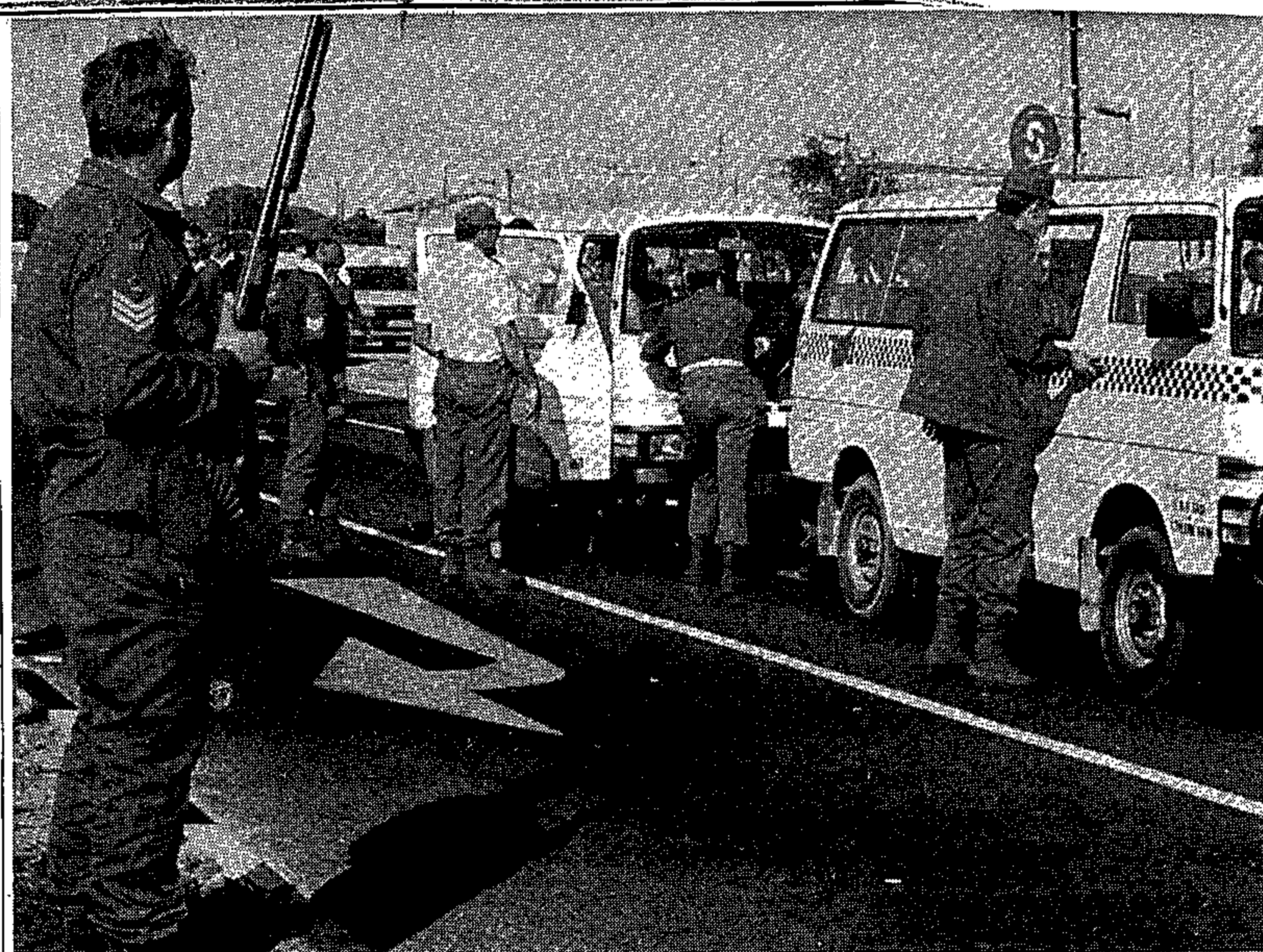
Despite the strong impact it had made in the transport sector, the taxi



Graphic: FIONA KRISCH Source: CSS

industry had to address certain critical questions, said Barolsky. These included:

- ☐ When facing a reduction in the supply of mini-busses as a result of sanctions, how would the industry maintain its anti-sanctions stance while retaining credibility in a politically concientised market?
- ☐ Communication with and control and discipline of operators.
- ☐ Resolving the dramatically escalating violent conflict between rival taxi associations.
- ☐ Balancing rising inflation, interest rates and running costs with a market sensitive to dramatic fare increases.
- ☐ Future legislative changes which may allow the bus companies and rail networks to compete more vigorously.
- ☐ The possibility of the Receiver of Revenue imposing rigid tax collection procedures on operators.
- ☐ The saturation of supply and the levelling-off of demand in certain market segments, including the implications of free settlement areas and the easing of group residential requirements.



TAXI PROTEST: A police reaction unit member stands ready while colleagues push minibuses from the centre of Klipfontein Road

PIC: YUNUS MOHAMED

By REHANA ROSSOUW

ABOUT 40 Cape Flats taxi drivers were arrested on Wednesday after they blocked a busy intersection in Athlone to protest against a traffic police crackdown.

But Cape Town's traffic chief, Mr Wouter Smit, said his department would persist with the crackdown and called on taxi drivers to abide by the law and respect other road users.

In the first of a series of actions planned, about 40 minibus taxis blocked the intersection opposite the Manenberg police station for more than an hour to protest against the arrest of two drivers.

The drivers, who operate from the Athlone rank, abandoned their vehicles in the middle of the Klipfontein and Modderdam Road intersection and gathered nearby.

No licence

Traffic police had to divert traffic as vehicles congested.

"One of the drivers was arrested because he has no licence, and is being held here at this police station," a spokesperson for the Athlone Rank Association said.

"We won't move until he is released."

Two minutes later, the spokesperson was one of the 40 drivers arrested by reaction unit policemen who had been monitoring the protest.

Police and traffic officers struggled for more than 30 minutes to remove the minibuses from the intersection.

Some vehicles had been locked and their steering wheels locked into po-

Arrests after taxi blockade

South 10/5 - 16/5/90

sition, making it difficult to remove them.

Smit said the new measure, which compels taxi drivers to produce identification and licences on request, was not victimisation.

"It's required and provided for by law and all other motorists must adhere to it.

"It is fair to expect taxi drivers and operators to abide by the law.

"They must respect the right of others to share the road with them. Our objectives are to ensure the safety of taxis, ensure they play a meaningful role in society and operate safely on our city streets."

● Meanwhile, the

Eastridge/Beacon Valley Civic Organisation in Mitchells Plain expressed sympathy with the families of seven people killed in a minibus taxi accident last week and called on taxi drivers to be more careful.

"Our hearts bleed for the loss of seven lives," said Mrs Dianne de Vries, secretary of the organisation.

"We wish to express our deep concern for the reckless driving of taxi drivers and their unconcern for the safety of their passengers.

"These passengers entrust minibus drivers with their lives, which should be considered more valuable than the profit the drivers wish to make," she said.

Taxi boss dies

Sowetan 16/5/90

332

MR GODFREY Ntlatleng, a former vice-president and founder member of the Southern Africa Black Taxi Association, has died.

Ntlatleng (59) of Mamelodi died of a heart attack at his home early yesterday morning.

Sabta president Mr James Ngcoya yesterday said Ntlatleng's death was a great loss to the association.

He said his courage, strength and hunger for success turned the black taxi industry into the successful giant that it was today.

"He formed an essential part of

Sabta's history. His death comes as a shock to his family and friends. Sabta has lost a great leader," Ngcoya said.

Ntlatleng rose steadily from a delivery "boy" to become Sabta's vice-president.

He was elected vice-president of the association in 1984.

He retired in 1988 because of ill health, but continued to serve as an adviser to the executive committee.

Ntlatleng also served on several taxi bodies, among them the Mamelodi Taxi Association and the Regional Ex-

ecutive Association.

He will be buried at Mamelodi Cemetery on Sunday. A funeral service will be held at the YMCA Hall in Mamelodi at 8.30am.



**GODFREY
NTLATLENG**

**Football
bonanza**

WATCH OUT for the Friday edition of *Sowetan*. It will carry the results of the FA Cup replay at Wembley tomorrow and a preview and colour *Castle Challenge* Swallows and *Flamingos*.

White House in dilemma over De Klerk date

The Argus Foreign Service

WASHINGTON. — Senior officials are discussing the possible rescheduling of President De Klerk's visit to the White House so that it could come after Mr Nelson Mandela visits late next month.

There is no possibility, however, that the visit will be cancelled, according to US sources.

ears two days



Sally Perdue, 51, goes for a walk along a street in Beijing. She is part of a tour of the Great Wall of China, starting in August.

The leaking of the date of Mr De Klerk's scheduled visit, June 18, sparked an outcry in Washington because it precedes by only a few days a similar visit by Mr Mandela.

The African National Congress in the United States described the De Klerk visit as a slap in the face for Mr Mandela and for the organisation.

ON DEFENSIVE

Black rights leader the Rev Jesse Jackson said President Bush's invitation to Mr De Klerk had given the apartheid regime a level of credibility that brought it back into the family of nations before apartheid ended. Because Mr De Klerk would visit first, Mr Mandela would spend his trip on the defensive reacting to initiatives and gestures of Mr De Klerk, he said.

Anti-apartheid activists and several influential members of Congress have been putting pressure on the Bush administration to at least re-schedule Mr De Klerk's visit until after Mr Mandela has visited. The ANC deputy-president will visit seven US cities between June 20 and 30.

According to US officials the White House is sensitive to these appeals, particularly in view of President Bush's high standing with the African American community.

NO OFFICIAL DATES

They point out that no dates have been officially announced for either of the visits.

According to the sources, the South African government had all along said it did not mind if Mr De Klerk visited the US after Mr Mandela.

The ANC does not object to Mr De Klerk visiting before Mr Mandela — it is opposed to him being invited to the White House while apartheid remains in place.

PUTCO

FIM 1815790 (332)

Who pays the dividend?

Putco's declaration of a massive 310c special dividend, about double the share price until recently, prompted a precipitous rise in the share. It has also raised outraged howls from taxpayer watchdogs who reckon the dividend is being made from earnings created by State subsidisation of bus fares.

The R81,9m distribution will be drawn from Putco's cash pile, R34,6m at June year-end, bolstered by cash flow and repayment of R30m owed by Putco Properties. It will reduce Putco's non-distributable reserves, R171,5m at year-end, which have been built up since the early 1980s through the creation of large inflation reserves for future purchases of buses.

The dividend is not a capital reduction, opines Sam O'Leary of Price Waterhouse, as the inflation reserve was created from appropriations of profits to distributable reserves.

No dividend may be paid to foreign shareholders from pre-1984 earnings without the permission of the Reserve Bank, O'Leary points out. Putco MD Jack Visser says though Putco is ultimately controlled by the Carleo family of Italy, the immediate controlling shareholder is Carleo Enterprises, a private SA company, and that the dividends will not be taken out of SA. That is probably true for the present, but does not mean there will not be attempts to externalise them at a later stage.

Visser says the rising number of minibus taxis has reduced the need for new buses, making Putco's accumulated inflation reserve superfluous. Putco's fleet has been cut from about 3 500 five years ago to 2 000 now and might be reduced further. The company remains confident of the need for buses on longer routes and at peak hours and Visser says the 310c payout does not signal a withdrawal from the bus business. It follows two, much smaller special dividends of 17,5c each paid in 1987 and 1988. Visser adds the dearth of quality investment opportunities in related fields prompted Putco to make the balloon payment.

He says the fact that government forced blacks to live in remote areas necessitated subsidies for passengers, not bus operators. "Putco merely earned a reasonable return, including profit."

Whether the return was "reasonable" is difficult to ascertain from Putco's accounts. The company has never disclosed the extent of the subsidies. Though its profits have seemed meagre on the basis of inflation accounting, they are better on the basis of historic accounting.

Analysts have accused Putco of using inflation accounting to depress earnings so as to bolster periodic appeals for increased sub-

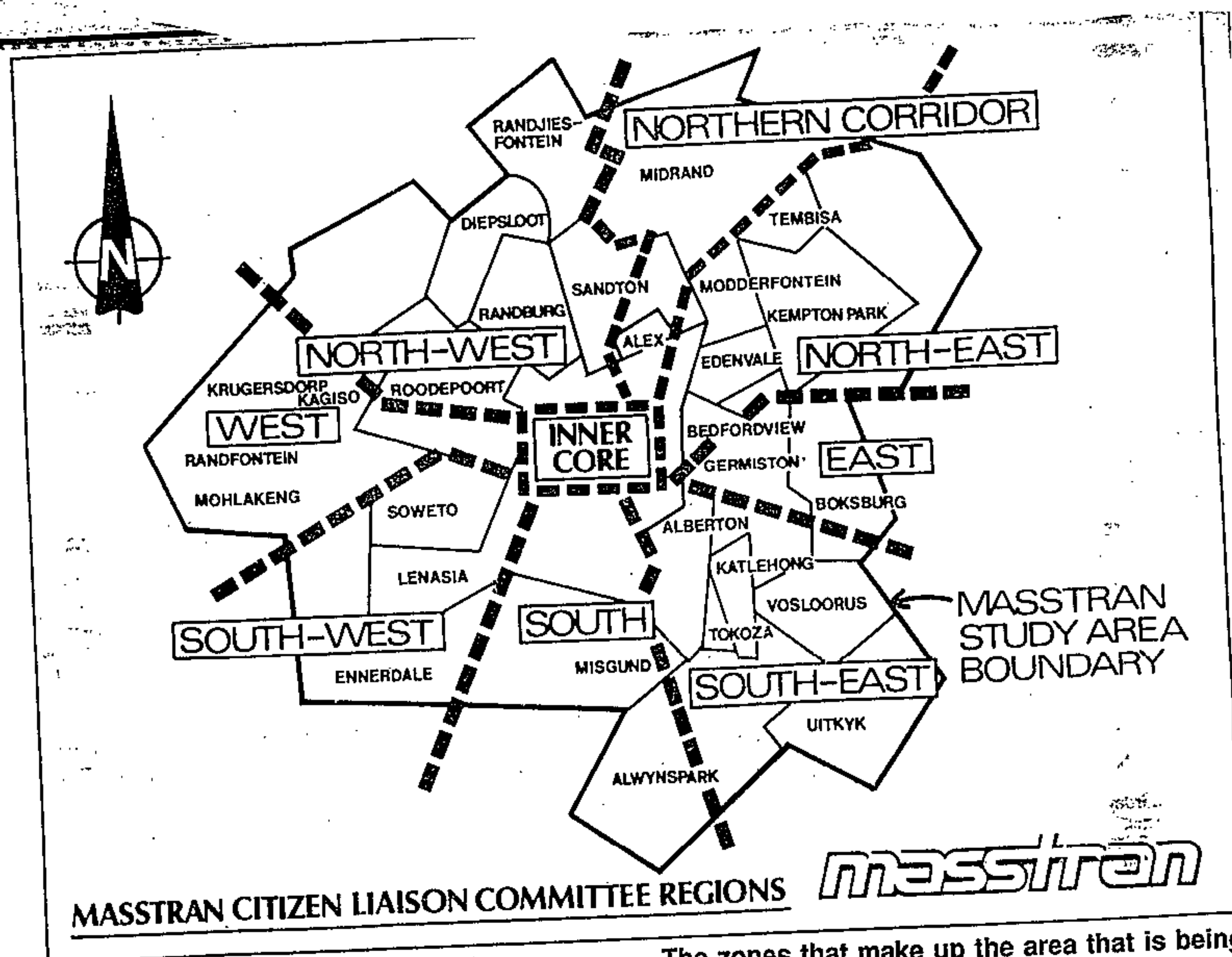


Putco passenger ... did he get the full subsidy?

sidies. Visser counters by saying inflation accounting was adopted after a strong recommendation from the National Transport Commission. Another transport operator comments that Putco earned a low return on a large asset base and that its risk-reward profile had probably become unattractive for the Carleos.

The Putco payout has also caused some excitement in the share of Putco Properties, but Visser says it will not be paying any special dividends. Putprop has not sold any properties since its listing in July 1988 and, even if it did, it would use the proceeds to reduce gearing.

Teigue Payne



Ideas sought for transport scheme

Sowetan
18/5/90

Sowetan Reporter 332

THE feasibility study on a mass public transport system for the greater Johannesburg/Soweto area has entered its most significant phase and public involvement is now being sought.

The first meeting with community organisations in the north of Johannesburg's central business district was held early this week.

On Monday big business sits down with Masstran, the consortium undertaking the study, and Tuesday night is the turn of central Johannesburg.

Commuters

On Wednesday community organisations and interested individuals from the south west region - Soweto, Lenasia, Ennerdale and Eldorado Park - are invited to provide input.

Input is required from areas where thousands of commuters are affected.

If anybody has any ideas about what type of transport is desired, what environmental effect existing and suggested transport will have on pollution (noise and air) and on the community, Masstran are interested to hear, the organisation's spokesperson, Ms Donna Fitzsimons, said yesterday.

Community organisations have been approached and a meeting is planned for the near future.

Any other community projects and organisations can contact Fitzsimons at (011) 403-2852/4.

The zones that make up the area that is being studied with regard to creating a mass transport system include Soweto, Eldorado Park, Lenasia and Ennerdale.

Improving taxi drivers' image

By SANDILE MEMELA

THE Black Union of South African Taxi Organisations (Busato) has launched a campaign to improve the image of its drivers.

According to public relations manager Isaac Ndzipho incidents like the Katlehong war have tarnished this image.

"As a result we strongly feel that we need to restore the dignity and positive image of the taxi driver among commuters. What we hope to achieve is to see the community having confidence in us."

Ndzipho said Busato is the fastest growing taxi organisation in South Africa and boasts almost a million members countrywide.

The organisation is a break-away from the South African Black Taxi Association (Sabta) and was established in 1989. It has close ties with the South African Long Distance Taxi Association (Salda).

Ndzipho is reluctant to discuss the reason behind the breakaway, but said: "We do not consider ourselves a rival to Sabta, but we are doing our own thing."

He explained that Busato was often mistaken for a trade union by the public and by taxi drivers and owners.

"But we are not a union in the sense of trade unionism. Our primary aim is to promote unity among taxi drivers countrywide and create a more positive image of the industry."

Although Busato is not affiliated to Cosatu it has links with the Mass Democratic Movement. Ndzipho told *City Press* Busato was largely responsible for ferrying people to mass rallies organised by the liberation movement.

"In that sense it makes us part of the liberation movement. But this does not mean we are active in politics, we leave that to the politicians," he said.

Ndzipho expressed concern that during upheavals township comrades attacked and damaged taxis.

"However, this must have been caused by the wild and aggressive behaviour and attitude of taxi drivers

which has resulted in commuters losing confidence in the industry," said Ndzipho.

But Busato has taken great strides to address the problem. Talks are underway with the Department of Transport and Economics at Rand Afrikaans University to establish courses to teach drivers people-handling skills.

"This is part of the programme to prepare the taxi driver for a new role in a new society where he will serve all people. It would not be proper for commuters to feel intimidated by taxi drivers," said Ndzipho.

Ndzipho has identified a number of causes for the negative image of taxi drivers. Among these are their wild, aggressive behaviour and attitude, shabby dress, reckless driving, unwashed vehicles and foul language.

"We do not deny that the taxi industry has had no culture, value-systems and standards set for itself. But that is urgently being addressed," he said.



Busato public relations manager Isaac Ndzipho... 'need dignity'.

Buses avoid trouble spots

20/9/90 Staff Reporter

WELKOM — Hundreds of Thabong residents were today left stranded without bus transport to work, following yesterday's police shooting which left five people dead and many injured.

Last night barricades on streets hindered traffic.

A burnt-out bus and a truck, which residents said belonged to a business in town, blocked the entrance to the township.

The Star team in the township was forced to take cover last night when a police truck passing by opened fire last night.

Reporters were told to leave a provincial hospital in Welkom where many injured were being treated. Bloodstained floors could be seen as emergency staff worked overtime.

No end in sight to 'Spruit taxi war'

THE Katlehong Civic Association, and the United Democratic Front task force, formed recently to resolve the taxi disputes

in the East Rand township, yesterday failed to reach an agreement.

Delegates from the organisations held a mass

Sowetan 21/5/90
meeting at Katlehong's Hunters Field Stadium to discuss recent taxi disputes which resulted in a taxi war which has left

about 49 people dead in the past three months.

A spokesman for the Tokoza Amalgamated Taxi Association, Mr Paul Mgubeni, who also addressed the meeting, warned that taxi operators in nearby Tokoza were operating illegally.

He said that unless Tokoza taxi operators refrained from transporting people from Tokoza to Germiston the taxi war would be resumed and spread to that township.

He warned that Tokoza operators were taking a risk because taxi disputes in Katlehong had not yet been resolved.

332 Tokoza residents now face the possibility of transport difficulties.

KCA spokesman Mr Paul Maseko said Katlehong residents had instructed the KCA and UDF task force to form one taxi association for the township as soon as possible so that taxis can again begin operating.

A proviso put to yesterday's meeting was that four taxi operators - Willy Dlamini, Simon Cedekhulu, Zach Nkosi and Andrew Ndlovu - are not included in the new association because they are said to have been involved in the taxi war.

Excellent year at Unitrans

Star
22/5/90 By Derek Tommey

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Road-transportation group Unitrans has just finished an excellent 12 months to March — and is financially well-prepared to continue the growth this year, preliminary figures issued today show.

A final dividend increased by a third to 12c has been declared. This follows a 50 percent increase in the interim to 7,5c a share, making a total payment of 19,5c for the year — 39 percent more than the 14,0c paid last year.

Unitrans' turnover rose just 17 percent to R216,2 million, while operating profit rose 24 percent to R35,6 million. Trading profit, which includes profits on sales of used vehicles, rose 31 percent to R42,4 million.

Net interest

However, net interest more than trebled from R2,3 million to R7,8 million holding back the growth in the profit before tax to 14 percent. But taxation was almost halved, falling from

R10,0 million to R5,5 million while R700 000 (R300 000) was provided for outside shareholders.

After taking these two items into account, attributable profit rose 43 percent from R54,4 million to R78,0 million equal to 78c a share.

Debentures issued

Unitrans raised R60 million at the end of the year through an issue to shareholders of compulsory convertible debentures. This increased total permanent capital from R75,7 million to R158,7 million, and reduced financial gearing to about 10 percent.

Mr Eduardo Garcia, Unitrans' chief executive, says that the company is highly competitive with the most modern fleet in Southern Africa. It has extended its international operations and is now established in most neighbouring countries.

The group has a number of sound projects under consideration which should ensure continued growth.

UNITRANS LOGS 50% GROWTH IN FIVE YEARS

EDWARD WEST

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LEADING road freight transport group Unitrans has shown another year of growth during which earnings a share have risen 43% to 78c over the previous year, bringing the company's compound growth rate over five years above 50%. 610 22 590

A Unitrans spokesman said the group's results were due mainly to well performing operating companies, a lowered tax liability and R6,8m profits derived from the sale of vehicles.

Turnover increased only 17% to R216,2m in the year to March 1990 because certain unprofitable contracts were discontinued, a Unitrans statement said.

This enabled the group to improve operating margins which resulted in a 24% increase in operating profit from R28,6m in the previous year to R35,6m. Profits before interest rose by 31% to R42,4m, but pre-tax profits were hit by a R7,8m interest bill. Pre-tax profits rose 14% to R34,6m (R30,1m). At R5,5m, tax nearly halved from last year's R10m, so taxed profits rose 44% from R20,1m to R29,1m.

A final dividend of 12c a share was declared bringing the total for the year to 19,5c (14c) a share.

To provide for future growth, Unitrans raised additional capital of R60m by way of convertible debenture issue to shareholders which reduced financial gearing by 10%, the statement said.

Katlehong taxis likely to run this week

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20 weeks
22/5/90

TAXI operations in Katlehong are expected to resume this week following a meeting at Huntersfield Stadium at the weekend.

Both the now disbanded taxi associations - the Germiston and District Taxi Association and the Katlehong Taxi Association - who were at the centre of the "war" which claimed more than 50 lives in March, apologised before the community at the meeting.

An interim Committee comprising members of the disbanded taxi associations will monitor developments for the next two

months.

The Katlehong Civic Association will make available a common office where the committee will take up offices, register all taxis that will operate in the township and identify those taxis for the benefit of the community.

The UDF Task Force, which was responsible for organising the meeting, was given a two months to report back to the community on progress made.

The meeting resolved to mandate the UDF, Sabta, Busatu and the KCA to work out a mechanism for establishing a united taxi association in Katlehong.

Transnet raises R5,1 billion in foreign loans

Finance Staff 23/5/90
Over half of Transnet's (formerly Sats) R9,55 billion debt in the financial 1989/90 year was in foreign loans, the Auditor General's report tabled in Parliament yesterday shows.

The report states that of the total loan debt 54,22 percent, or R5,17 billion, was foreign debt, while the remainder was raised on the local market and through the issue of Treasury loans.

Transnet has used forward exchange contracts to protect itself against foreign exchange losses on repayment of almost all of the debt.

The group's operating income totalled R147,39 million during the 1989/90 financial year, but the cumulative deficit of the group was still high at R3,47 billion.

Total expenditure against capital amounted to R905 million, however accumulated savings had to be used to cover over-expenditure against budget in two divisions.

This reduced total savings to R35,91 million.

Transnet has debt of R9bn

LESLEY LAMBERT

CAPE TOWN — Sats, newly commercialised as Transnet, incurred debt of R9,55bn during its 1988/89 financial year, more than half of which was in foreign loans, according to the Auditor-General's report.

The report, tabled in Parliament yesterday, showed that of the total loan debt 54,22% was foreign, while the remainder was raised on the domestic market and through the issue of Treasury loans.

The report indicated that Sats had protected itself against foreign exchange losses on repayment of the foreign loans by covering almost all the loans with forward exchange contracts. Only US dollar/British pound loans worth £32,6m had been left uncovered, it stated.

Sats's total operating income amounted to R147,39m after the appropriation of R1m for the reserve fund at the end of March 1989. This brought the cumulative deficit to R3,47bn.

Total expenditure against the capital budget for the 1988/89 financial year

amounted to R905m. While expenditure in two operating divisions exceeded the amounts voted by R7,93m, savings from other divisions were used to meet the excesses with the result that total savings were reduced to R35,91m, or 3,82% of the total capital budget of R941m.

Debtors increased by R161m to R2,1bn during the year, with provision of R9m for bad debts, while creditors increased by R267m to R1,84bn. The increase in creditors was attributed to growth in pension funds and outside contributions to capital projects.

The Reserve Bank had granted overdraft facilities for R50m for which Sats pledged R157,5m of its investments in 9,25% 2005 RSA stocks.

According to the report, Sats's books reflected an overdrawn balance of R160,26m, while the Reserve Bank showed a credit balance of R3 906.

Taxis to resume

Soweto 25/5/90

TAXIS in Katlehong will resume operating today after feuding between two rival organisations disrupted the service for two months. (332)

Residents have been boycotting taxis in the East Rand township after about 50 people were killed in March during clashes between the Germiston and District Taxi Association and Katlehong Taxi Organisation.

New taxi fares will come into effect from today.

The decision to resume operations was taken after members of both taxi groups apologised at a public meeting at Huntersfield Stadium last weekend.

Shipping ready for

Business Staff

THE South African shipping industry is ready to handle increased volumes of business likely to be generated if international sanctions are lifted soon.

However, foreign shipowners who were reluctant to operate here or those that have never traded here before may also be attracted to these waters.

"That is a possible threat, but it should be offset by increased business that will be available," says Grincor managing director Mike Groves.

"We would be able to cater for the extra business, if not with our own vessels, with charters," he said in an interview.

Grincor derives 20 percent of its attributable earnings from international business and has

set itself a target of boosting that to 40 percent.

Mr Groves said while the shipping industry had been buoyant in recent times, it had to be looked at in relative terms.

"The industry went through a terrible recession from 1981 to 1986 and all that has happened from then until 1989 is that it has been getting itself back to acceptable levels," he said.

"In the first part of this year, there has been a slight decline in the market worldwide and we would expect it to remain flat for the next year to 18 months.

"But we do expect the mid-1990s to be a strong shipping market just in terms of supply and demand. And the people and hardware is there to handle the extra business when normality of trade returns."

The latest results for Grincor, the investment holding company involved in storage, handling and transportation of goods by sea, air and on land locally and internationally, have been impressive and the share price on the JSE has risen greater awareness of the company's financial strength.

A restructuring of operations occurred after the company bought Mitchell Cotts in 1987 and the effect has been significant.

"Unicorn traditionally has a strong cash flow and in Grincor we tightened up the cash management a lot and reduced working capital by R10-million which contributed to the present healthy situation," said Mr Groves.

The company was always seeking acquisitions in the shipping market, particularly where a reasonable length charter was involved and ongoing employment for the vessel was guaranteed.

"While we will be looking both locally and internationally for expansion, we will tend to stick to what we know and it is highly unlikely we will diversify," he added.

"We will, however, consider any privatisation opportunities that may occur, particularly in the harbours. We regard ourselves as a multi-mode transport group, but we would be careful how much we put into any road transport operation with the sector facing such severe difficulties.

"Nevertheless there are longer-term opportunities in Africa to the north by both road and sea as a result of political developments."

turn around



Taxi drivers were all smiles on Friday after talks ended a two-month halt in operations.

Katlehong taxis back on the road

By LULAMA LUTI

ABOUT 100 taxis started operating in Katlehong on Friday, ending a two-month suspension of taxi operations in the area.

Conflict over certain routes in Katlehong and surrounding areas had led to fierce fighting in the township which left more than 50 dead.

Taxis bearing the Katlehong People's Taxi Association (Kapta) stickers did celebratory rounds in the township before loading passengers.

Drivers were all smiles as they got behind their wheels after marathon talks were held in a bid to end feuds between the now-defunct Germiston and District Taxi Association (GDTA) and the Katlehong Taxi Organisation (Kato).

A happy Thembelani Nozibele, who claimed he had lost about R8 000 in income, said: "We are happy about the decision to start operations and we are looking forward to the settlement of this thing, once

The taxis have re-registered at a common office in Germiston and will use the same routes and charge the same fares on all trips.

Chairman of the southern Transvaal region of the UDF and head of the peace co-ordinating committee Jackson Mthembu told drivers to ensure agreements on peace initiatives were respected.

"If you are not committed to peace, there will be no peace.

"We are looking forward to you burying your differences and working together."

Mthembu added that Kato members had requested a meeting on Tuesday with the co-ordinating committee.

A committee of members elected from both GDTA and Kato has been set up to monitor the situation with the help of squad cars. They will man routes between Germiston and Katlehong.

Katlehong 332 taxi back on the road

5th 28/9/90
Staff Reporter

After being suspended for two months, Katlehong taxis will resume operations for two months — provided peace continues and a single taxi association for the area is formed.

A statement from the UDF task force and the Katlehong Civic Association (KCA) said an interim committee had been formed to monitor peace and taxi operations in the area.

The committee was made up of members of the disbanded Germiston and District Taxi Association and Katlehong Taxi Organisation and community organisations.

An office manned by committee members will be opened to register taxis.

This follows a rally at the local stadium where the two warring factions apologised for starting the conflict which claimed the lives of more than 50 people and destroyed several vehicles and homes in the area in March this year.

At the meeting the interim committee, Sabta, Busato and the KCA were given a mandate to establish a united taxi association. After two months the organisations would report back to the community on progress made in this regard, the statement said.

CAT-Trans 30/5/90

Bus breakdown

City transport system is collapsing, says councillor

By PETER DENNEHY

GREATER Cape Town's public transport system is collapsing, town planning committee chairman Mr Clive Keegan said during a City Council meeting yesterday.

"Most people do not trust public transport or enjoy it," he said. "They do not regard it as safe or reliable or as having any virtue at all."

Public transport should be the prime mover of people in cities, he said, "yet our public transport system is crumbling into an even worse state every day".

Unless the planning and engineering bias towards the private car was redressed "to reflect our real traffic needs", Mr Keegan said, "our traffic situation will grow worse and worse".

He made these remarks on the occasion of the City Council's last updating of the Metropolitan Transport Plan before responsibility for it is moved to the Regional Services Council.

"Government intentions in respect of transport planning are still highly suspect," Mr Keegan said, adding that it was still officially the state's intention to shift responsibility for public transport subsidies

Riebeeck Square parking to cost more

Municipal Reporter

ALL-DAY parkers at Riebeeck Square will have to pay R4,80 a day, instead of the present R1,50, as soon as pay and display machines can be set up there.

The City Council decided yesterday, despite objections, that the parking lot would be converted into a toll parking area with a tariff of 60c an hour.

Mr Joe Rabinowitz strongly opposed the conversion, arguing that a greater turnover of cars there would not help central city businesses.

"People won't want to climb up the hill laden with parcels," he said.

Mr Leon Markovitz, chairman of the utilities and works committee, said all-day parkers would still be welcome on Riebeeck Square, and it would still be much cheaper for drivers to park there than in a parking garage.

Mr Markovitz said businesses in the vicinity of the Grand Parade, which had been converted to a pay and display area some time ago, were thriving.

on to Regional Services Councils.

He said that in 1988, the last year for which he could get figures, the state's bus transport subsidy in the Western Cape was R38 million.

In the field of passenger rail transport, the subsidy had been R92 million.

Asking the RSC to assume responsibility for R130 million a year would be "an act of extreme foolishness", because it would take up "almost every single penny of its income".

RSC levies were in a real sense a redistributive tax, he said.

"If there is any protest to be made, this is where it should be."

He said the present Metropolitan Transport Plan, drawn up under the aegis of the City Council, was "biased in favour of privilege" as it gave cars an advantage at the cost of public transport.

Planning at every level was premised on the use of cars, he said.

Now that the state and the provincial authorities were cutting back on funding for metropolitan planning so severely, he said, what little money was available should be spent entirely on public transport.

Transnet arms for open market competition

B (5) 21

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TRANSWERK — formerly Sats Workshop Division — is to arm itself for competition in the open market with a computer system worth more than R10m.

Following a year-long evaluation of 18 tenders, the contract has been awarded to Maclove Computer Systems.

Transwerk information systems manager Collin Smith says more than 1500 personnel will become users of Maclove's integrated manufacturing planning system MCBA in six sites

SA. These workshop divisions — with the largest foundry in the southern hemisphere — cater for refurbishing, manufacturing, foundry work, rail products and plant maintenance.

Maclove MD Rob Ralnier says he applauds the vision and courage which went into the decision to update Transnet's work-shops.

The system is too large to install in one phase and will be implemented in two

stages over three years.

Transwerk wanted a computer system to provide customer satisfaction to a large user base consisting not only of Railnet (railways) but also Portnet (harbours), where such a system would cut lead times and allow the division to meet deadlines.

Smith says a major consideration was whether extensive local support was available.

Other considerations centred around sanctions. "We required a supplier

with a proven local site for reference purposes which could supply modules immediately and whose software maintenance and support charges were not excessive," he says.

MCBA and Maclove Computer Systems fitted the bill.

In a recent US survey, MCBA applications were placed second only to IBM in the number of installed bases of minicomputer accounting software.

As SA's sole MCBA supplier since 1983, Maclove

has dedicated its energy into this one product.

Maclove had to have accounts and inventories online by March, after having been awarded the contract in mid-December.

Eight MCBA modules will be installed during 1990 in the first phase. The second will coincide with the 1991 financial year.

Transwerk visited sites at Metal Box, Quality Tyres, Enterprise Foods — to name a few — where MCBA has been successfully installed.

Cap 71/75 3/5/90

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Road Warning

By BRONWYN DAVIDS

THE strictest traffic rules yet in South Africa come into effect tomorrow — and Cape Town drivers have been given two weeks to shape up.

The new Road Traffic Act will apply to all four provinces and will standardise new and existing traffic laws. Drivers who fall foul of new traffic laws can expect heavy penalties of R8 000 (or two years' jail) for:

- Driving with a blood alcohol level of more than 0,08/100 ml.
- Overtaking without having adequate sight distance.
- Reckless driving, and
- Overloading, projections from vehicles and the manner in which goods, as well as people, are conveyed.
- Drivers who cause serious or fatal collisions or who drive negligently will be fined R4 000 (or one year's jail).
- It will now also be an offence to:
- Overtake on the left-hand side on a free-way.
- Hog the right-hand lane of a freeway,

even if travelling at the maximum legal speed limit. (Drivers are compelled to move to the left when the driver behind indicates by flashing his lights or hooting that he wishes to overtake.)

- Drive with tyre-treads less than 1mm deep.
- Have anti-theft devices installed which are connected or interfere with the vehicle's braking system.
- Assault traffic officers.
- And to drive around without carrying emergency triangles in the vehicle.

Motorcyclists may not weave in and out of traffic or ride in the same lane next to

another vehicle, as this constitutes reckless driving.

The headlamps of motorcycles must now be switched on at all times.

Cape Town City Council traffic chief Mr Wouter Smit said the laws come into effect tomorrow but motorists in the Cape will be given a two-week period of grace in which to become aware of the new rules.

Traffic officers will concentrate on advising and informing motorists of the new laws during the two-week period.

"After this two-week period, we will then see what kind of compliance we are getting from the motorist and then we will take it from there."

"One thing that one must realise is that we are dealing with the safety of all road users. And I think it is high time that drivers realise that if they want to drive they have a responsibility to others."

"If they cannot manage that responsibility, then they must either be prepared to forego the privilege of driving or pay the heavy penalties," said Mr Smit.

The safety of traffic officers had become a matter of concern for the authorities in recent years, and the new laws were therefore welcomed, he said.

TRANSPORT - PRIVATE - GENERAL

1990

JUNE - JULY

Nelspruit bus service halted after boycott

Star 2/6/90 332

NELSPRUIT — A boycott of the daily bus service between KaNymazane and Nelspruit yesterday resulted in the owners, Matsebula's Bus Service, suspending operations until further notice.

General Manager Pierre Delpont said buses arrived at various stops in KaNymazane yesterday morning to find no passengers.

He said intimidators

CLYDE JOHNSON
Lowveld Bureau

also prevented passengers from purchasing their monthly tickets and those who had bought tickets were threatened.

Buses transporting passengers were stoned and thousands of rands worth of damage was caused to windows and windscreens.

Rumours that passen-

gers would boycott the service spread about 10 days ago, following a company announcement of tariff increases.

The increase, amounting to an average of 22c a day, was considered too high.

"We cannot run the risk of getting killed with petrol bombs and stones so we had no option but to suspend the service until matters get sorted out," Mr Delpont said.

Thousands of workers either walking or travelling by taxi arrived late for work.

Taking advantage of the situation, most taxis raised their fees to R2 a single ticket, which far exceeds the new bus fare.

Mr Delpont said it was a tragedy that a small minority was intimidating 80-90 percent of the community.

New road law: AA calls for education campaign

Own Correspondent

JOHANNESBURG. — The Automobile Association (AA) yesterday appealed to traffic authorities to extend a two-week deadline for motorists to familiarise themselves with regulations under the new Road Traffic Act to one month and to use the period for an educational campaign.

AA Cape Town area manager Mr Ginger Johnston said though the AA was satisfied with the long overdue regulations, he hoped law enforcement agencies would work on a "reasonable period" of grace in allowing motorists to get used to them.

The regulations, which came into effect yesterday, allow the courts to mete out penalties of R8 000 (or two years imprisonment) for offences such as drunken or reckless driving.

Cape Town traffic chief Mr Wouter Smit said on Wednesday that motorists would be given two weeks to familiarise themselves with the regulations.

Asked for comment on extending the two-week deadline, Mr Smit said the period was long enough for motorists to learn "common road courtesy".

Banana line's on track for maiden profit

Business Times Reporter

IT'S been a long haul, but Port Shepstone & Alfred County Railway (ACR) is heading for profitability.

The company, funded by foreign and SA railway buffs and a R1,8-million share issue two years ago, reopened the 122-kilometre narrow gauge line between Harding and Port Shepstone in Natal after SA Transport Services withdrew.

ACR ran up costs of R1,5m and revenue reached R700 000,

or 47% of costs, in its first year. Income climbed to almost R2,25m, or 81% of costs of R2,8m, in the second.

The railway has had to counter tough competition from road hauliers, says managing director Allen Jorgensen.

In the last year that Sats ran the line revenue amounted to R1m and operating costs were R8,5m.

Mr Jorgensen says: "We're doing well enough to encourage investors to make an additional R500 000 available if it is needed."

332 Peanuts

The company operates the Banana Express in the tourist season, but it contributes peanuts compared with earnings from timber on the coastward trip and general cargo inland.

ACR estimates that it has 30% of all timber carried in the area. Main competitor Raven Hill Transport has 45%.

Mr Jorgensen says: "The line was discredited when we took it over, but we have turned it around. We think our case is strong enough now to ask the railways to help us get more cargo."

ACR's drive for freight is being helped by the poor state of roads in the district.

Mobil in valley oil hunt

Business Times Reporter

AMERICAN giant Mobil has launched a search for oil in Zimbabwe's Zambezi Valley.

Mobil Exploration (Zimbabwe) has been established to oversee a \$31-million exploration programme in a 31 540 sq km concession. The initial project is expected to run for four years.

Aerial survey work by two British companies began on April 1.

The UK company ULG will carry out a two-month survey to consider the environmental impact because of an outcry by conservationists when the concession was granted.

The project is the first co-ordinated search for oil in Zimbabwe by a major company. The former Rhodesian Government carried out limited drilling for oil or gas in the Lowveld in the late 60s without promising result.

Call for bus subsidy voucher system

THEO RAWANA

BUS companies, including Putco, would trigger off strong and uncontrollable boycotts if they increased fares in the wake of government subsidy cuts, black consumer organisations said yesterday.

Putco said last month the phasing out of subsidies called for by Deputy Transport Minister Piet Welgemoed would result in "unaffordable fares to commuters".

National Black Consumers Union (NBCU) president Nonia Ramphomane said in a statement that the union found the anticipated fare rises unacceptable.

The union recommended a voucher system, which would enable those in receipt of the vouchers to use them to claim such subsidies. *SDM 6/6/90*

"Subsidies are aimed at the poor black population, but the painful truth is that they never enjoy these benefits," she said.

Putco MD Jack Visser said: "Putco's services in Soweto are already running at a loss and if the government cuts its subsidies to passengers, the passengers will have to absorb the shortfall."

Welgemoed told a Southern African Bus Operators Association annual meeting last month a phased reduction of commuter fare subsidisation by central government was necessary. *(332) (289)*

Consumer Institute for Research and Promotion MD Eldridge Mathebula said yesterday blacks would switch to using taxis "which are very competitive despite operating without subsidies".

Putco had been protected for too long, he said. It was enjoying a subsidy while being a monopoly.

Taxi wars come easy when you earn R150 a week

The spate of bloody taxi wars flaring up in the townships and along operators' routes is due to poor work conditions maintain taxi drivers. By MZIMKULU MALUNGA

THE spate of taxi wars, in which dozens of people have been killed, is rooted in work conditions, say drivers. "It is not that we are undisciplined, but just imagine having to wake up at 3am and start work, knocking off at 9pm — seven days a week — and getting paid R400 a month," said Jabulani Makhanya, a driver.

The majority of the taxi operators work for an employer, but some are independent. Drivers in areas like Katlehong, which was recently hit by a bloody taxi war, felt that forming a trade union for operators could help.

In a busy Baragwanath taxi rank, two out of three drivers the *Weekly Mail* spoke to felt something ought to be done about conditions in the industry.

"If, for instance, you work hard to try to make the kind of money that will impress the owner, and someone who is not supposed to operate in your area comes in to steal your passengers, you can't just let him do it," said Makhanya.

He said some people accused drivers of selfishness: "They don't know that if you don't satisfy the owner there is a chance you will lose your job."

None of the taxi drivers we spoke to said they were given leave. "You work from January to December, there is no overtime, no leave or sick leave," said driver Mandla Ndlovu.

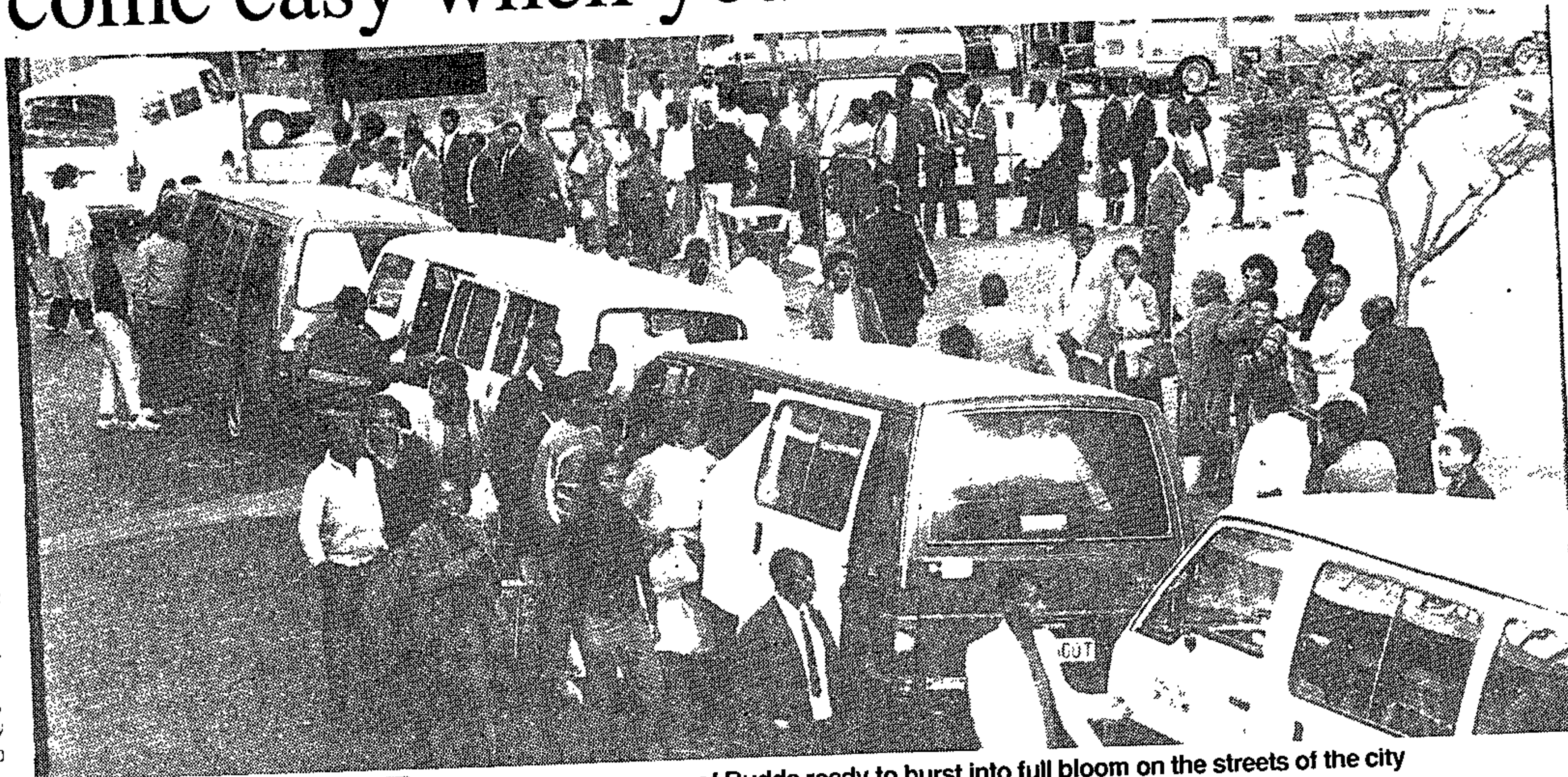
He said he was a taxi driver because he could not find another job. The only way of taking time off is to take unpaid leave and even then most owners do not allow drivers to take more than three days. If you do request leave you are asked some stiff questions ... you may even get fired."

Ndlovu said he did not know any taxi drivers who earned over R600 a month. "Most of us earn between R100 and R150 a week."

The taxi industry is the single biggest black employer in the country — there are an estimated 100 000 taxis in the country.

Neither of the two major taxi associations — the Southern African Black Taxi Association and the National African Federated Transport Organisation — has an employment package which outlines conditions of employment for drivers.

However, Nafto, which was created out of a merger between the Black Unions of South African Taxi Organisations and the South African Long Distance Transport Association, was



Colourful array ... a row of Budds ready to burst into full bloom on the streets of the city

Zooty Zola Budds fly the Soweto streets

By MZIMKULU MALUNGA

IT is just after four in the morning and the streets of Soweto are already filled with roaring Zola Budds and zooming Mary Deckers flying up and down to swallow as many workers — pointing to the sky (going to town) — as possible.

While many of the taxi drivers speed to get the first load to town, experienced operators like "Jomo" take it easy as they are confident passengers will wait specifically for them.

Even on ice-cold mornings, Jomo's clients will wait for him.

There is nothing special about the blue Zola Budd he drives. It could be rated amongst the least comfortable in the township. Not even the music he plays has charm.

To make matters worse, early in the week when winter made its presence felt, his taxi's heater broke down. But people still prefer Jomo.

Asked why this is so the light-skinned, soft-spoken driver explains: "People are not looking for luxury, they want to get to work on time. If you can make sure they are not late, you are building confidence."

To achieve this, he says, requires skill, tricks and politeness.

When he started his taxi operation five years ago, he used to "fly" through the traffic jam to ensure that his clients were never late. "This includes moving from one traffic lane to another whenever one gets a chance and using short-cuts to avoid traffic."

"But one needs sharp eyesight and a lot of concentration to avoid acci-

dents. I can assure you there are experienced taxi drivers but very few manage to do that."

This week the *Weekly Mail* did some rounds with Jomo to witness his magic. He was running a little behind his usual time and some of his clients were fuming.

"Sematla ke wena, ke neng re u emetse, u re bolaisa serame? (Hey you stupid, how long have we been waiting for you, it is cold)," mumbled a female passenger.

One would expect a similar riposte but Jomo just smiled at her. Soon the passengers were smiling at him.

Jomo does nine loads a day, five in the morning and four in the afternoon.

Some taxi drivers opt for "binding" (waiting) at taxi ranks if there are no passengers. But Jomo goes back to the township and searches for a load. If things do not work out he washes the taxi.

He goes back to the township and searches for a load. If things do not work out he washes the taxi.

Survival of the fittest is the name of the game. For one to witness fierce competition stick around between 8.30am and noon.

At times you find over six taxis operating one route. Passengers are few and that's when the tricks come in.

Jomo makes sure he is behind his competitors, but he keeps fairly close. Once he sees a person pointing to the sky, he overtakes. He beats them all like that.



The point of it all ... a traveller shows she wants to go to town

working on a conditions package for its members, according to general secretary Ntise Matlhoko.

"It is senseless to go on shouting that whites exploit our people, but at the same time keep quiet when blacks exploit blacks," he said.

Nafto was launched about two months ago under the wing of the National African Federated Chamber of Commerce and Industry and claims to have 42 000 members.

Matlhoko said the organisation was not against the forming of a trade union in the industry, but added: "I don't know if a trade union will help solve our problems."

Sabta's acting public affairs manager, Tebello Radebe, said the group was a "voluntary organisation" with no statutory power over its membership and hence it was difficult to have a uniform employment code for employees, but had no objections to a trade union.

BUS operators, who carry 800-million black commuters a year in 22 000 vehicles worth R4-billion, will ask the Cabinet on Wednesday for huge subsidy increases.

If they don't get them, they say they will be forced to curtail services to black townships and raise fares by 40% to 70%.

The decision will be agonising for a Cabinet committed to free enterprise, deregulation and no subsidisation, because refusal could spell huge fare increases, fewer buses, and a furious reaction from black commuters.

Bus operators fear heightened unrest if the Cabinet rejects their request.

Responsible for moving 800-million people a year from home to work, the SA Bus Operators Association (Saboa) says transport subsidies are hopelessly inadequate.

The Department of Transport (DOT) agrees that subsidies should be increased, but the Treasury is curbing expenditure.

Blow

A negative response from Government could set back industry, health services and education. Many black children rely on subsidised bus services to get them to school. If subsidies are insufficient, these services could be dropped.

Bus owners have been dealt a devastating blow by mini-bus taxis, which have grabbed the lion's share of the off-peak traffic.

As a result, bus companies are having to rely on peak-hour traffic for a return on their huge investment. This makes existing bus fares uneconomic. A new bus costs between R300 000 and R400 000.

Saboa complains that taxis cause congestion around townships, often making it impossible for buses to run more than a single trip at peak hours.

Bus subsidies increased from R150-million in 1980 to R540-million last year. But, says Saboa, the allocation in real terms last year was equivalent to only R127-million in 1980 money.

The allocation for the current fiscal year is up by only 6,5% to R575-million.

Boycotts

Bus operators have assets of about R4-billion and employ about 80 000 people, but have experienced inflation of between 20% and 25% a year.

To maintain an economic service, bus companies say they will have to increase fares by up to 70% for long distances — more than 30km — and by between 40% and 50% on shorter routes.

An appeal to Cabinet for subsidy rise as industry faces the wall

By DON ROBERTSON

Bus companies fear that if they increase fares, boycotts, violence and damage to vehicles are inevitable.

Saboa chairman and Putco managing director Albino Carleo criticises government "apathy" to the transport problem.

Because commuter services are uneconomic, his company has reduced services and given to shareholders money that was saved to buy buses.

Mr Carleo told the Saboa annual meeting in May: "The

reduction of commuter subsidies to curb State expenditure, together with deregulation of mass transport, is the order of the day.

"Suddenly, the reasons for the existence of organised mass transport systems seem no longer applicable in this country and there appears to be an irresponsible pursuance of principles irrespective of the consequence or the cost to the country and the commuter.

"Regulation, which is an acceptable principle worldwide ... is apparently no longer acceptable to southern Africa's policy planners.

"The gradual withdrawal of these subsidies has resulted in reduced availability of mass transport and the reduction planned for 1990-91 will result in tremendous ticket price increases."

Without higher subsidies, bus operators will be forced

to cut services, which will result in socio-political and economic problems.

The industry operates 22 000 buses, but it is expected that only 500 new vehicles will be bought this year. Putco has reduced its bus fleet by 1 500 since 1985. But for lack of buyers, the company would sell its unused buses.

Meeting

The industry, through Saboa, was given little to enthuse about at the annual meeting.

Deputy Minister of Transport Piet Welgemoed told delegates this year's allocation of R575-million would stand. He refused to give bus operators any indication of what the future held.

The SA Chamber of Business (Sacob) says it is concerned that bus services may be cut. Sacob has asked the

DOT for a place on the committee investigating bus subsidies. The DOT has invited Sacob to attend the meeting on Wednesday.

Jackie Walters, executive director of Saboa, says the industry is against the wall.

"The subsidy for the current year is negligible considering that the Government is talking about uplifting the people. The Government is turning its back on us."

"The Government must decide if it wants mass transport. If it does, it must pay as governments elsewhere do. We must also have a clear direction for the next five or six years so we can make investments."

Professor Walters believes the R3-billion set aside by Government for elimination of "backlogs" should be used to subsidise bus routes.

Appeal

"Many bus passengers earn as little as R160 a month and a 70% fare increase would be devastating for them. If we have to withdraw services, people will be forced to move closer to town, leading to squatter camps, as happened in Rio de Janeiro a few years ago."

Professor Walters believes a new transport policy is needed. He has been working on it with the DOT for 18 months.

Even if it is decided to shift the financing of bus routes to regional councils from central government, the Treasury will still have to assist. Last year, regional councils received gross income of R1,5-billion, which was equal to the amount spent on road and rail subsidies in 1989.

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Cassius Crumach for

new snq

R11-million export deals for tools and sheet metal

The Argus Bureau *Argus 8/6/90*
PORT ELIZABETH. — Delta Motor Corporation has landed two major export contracts.

The corporation has a two-year R11-million contract to make press tools for a joint truck programme in Europe and has been awarded a major export contract by Opel to supply sheet metal for the European market.

In a statement the company said it was also negotiating to buy a major car rental company. Delta and Tollgate Holdings, which controls Budget Rent-A-Car, have entered preliminary negotiations for Delta to acquire the rental company.

It is understood that the corporation's offer has been accepted but there are still details to be sorted out. But confirmation of the impending

deal has been given by both companies.

According to the statement the award of the Opel export order follows the installation of five new presses, representing an investment of R12-million which will increase its press shop capacity by 33 percent.

Recently the company has acquired an air-conditioning operation and a plastics plant in Port Elizabeth and an electronics company in Pretoria.

The plastics plant, Industrial Mouldings, allows the corporation to produce its own plastics needs for vehicles far more cheaply than before. The air-conditioning company Connoisseur Air has already won its first major order since Delta took it over — air conditioners for Volkswagen's CitiGolf.

CAPT TINTS 13/6/90 (332) (200)

SAA fares to increase by up to 40%?

By DANIEL SIMON

SOUTH AFRICAN AIRWAYS looks set to increase its domestic fares so that private air carriers can compete with it on inter-city routes when domestic air travel is deregulated.

One private airline company managing director indicated yesterday that if his company was to compete on an equal financial level with SAA, the giant carrier would have to increase its fares by as much as 40%.

SAA corporate affairs director Mr Leon Els said yesterday that SAA's present domestic fare structure was too low for competitors to compete against. As a result, an increase in fares was "very high on the agenda".

Mr Els said it would be wrong for people to think fares would decrease when competing airlines entered the market.

"Air fares will not decrease as a result of deregulation — they will increase."

He said increases would be announced before full deregulation was expected to come into effect in June next year.

"Indications are that the new Domestic Market Act will be in force in

June next year," Mr Els said.

He said a date for implementing the increases had not been finalised. However, when they were implemented, the present 40% discount and other discount structures would be retained.

SAA last increased its domestic fares by 13% in December last year, he said.

Civil Aviation chief director Mr Japie Smit said the Domestic Market bill was expected to be tabled in the next few days.

He said that when passed, deregulation would take place with almost immediate effect — but in two phases.

"The first phase will see airline companies being able to fly the same routes under the old act but without the 'economic regulation'. This regulation stipulated that only one carrier could fly a particular route," Mr Smit said.

He said full implementation of the programme would take place over the next year.

The managing director of Comair, Mr Peter van Hoven, said though he was speculating, SAA would have to increase its fares by as much as 40% to make it economically worthwhile for his company to compete.

Taxi association not a wealthy body

By ZB MOLEFE

332 17/09/90
SOUTH Africa's black economic miracle of the '80s - the Southern Africa Black Taxi Association (Sabta) - is not a wealthy body, executive member Knox Matjila told a conference this week.

The surprising news will put a damper on the commonly held belief that the countrywide mass-member association which has cornered the country's transport industry is awash with riches.

It was delivered at a *Winning Against Apartheid and Surviving in the*



Knox Matjila

Future conference in Johannesburg.

Said Matjila: "The be-

lief is that if Sabta owns perhaps 100 000 taxis it must be almost as big as Anglo American.

"The truth is rather different. Sabta is an association of individual entrepreneurs. It has few assets. It therefore relies greatly upon outside help, such as that given in the aftermath of the Welgemoed Commission."

Matjila said the outside help recommended by the controversial commission was, among other things, that Sabta assisted black taxi owners become more profitable and at the same time more knowledgeable about business.

Then Matjila told the conference, which highlighted black achievement amid apartheid-created odds: "Economic changes must take place in concert with those in the political sphere. If they do not, an incoming black-dominated government will be under irresistible pressures to institute a "fairer" economic system.

"It may be forced to take actions which it recognises as economically unsound but politically inescapable."

■ See Page 11

Presto on the road to ruin

THE beleaguered transport industry suffered one of its first casualties this week as JSE-listed Presto Transport Holdings — R23-million in the red — was liquidated.

Les Cohen, joint liquidator from Westrust, said this could herald the start of several more bankruptcies as the transport sector begins to feel the bite of recession.

Listed on Black Tuesday (October 20 1987) Presto was profitable until last year, earning R834 000 in 1987, R1,6-million in 1988 and R2,45-million in 1989.

S (Times) 17/6/90

Demise

Then its profitability nosedived and this year the company is expected to lose R2,6-million. Having run into serious cash flow problems, Presto management applied for the company's liquidation.

Deregulation, the rise of Transnet as a competitive force in the industry and high interest rates have been given as possible reasons for Presto's demise.

As a company which specialised in moving — it ran a road-container carrier business — the reduced movement of goods in cash-strapped SA hit Presto hard.

By CHARMAIN NAIDOO

The largest private sector carrier of containerised goods, Presto pioneered an owner-driver scheme which gave drivers a stake in the trucks they drove.

Once drivers had entered into an agreement with a finance company to buy a truck on an instalment sale, Presto undertook to give them enough work each month to cover the instalments, fuel, maintenance and other costs.

It also promised to pay a wage similar to those earned by full-time staff drivers within the company.

Now, with the backing of the major creditors, liquidators are trying to sell the business as a going concern.

Because the company is not profitable, they say it can only be run for a short time before a forced sale becomes necessary.

Says Mr Cohen: "We would like to let the owner-drivers continue to work. It's our goal to protect them. So, we are negotiating with all the major transport companies to find a buyer for Presto."

"Both as a going concern and for replacement purposes, it is extremely valuable. If, however, there is a forced sale, substantial losses will be incurred."

Counting against Presto is the fact that all contracts with customers are not long term and therefore without guarantees.

The word in the transport industry, where fixed overheads are high and return on capital small, is that everyone is struggling to keep their heads above water.

The main creditors are banks and finance institutions — owed about R14-million. With current liabilities at around R9-million, this brings the sum owed to R23-million.

Claims

332

With shareholders equity at R7-million, fixed assets in the form of trucks, tractors and trailers is R14-million with stock and debtors around R4,5-million (recoverable).

Claims against the owner-drivers (liquidators are hesitant as to whether this sum is recoverable) is R5-million.

Presto will be remembered for one of the fastest management buy-outs in JSE history.

Within 50 weeks, controlling shareholders upped their interest from 27% to 97% by buying out the major shareholders and making an offer to minorities.

Putco management 'surprised' as 750 go on strike at three depots

By Stan Hlophe

About 750 workers at three Putco depots went on strike this weekend, a Transport and General Workers' Union (TGWU) information officer, Kally Forrest, said.

Workers were asking management to re-open two depots in Springs and Wynberg, which were closed in April and May.

The original demand for union recognition at

the Homelands depot in KwaNdebele still stood. The three depots affected by the strike were at Denilton, Homelands and Mamelodi.

She accused management of breaking the TGWU's majority membership at Homelands depot by transferring workers.

Putco's assistant managing director, Mike Oldham, confirmed two

strikes, but said the Mamelodi depot was unaffected. He said he was surprised by the union's action as it had re-entered negotiations talks last Thursday.

Workers had been transferred to create "a better service".

The bus industry is facing cuts in Government passenger subsidies and several depots have been forced to close.

Taximen angered by 'unfair' tests

THEO RAWANA

TAXIMEN in the Johannesburg region are accusing Langlaagte vehicle testing officials of embarking on a campaign to eliminate the black taxi industry by barring their vehicles from passing roadworthy tests.

Yesterday a delegation from the Soweto Taxi Association, led by chairman and SA Black Taxis' Association (Sabta) treasurer Pat Mbatha, presented a memorandum for delivery to Langlaagte Testing Station chief G A J Swanepoel.

The officials, from 10 associations and representing more than 5 000 members with about 15 000 taxis, listed a number of grievances and gave Swanepoel 21 days to reply to their complaints.

In the memo they alleged their vehicles were subjected to examination by several different examiners when sent for testing. The first examiner would find fault with a taxi, but a different man would examine and find a different set of faults after the first ones had been fixed.

This meant a time-consuming "recurring decimal". Every time a vehicle went in R25 was paid, they said.

Another complaint was that the testing station sent taxis to Newlands police station — about 14km away — for clearance certificates. Vehicles were kept there for indefinite periods, causing loss of income.

The taximen also complained that the station sometimes reduced the number of

passengers the vehicles could carry when they went for renewal of certificates of fitness.

They accused the station of disregarding the Hailson mechanism between the two parties by raising testing fees and changing testing methods without consulting the taxi association.

Chief licensing officer Cathy Filmalter said the principle of different inspectors going through a vehicle was justified since one inspector could overlook a fault. "There is also the element of time lapse, in which a fault might develop between tests," she said.

Dictated 18/6/90 332

She said the testing station never sent operators to Newlands police station as it always had policemen to clear vehicles on the premises. "There must be some lack of communication here, and we are investigating this."

Filmalter said fee increases were determined by the Transvaal Administrator, who consulted no-one. The change in seating capacity was dictated by law and new specifications were widely advertised.

"But we are looking into all areas of friction, and we have arranged to meet Mbatha next week," said Filmalter.

Futures

From Page 1

Taximen angered by 'unfair' tests

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THEO RAWANA

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B10am
18/6/90 Dictated

332

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"But we are looking into all areas of friction, and we have arranged to meet Mbatha next week," said Filmlalter.

Deal ends strike at Putco depots

19/6/90 By Stan Hlophe

A strike by 750 Putco workers was called off yesterday after agreement with management was reached regarding the transfer of rival union members, Transport and General Workers Union (TGWU) information officer Kally Forrest said.

Miss Forrest said the strike was called off after manage-

ment agreed to transfer about 500 members of the rival Transport and Allied Workers' Union (Tawu) from the Homelands depot to Soshanguve.

Rivalry between the two unions flared during wage negotiations. The TGWU claimed it had lost its membership majority because of an earlier transfer of workers from the Homelands depot. This was denied by Putco.

Wage discussions were then postponed when the TGWU walked out after Tawu objected to their inclusion in the wage talks.

This led to strike action by TGWU members at three depots, leaving hundreds of commuters stranded.

The three depots affected by the strike were Denilton, Homelands, and Mamelodi. Talks will resume today.

Rivals bid to acquire Presto Transport

ZILLA EFRAT

A DEAL for the purchase of provisionally liquidated Presto Transport Holdings' assets as a going concern may be concluded in the next two days.

Presto, SA's largest private carrier of containerised goods, was placed under provisional liquidation on May 30 and suspended from the JSE. 16 May 20/6/90

MD Steve Leggatt said yesterday that Presto had been approached by several of the major players in the industry, but it would be a breach of confidence to name the company most likely to clinch the deal.

Les Cohen, the joint provisional liquidator from Westrust, said negotiations were underway with several parties to sell Presto. However, consent for any offer would be required from the major creditors, who included various banks and BP.

Cohen said that while liabilities exceed-

ed assets by several millions of rands, the exact amount was not yet known.

It was likely that the new purchaser would want to incorporate Presto's assets into its own company.

Leggatt said the industry had come under severe pressure, with costs escalating between 25% and 40% a year over the last two years in a shrinking market.

After year-end, the group, hit by increasing costs, took remedial action and won major contracts, but these did not begin soon enough to alleviate the cost rises.

Shortly after the group's listing on Black Tuesday (October 1987), it faced a hostile bid by a consortium of minority shareholders. Management, which held 27% in Presto, won out and upped its stake to 97%.

Govt sends passport forms to exiles

Star 21/6/90

By Kaiser Nyatumba

332

The South African Government has sent the African National Congress boxes of passport application forms to enable ANC members to be issued with South African passports, ANC national executive committee member Paniel Maduna said.

Mr Maduna, a senior member of the ANC's legal department, told the monthly Tribute Forum at the Braamfontein Hotel that

after the historic three-day talks in Cape Town between the ANC and the Government in May, the Government had committed itself to indemnify all those exiles whose only crime was leaving the country illegally.

Mr Maduna, a member of the joint ANC/Government working committee, believed the limited indemnity granted to senior ANC members until August 19 would be renewed.

e

Taximen claim harassment

Soweto 21/6/90

332

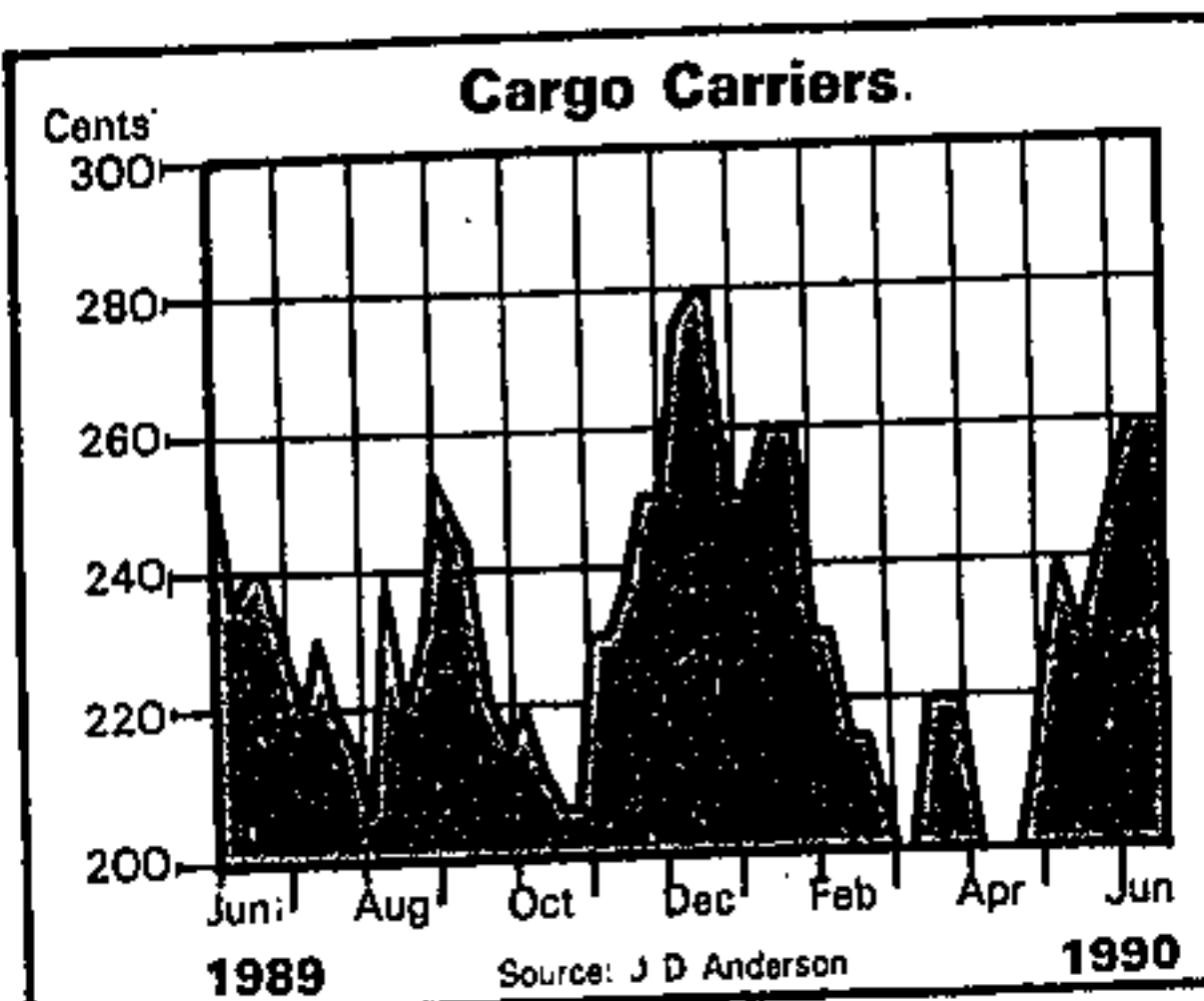
THE Johannesburg Taxi Association will hold an executive meeting tomorrow to discuss the alleged harassment of taxi drivers by traffic police.

Chairman of the JTA Mr William Seleboge said yesterday there was a

"definite witch-hunt" against taxi drivers.

He said scores of commuters in Soweto were stranded this week when many taxi drivers avoided traffic police.

"These are some of the issues we going to tackle," he said.



CARGO CARRIERS FIM 22/6/90

In transition 332

Activities: Bulk road transportation.
Control: Bolton Industrial Holdings.
Chairman: W F de la H Beck; MD: P E Murray.
Capital structure: 20m ords. Market capitalisation: R53m.

Share market: Price: 265c. Yields: 4,9% on dividend; 14,1% on earnings; p:e ratio, 7,1; cover, 2,9. 12-month high, 300c; low, 200c.

Trading volume last quarter, 222 850 shares.

Year to Feb 28	'87	'88	'89	'90
ST debt (Rm)	2,5	—	7,1	18,7
LT debt (Rm)	16,3	2,8	15,1	10,9
Debt:equity ratio	1,1	—	0,40	0,51
Shareholders' interest	0,56	0,63	0,50	0,46
Int & leasing cover	8,0	26,3	9,0	3,3
Return on cap (%)	22,1	22,2	8,8	12,4
Turnover (Rm)	100,9	121,0	142,5	174,6
Pre-int profit (Rm)	17,2	18,1	9,7	15,7
Pre-int margin (%)	17,1	14,9	7,2	9,0
Earnings (c)	34,6	44,6	26,0	37,3
Dividends (c)	n/a	14,8*	9,0	13,0
Net worth (c)	n/a	258,1	275,1	291,7

* Annualised.

After a disastrous fiscal 1989, Cargo Carriers is finally reaping the benefits of its difficult transition from a highly-centralised family business to a professionally managed listed company.

Re-organisation of the transport company into autonomous profit centres, the weeding out of unprofitable contracts and more effective pricing of others improved the firm's performance. In the 1990 fiscal year, operating profit rose 63% on 22% turnover growth, while margins increased to 9% (6,8%). But substantial capital expenditure needed to reduce the average age of the truck fleet lifted interest payments to R4,8m (R1,1m) and cut the rise in attributable income.

Chairman Bill Beck says interest payments should be seen in the context of excessive maintenance costs of an aged fleet. A R1,2m capital profit on the sale of vehicles and lower tax rate checked the effect of finance charges on earnings. Debt:equity, interest cover and debt cover have all deteriorated but Beck believes the group is "in a sound position to meet its planned future

commitments and requirements."

After battening down the hatches in 1990, Cargo recently made two strategic moves to ensure its presence in what it believes will be growth markets. It signed what appears to be an insignificant five-year R2m contract with Caltex for the bulk-carrying and distribution of Caltex's products from the Mossel Bay depot.

But it represents a foot in the door and if Cargo can tie up contracts with the other oil companies operating out of the Mossel Bay depot, growth potential seems significant once the town's synfuels plant starts producing liquid fuels. Cargo has also acquired J&G Transport which operates in Lesotho and represents a strategic move to take advantage of the Lesotho Highlands Water Scheme.

In 1991, real earnings growth is expected — demand remains buoyant and room still exists for cost control — but 1990's 43% earnings growth will be hard to beat.

Pam Baskind

BUSINESS

W/E Mail 22/6 - 28/6/90

Lack of transport policy threatens cities' viability

Disputes between the government and RSC's over responsibility of mass transport have meant no policy has been formulated.

By ALAN HIRSCH

The acceptance of kombi-taxis as a legitimate part of the mass-transit system may have solved some problems, but the failure of the government to formulate a general transport policy threatens the viability of our cities.

Kombis have cut commuting times for black passengers by one-third, but bus and train services which carry the bulk of peak-hour traffic are threatened by declining economic viability due to competition from taxis, and government plans to alter the subsidy system.

Though a white paper on transport was published early in 1987, legislation is only expected in 1991. Legislation seems to be held up by disputes between the government and regional service councils over responsibility for subsidising mass transport, and between the government and bus operators on the way subsidisation is organised.

The government wants to hand part of the responsibility for funding mass transit subsidies to the RSCs which used to raise transport levies from employers until the mid-Eighties. It also wants to tender for bus services, and to tie tenderers to uneconomic routes as well as economically viable routes, policies opposed by some existing bus companies.

In Cape Town the crisis is coming to a head. Late last year City Tramways, the subsidised privately owned bus company, warned the city council that it was about to cut back on its services for three reasons. Competition from taxis was making many routes uneconomical. The government was moving towards cutting subsidies and metropolitan planning authorities were not moving towards creating bus lanes which would make buses more efficient and more competitive.

Similar cuts have occurred on the East Rand, and several new townships on the Rand are having to rely on taxi services alone. On top of this, the government is beginning to cut "uneconomical" train services, as Spoornet no longer benefits the cross-subsidisation possible in pre-Transnet South African Transport Services.

Cape Town city councillor Clive Keegan, chairman of the city's planning committee, recently launched an attack on the city's public transport system, noting that it was collapsing, that it was neither safe nor reliable, and that it was forcing more people to resort to private vehicles to get to work.

Keegan says the city's transport system is skewed in the interests of the privileged, the wealthy and the enfranchised, and that the engineers responsible for transport planning are deeply insensitive to the broader needs of the city.

At the same time the government is

cutting back on its commitment to transport. Keegan acknowledges the need for financial stringency, but argues that for this reason funds should go to supporting public transport networks, which is not happening.

The pendulum has swung too far towards deregulation, argues Keegan. It is not that more regulations are needed, he says, but standards should be regularly enforced, and it is illusory to believe that a metropolitan public transport system can be run without subsidisation. Nowhere in the world does this happen.

A memorandum from the City Planner's Department points out that the quality of service provided by transport operators has plunged: "...because it is the policy of the Department of Transport not to increase overall bus subsidies, the bus company is forced to reduce its unprofitable off-peak services. Kombi-taxi operators on the other hand, because they operate in a deregulated environment do not have to provide any unprofitable off-peak travel facilities."

City Tramways MD Bob Gie supports Keegan's stand, and attacked the council's new plan to build an underground parking garage beneath the St Georges Street Mall. To encourage more private transport to enter the CBD would only increase congestion which would make bus transport still less attractive. Government policy, said Gie, was haphazard, "making planning virtually impossible and investment decisions extremely risky".

The bus company called, not for more regulation, but for the equal enforcement of existing public transport regulations and traffic laws, for the retention of subsidies, and for the "provision of priority lanes for multi-passenger vehicles", which would speed up bus services and make taxi travel safer.

A notable absentee in Cape Town's transport debate is the environment. Bob Krause, public relations manager for City Tramways, notes that the British Bus Council has estimated that exhaust emissions per passenger are 3 500 times greater per passenger carried by car than per passenger carried by public transport. But one searches in vain for any reference to the impact of taxis and private cars on the environment in Cape Town's metropolitan transport plan.

On top of the threat to cut central government subsidy outlays, local authorities are having to cope with a dramatic cut-back in capital expenditure by the Department of Transport. The original allocation for Cape Town for 1989/90 of R14,5 million was cut to R11,2 million -- a real cut of 40%, and the 1990/91 allocation was pegged at the lower figure, a substantial further cut in real terms.

Amongst the victims of the cuts, according to city council sources, are planned multi-passenger vehicle lanes.

Attempts to get substantive comment from the Department of Transport proved unsuccessful.

Government moves to reduce the expenditure of its transport department

disturbs both the bus operators and the city's planning head. The entire receipts of the RSC would barely cover the cost of the transport subsidy. Decentralising the subsidy would put pressure on the subsidisers to reduce payments, and points out Keegan, inhibit the RSCs from engaging in the upliftment of the poorer urban areas that they were designed to do.

Keegan argues that the metropolitan transport problem is more complex than

deregulation and subsidy cuts. The problem is that there is no overall planning for the metropolitan regions. Land use planning is done separately from transport planning, and transport plans are commissioned out to consulting engineers who are insensitive to broader planning issues. Keegan suggests that in this era of political transition the opportunity for setting up broad, sensitive metropolitan planning structures must not be lost.



Crowded trains like this may become a thing of the past as Spoornet plans to cut 'uneconomical' trains

Picture: SANTU MOFOKENG, Afrapix

SECTION • DOUGLAS GREEN

PRESTO F/M 22/6/90

Hey hey hey 332

Presto Transport, listed on Black Tuesday 1987, is bogged down to its axles. The directors, who own 97% of the equity, suspended the share in May and applied for voluntary liquidation. They came unstuck after deciding to expand the firm's owner-operator vehicle scheme in the face of high interest rates and slacker demand for its container transportation services. That left cash flow way short of finance commitments.

The 3% of shareholders, who did not accept 110c/share bid when management upped its holding to 97% from 27% within a year of listing, will be hoping either that Presto can be sold as a going concern or that the listing itself can realise some value. The share last traded at 40c.

Presto's initial trading performance was sound enough. Trading profit rose to R5m in fiscal 1989 from 1987's R2,2m and, while the interest burden remained manageable, attributable income rose to R2,5m in the year ended July 1989 from R1,6m and R834 000 in the previous two years. But a sharp rise in debt and interest payments and deterioration of debt:equity to 51% from 24% in 1988 flashed warnings of approaching difficulties.

MD Steve Leggatt says the decision to increase the owner-operator scheme was taken in 1989 after subcontractors had hiked fees 40% for operating the horse fleet. This

FIM 22/6/90 332

scheme was designed to allow drivers eventually to own their own trucks jointly with Presto. In addition to competitive pay, Presto guaranteed the drivers sufficient kilometres to cover fixed expenses.

This did not have the desired effect. Leggatt says the cost of vehicles increased dramatically, interest rates rose and activity slowed both as a result of the lagging economy and industrial action which hit customers and Presto. The reduced volume resulted in an under-recovery of high fixed overheads and lack of cash to pay the soaring interest bill. At the January interim stage, interest charges had risen to R972 000 from R112 000 and swallowed practically all the first half's R1,04m operating profit. Seems things have since gone rapidly from bad to worse.

Liquidator Westrust's Les Cohen says interest-bearing debt now stands at R14m and other current liabilities at R9m, making total liabilities of about R23m. Presto has fixed assets of about R14m and current assets of R4,5m (excluding R5m loans made to owner-operators). Though the finance companies have contingent claims over the vehicles, they are trying to find transport operators to continue the owner-operator scheme. Leggatt and Cohen believe the scheme has been extremely successful and continuing it will help avoid potential losses of about R8m if the vehicles are sold.

Cohen says negotiations are in progress to sell Presto as a going concern and avoid substantial losses being incurred through a forced sale. But, prior to the liquidation, Presto had failed to find an equity partner — which makes the outlook pretty uncertain.

Pam Baskind

Huge amounts paid to toll road firms

CAH Times 22/6/90

Political Staff 332

HUGE sums of money — about R700 million in all and representing massive and immediate cash profits — are being paid in advance to two toll road companies, Tollcor and Tollway, as compensation for "potential" losses over the next 25 years.

The figures, quoted in Parliament yesterday by Mr Pierre Cronje, DP MP for Greytown, prompted heated exchanges in a debate in which all parties but the government rejected the National Roads Amendment Bill paving the way for privatised toll roads.

Several MPs questioned the deal after Mr Cronje said that while it was difficult to ascertain the exact "up front" payments it appeared that Tollcor would get about R220 million and Tollway about R485 million when they had contributed no more than R150 million from their own resources, the rest coming from long-term loans.

The deal had been struck to compensate the two firms after the government had reduced the toll fees in the face of public pressure.

"It enhances the suspicion that the government is milking the kitty before a change of government," he said.

He and other speakers also objected strongly to a clause in the bill precluding the courts from reviewing the declaration of a toll road.

Mr George Bartlett, the Minister of Transport, said the question of compensation had been gone into "in depth" by the government as well as private experts and it had been decided that this was the best possible financial deal.

The long investigations into the compensation issue was the reason that the bill had been delayed for so long and he rejected suggestions by the opposition parties that there was something sinister about the bill being piloted through Parliament at the last moment.

He said a deal had been struck with the toll companies that the government would try to have the bill through Parliament before the end of the session.

Mr Bartlett said he conceded there had not been proper consultation with local authorities in the past about the establishment of toll roads but that this was now being corrected.

He also said the clause precluding the courts from reviewing toll road decisions should be removed from the bill but said there had not been enough time to do this.

Acorn Air is on time for lift-off

332 LINDEN BIRNS

STALLED negotiations with SAA would not ground SA's new Acorn Air charter airline, company director Captain Vere Webb said.

Set up by Air Crew Operating and Recruiting Network Ltd (Acorn), Acorn Air has scheduled its flight operations for an October takeoff, once it has taken delivery of the first in a fleet of medium-range 60- to 80-seater jets.

Acorn, originally a division of the SAA Pilots' Association (SAAPA), was established to look after the commercial interests of pilots.

"Shares were recently diluted, with SAAPA retaining 15%. The other shareholders are pilots and other aviation people," Webb said.

Acorn Air entered negotiations with SAA in a bid to secure operating rights in a deregulated market on some of the national airline's thinner routes. 15/04/90 22/6/90

A fortnight ago five Acorn directors — Blake Flemington, Piet Snyman, Colin Jordaan, Ian Domise and De Villiers Steyn, all serving SAA captains — resigned from the Acorn board to smooth the way for talks with SAA, which was reluctant to be seen negotiating with its own staff.

"Since the resignations we have asked for talks with SAA, but there's been nothing yet," said Webb.

Negotiations to operate on some of SAA's scheduled routes were over and above Acorn Air's other operations.

At the helm of Satren's empire

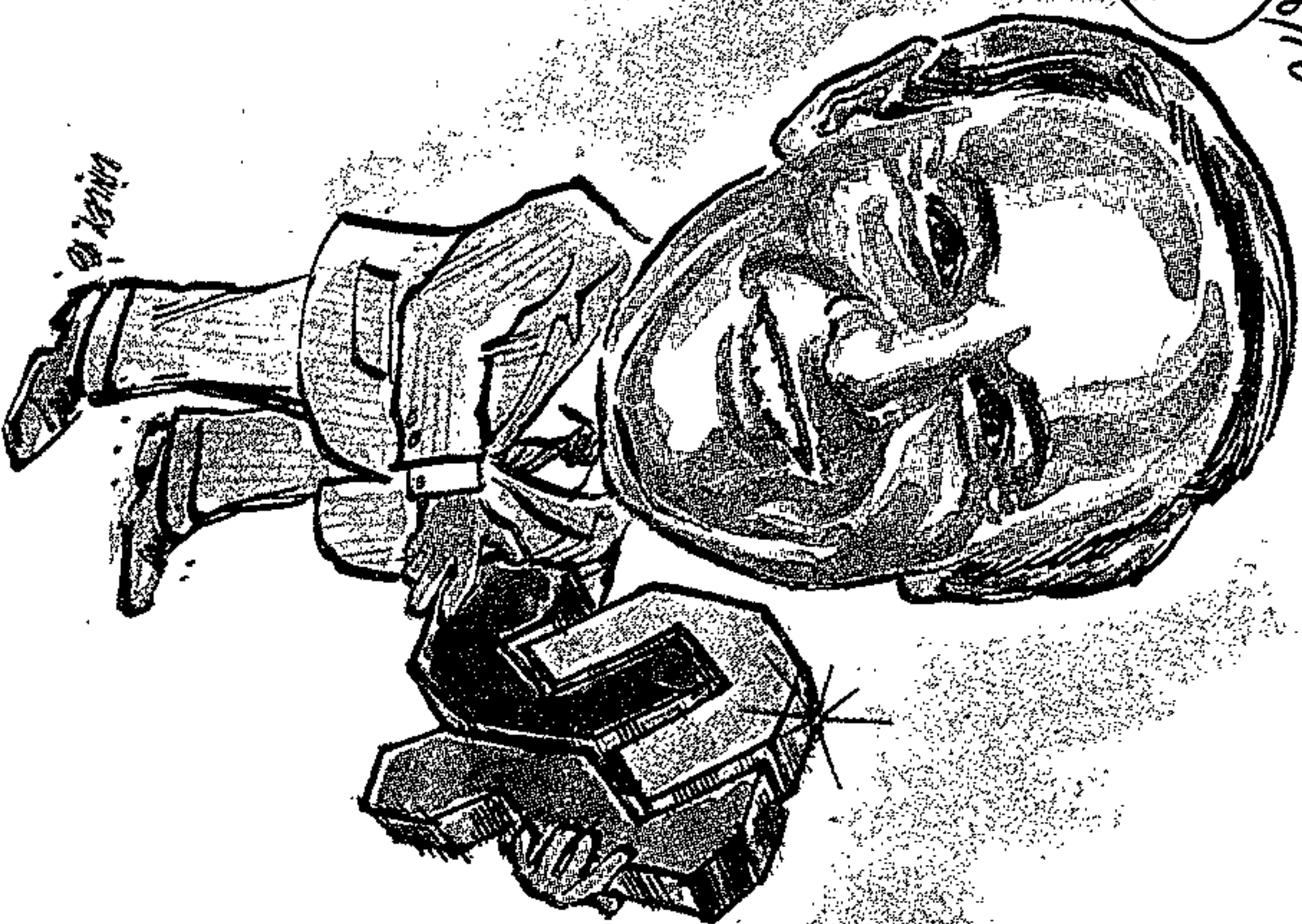
By DICK USHER
Business Staff

WHEN Derek "Buddy" Hawton steps into the Satren top spot next month he will assume command of a business empire that stretches from your neighbourhood across the world.

From July 1 he takes over as chief executive officer of Safmarine and Rennie Holdings, one of South Africa's leading conglomerates and a regional economic power, with estimated market capitalisation of about R2,1 billion.

Its interests include shipping and aviation through Safmarine and its investment in Safair, hotels, gambling and films through Kersaf and its Sun International and Interleisure divisions; freight, transport and travel in the Rennie Group, and an investment in insurance brokers Willis, Faber Enthoven.

The shipping and aviation interests cover the world, while its leisure activities such as the Ster-Kinekor cinema chain or the Mike's Kitchen restaurant franchise reach into everyone's neighbourhood.



Derek Hawton...meeting challenges.

Regionally it operates through Manica, a company in the Rennie group, which conducts transport, warehousing, imports and exports, travel and trading throughout the Southern African region.

Durban-born Mr Hawton was educated at Glenwood High School and started his

working life with the Thomas Cook travel group, setting him off on a career in travel, shipping and freighting, which has finally taken him to the top of the mast.

From Thomas Cook he moved to Consolidated Stevedoring and Forwarding, a company within Rennie, also

in Durban, and having worked his way through operations for that company and taken a Diploma in Management Accounting and a CIS he went to Johannesburg, where he became group secretary for Rennie Consolidated Holdings.

For Rennie he later returned to Durban to head the group's Natal shipping interests before going back to Johannesburg to head the company's overall shipping operations.

Then, when Rennie and Freight Services merged in 1984, he became chairman and chief executive of Renfreight, later becoming a director of Safmarine and executive chairman of Kersaf.

As chief executive of Satren he will retain these positions, which will allow him to be involved in the group's major operating companies.

"What I'm moving into is a task with great interest and diversity of challenges, which makes the job the exciting one it is," said Mr Hawton.

"All our divisions have great scope for growth in spite of the fairly difficult economic period we are in."

"Although I think this slowdown might be more extended than is generally accepted, we are not short of ideas for alternative investment and expansion across the group."

"One of the most important issues facing Safmarine at present is the re-negotiation of the African-European container pool agreement, an arrangement with European

See page 3

P.T.O.

At the helm of Safren's empire

From page 1

owners on carrying containers to Southern Africa.

"Beyond that, we're looking out for niche opportunities in shipping internationally and domestically, such as product tankers and expanding our other bulk operations and container-leasing interests."

Privatisation is opening opportunities for Rennie's such as port terminalling, a function presently dominated by Portnet, the harbour division of the restructured South African Railways and Harbours.

"This area of activity encompasses not only liquid commodities, but also solids, and we are working on the possibility of a new wharfside facility for paper and pulp exports through Durban."

"The whole sub-continent is coming alive with trade opportunities, which we feel we are ideally placed to take advantage of," said Mr Hawton.

Among the major challenges that lie ahead he views the socio-political changes and industrial relations as among the most important.

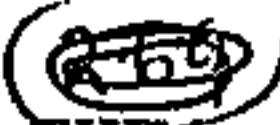
"When you employ about 34 000 people, the question of industrial relations becomes paramount. It's not just a matter of coming to terms with unionised employees, but one of improving working conditions and opportunities for all our people," he said.

"We take this very seriously at Safren and, although this is handled on a decentralised basis, it occupies a significant amount of management time dealing with immediate issues and developing programmes that will help forestall future problems."

"We have quite a strong philosophy of decentralised management."

"I believe that this, as opposed to a centralised bureaucracy, gives people the autonomy and flexibility they need to handle their organisations."

Subsidy increase blocks bus crisis



By DON ROBERTSON

THE bus crisis has been averted. The Government has provided higher subsidies, staving off a threatened collapse of bus services.

Operators have not been told how much extra money has been allocated, but the Southern African Bus Operators Association (Saboa) says: "We have been assured that it is enough to avert the crisis facing us this year."

The Department of Transport (DoT) request for additional funds was met on Wednesday — two weeks after Saboa asked for increased subsidies.

Business Times believes that the additional amount granted for subsidies will take the full amount for the current fiscal year close to that originally asked for by the DoT.

Initially, R575m was set aside for subsidies, but operators warned that if this sum was not increased, services would have to be cut or fares increased by between 40% and 70%.

Bus companies fear that if fares were to be raised, social unrest, boycotts and damage to buses and terminuses would follow.

Bus subsidies increased from R150m in 1980 to R540m last year, but Saboa says the 1989 figure is equivalent to only R127m in 1980 money.

Buses carry 800m people a year to work and back in 22 000 vehicles worth R4bn. A second claim by Saboa to cover the cost of unrest damage to buses last year, is unlikely to be granted.

Operators say mini-bus taxis have taken away their off-peak traffic, making their business uneconomic.

(332)

5 Times 24/6/90

W

Trek Airways jets back into business on SA domestic routes

TREK AIRWAYS has emerged as the first airline to seriously oppose SAA's 41-year stranglehold on the domestic aviation market.

This week the airline revealed plans to acquire three Boeing jets and confirmed it had approached SAA to assist in the training of about 30 Boeing 737 pilots.

The move follows the amendment to the Air Services Act on Friday, which permits — from next month — any local airline to fly any internal route as long as it

By ROGER MAKINGS

complies with DCA requirements.

The airline has applied for licences to fly the major trunk routes from Jan Smuts Airport to Durban and Cape Town.

Trek Airways spokesman Mr Jan Blake said much depended on when and how the air routes were deregulated and what licences were awarded by the National Transportation Board.

"We are merely positioning ourselves to be ready for deregulation when it is introduced and become an alternative to the national carrier," he said.

Mr Blake confirmed Trek had made forays into the international aircraft market, but had not yet decided whether it would buy or lease the proposed Boeing 737s — similar to those operated by SAA.

He said Trek planned to employ its own crews, all of whom, hopefully, would be recruited within

South Africa. None of the other contenders in the deregulation stakes has moved to acquire jet aircraft or recruit crews.

Some have said that to compete against SAA and its vast infrastructure, far-reaching government concessions would have to be made.

Minister of Public Enterprises Dr Dawie de Villiers is considering splitting up SAA's domestic fleet and selling it off to contend-

ers as one way of introducing effective competition.

This would enable competing airlines to buy multi-million-dollar aircraft with rands, avoiding more expensive overseas acquisitions with foreign currency.

However, the public should not expect cheaper fares because of competition in a deregulated market.

Mr Blake said price structures in SA were extremely low by world standards and to lower

them even more would be commercially unviable.

Trek's acquisition of the three Boeings would make it the biggest commercial operator of jet aircraft in SA after the national carrier.

SAA's senior manager for public relations, Mr Leon Els, welcomed Trek's entry into the domestic market, saying the airline would assist with crew training as far as possible, but on a purely business basis.

SOWETAN BUSINESS

Taxi owners up in arms over aid to competitors

Sowetan 21/6/90

332

THE Government will provide R262 million in subsidies to bus companies but, black taxi organisations complain, Putco and other bus companies are being given assistance to compete against them.

Taxi owners, smacking their lips because of the rough time they are giving the bus giants, argue that a formula that includes everybody in the subsidy system must be found.

The liaison officer for the Department of Transport (DOT), Mr Don Boyd, yesterday said that the Government approved the subsidies after representations were made by the South African Bus Operators Association in Cape Town last week.

R575-million was initially set aside for subsidies, but operators warned that if this sum was not increased, services would have to be cut or fares increased by between 40 to 70 percent.

Bus operators fear that if fares are increased, social unrest, boycotts and damage to buses and terminuses would follow.

By JOSHUA RABOROKO

Bus subsidies increased from R150-million in 1980 to R540-million last year, but Saboa says the figure is equivalent to only R127-million in 1980 money.

They also contend that minibus taxis have taken away their off-peak traffic, rendering their services uneconomic.

Saboa's administrator Mr Eric Cornelius has welcomed the increase and says it will help the bus industry. As a result of tough competition from taxis, bus companies are losing substantially.

Fares up

He says in order to maintain an economic service, bus companies have to hike fares to 70 percent for long distances and 40 percent for short journeys. They also have to cope with salaries of more than 80 000 people while their total assets are R4-million.

The approval has met with large scale protest from black transport and community organisations

that have criticised the Government. They do not believe that the subsidies will benefit the majority of blacks already reeling under the escalating cost of living and unemployment.

Unfair

The president of the National African Federated Transport Organisation, Mr Peter Rabali, says the Government is unfair in subsidising buses that make huge profits.

The subsidy will make bus operators more rich because black commuters will not benefit.

Nafio, which represents has more than 45 000 taxis, is to meet with officials of DOT on August 18 to discuss various issues, and it is expected that the question of subsidies will be raised. "We feel concerned about the subsidies which our members are not entitled to," he says.

The Southern Africa Black Taxi Association's project coordinator of public, Mr Tebello Radebe, says his organisation deplores the increase of bus subsidies. "We do not believe that will be of any benefit to the commuter. The

Government should find a formula to give subsidies to commuters.

Sabta, an affiliate of the Foundation for African Business and Consumer Services representing over million members, is also prepared to meet Government officials to discuss the issue, because "there is a lot bureaucracy and racial discrimination in the allocation of these subsidies."

The president of the National Black Consumer Union, Mrs Monica Rampomane, says: "We find the increase in bus subsidies appalling and unacceptable..."

'Appalling'

"Subsidies are aimed at the poor black population, but the painful truth is that they never enjoy these benefits. There is no doubt that increased bus fares will arouse strong opposition and uncontrollable boycotts."

"A system must be found for the black consumer to benefit from such subsidies. We condemn the system in which decisions affecting black consumers continue to be taken without their direct involvement," she says.

According to sources buses carry 800 million people a year to work and back in 22 000 vehicles in South Africa.

And, Government sources say, cover cost of unrest damage to buses last year is unlikely to be granted.

The Cabinet is also considering a proposal by bus operators ferrying millions of black commuters from townships to cities for claims to cover their vehicles in the event of political unrest.



TEBELLO RADEBE

Contest share Fedsure shines with double deal

By GILLIAN COUNIHAN

AS the month draws to a close and our shares competition comes to an end, let's see how our five shares have performed over the week.

Using Finance Week (June 28) share price pages as our guide, Remgro fell from 1 410c to 1 360, and Edgars dropped from 3 175c to 3 150c. Gencor's energy giant Engen remained unchanged at 2 850c. Putco moved up from 65c to 85c, and insurance share Fedsure gained 10c to 450c.

Fedsure as a feature of the market this past week, with two special deals of 3m shares at a premium of 47c above the ruling price.

Rumours of a deal concerning the company have helped push up the price from its low of around 300c last July.

Approach

Market talk often moves share prices - up or down. That's why those who are in touch with the JSE companies, monitoring the company results as they are published, looking at different industries to see how they are performing, are often in the best position to make decisions regarding buying and selling of shares.

And for that reason, for the man the street who doesn't regularly follow the stock market, but wants to take part in the action (especially when

it's upwards!) the best way of investing is through unit trusts.

Unit trusts, which are managed by professional investors, are rather like financial co-ops.

Investors' money is pooled, and the unit trust managers buy a spread of shares which they monitor on regular basis.

Each quarter the fund publishes a report showing which shares it holds, and like stock market companies, dividends are paid to unitholders either quarterly or half-yearly.

The price of the units are published weekly in *Sowetan*, and in other daily papers.

If you want to invest in the stock market, but haven't the time, or interest to make careful and wise share selections, a good way into the JSE is through a unit trust. To give you an idea of how well they perform - several of the general equity unit trusts have achieved excellent growth of over 45 percent since the beginning of last year.

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ANC pleads for one united black taxi association

By JOSHUA RABOROKO 332

THE African National Congress has called for peace, discipline and the formation of one united taxi association with clear objectives for the sake of black economic advancement in South Africa.

The movement's internal leader, Mr Andrew Mlangeni, and member of the executive committee Mr Steve Tshwete have also appealed for unity among businessmen and women in order to make apartheid difficult to function. So wefan 177790

The two men addressed a meeting at the University of Venda in Thohoyandou at the weekend where the National African Federated Transport Organisation launched its new branch of the taxi association.

Mlangeni called on Nafto and its affiliates to attach value to human life by driving carefully on the roads.

He said discipline and peace would play a major role in the development of the taxi industry.

"When a kombi is involved in an accident and lives are lost, not only have we lost workers but we have also within a minute made many children fatherless and motherless," he said.

Mlangeni said the history of the development of the black transport industry was characterised by hardships similar to those that faced the oppressed masses.

Minibus taxi war flares as drivers clash in Bellville

By JOHN VILJOEN, Tygerberg Bureau

THE threatening minibus taxi war between two rival groups has flared up in Bellville with police firing a warning shot to escape angry drivers.

Tension ran high on the Bellville station rank yesterday after eight South African Black Taxi Association (Sabta) drivers were charged with trespassing on the rank, which a rival taxi group had leased from the municipality.

Bellville municipality recently leased the rank to the Taxi Owners' Liaison Organisation (Tolo) which last week tried to force Sabta taxis to display Tolo stickers and pay fees to the organisation.

DRIVERS RETALIATED

Sabta refused to do so and this resulted in an uneasy stalemate.

According to Mr Nic Fowler, regional manager of Fabcos, Sabta's umbrella body, Tolo delegates failed to arrive for arranged talks at the CPA offices in Brackenfell yesterday.

After some Sabta drivers had been charged, others retaliated by allegedly threatening Tolo drivers.

Taxi drivers, who were hiding Tolo stickers on their minibuses with masking tape, said that "Sabta people" had threatened to kill them, and they were afraid to try and pick up fares while displaying a Tolo sticker.

One said: "It wasn't us (Tolo) that started this thing, it was our bosses."

Police liaison officer Lieutenant Denise Brand said that at 4pm yesterday two constables saw a group of men at the taxi rank. They went to investigate and found that this group "was trying to rob another taxi driver".

When the constables tried to free the driver, "a black man stabbed at one of them with a screw-driver".

FIRED WARNING SHOT

The police were surrounded at that stage, she said.

"One of the policemen fired a warning shot into the air. The crowd drew back and they got away." No one was injured.

Earlier, police served summonses on eight taxi drivers for trespassing on the rank rented out to Tolo, she said. All of them paid admission of guilt fines of R30.

After the incident, while police with dogs looked on, Mr Fowler called a meeting of all Sabta drivers on the rank and told them not to be violent.

He said Sabta would try to get a court interdict to allow their taxis to use the rank without being charged with trespassing.

Return to work, workers warned

By Abel Mabelane,
East Rand Bureau
Striking Vosloorus council employees had been warned to return to work on Monday or they would lose their jobs, Vosloorus mayor Morris Sinokela said yesterday.
The workers downed tools about three weeks ago after their demands for salary increases were not met.

Meeting

Mr Sinokela said the council guaranteed the striking workers their jobs, at a meeting held with worker representatives on Tuesday, but warned that the strikers would not be paid for the period they were on strike.

We also warned the employees to return to work before July 2 at the latest, failing which they would lose their jobs, he said.
He said the TPA had approved a 10 percent increase for the workers from the council's bridging finance because the council had no funds as a result of the rent boycott.

Agreement

Mr Sinokela also said the council had reached an agreement with members of the taxi association, the Vosloorus Independent Party, the Chamber of Commerce and the Vosloorus Hostel Committee that residents must pay a flat rate for rent and services.
He said members of the Vosloorus Crisis Committee refused to attend the meeting, adding that they would only talk to council officials and not to councillors.
Mr Sinokela said that about 52 percent of Vosloorus residents had paid their rent last month, but added that the council expected the situation to worsen this month because of the strike.

Purchaser is found for troubled Presto

ZILLA EFRAT

232

A DEAL has been accepted in principle for the purchase of provisionally liquidated Presto Transport Holdings.

Presto MD Steve Leggatt yesterday confirmed that a buyer had been found for the trucking company, but declined to give any details until an agreement was finalised.

Presto, SA's largest private carrier of containerised goods, was provisionally liquidated on May 30 and its listing was suspended from the JSE at the request of directors. *Bin 26/6/90*

Following its listing on Black Tuesday in October 1987, the group improved its attributable earnings by 88% in the year to July 1988 and by 56% in the 1989 financial year.

However, Presto tried to expand its pioneering owner-drivers scheme at a time when it was affected by escalating costs, high interest rates and a shrinking market.

Star 26/6/90 (332) (14)

Putco tickets valid longer

Staff Reporter

Putco bus commuters who have not used all the tickets from their weekly coupons will now be able to use them the following week.

The Soweto Daily Passengers' Committee (SDPC) said the new system would begin from Sunday, after an agreement was reached between SDPC and Putco two months ago.

Putco has also agreed to add more buses to overcrowded routes.

The SDPC had threatened to call a bus boycott in Soweto and neighbouring areas if commuters' grievances were not met.

Overcrowding

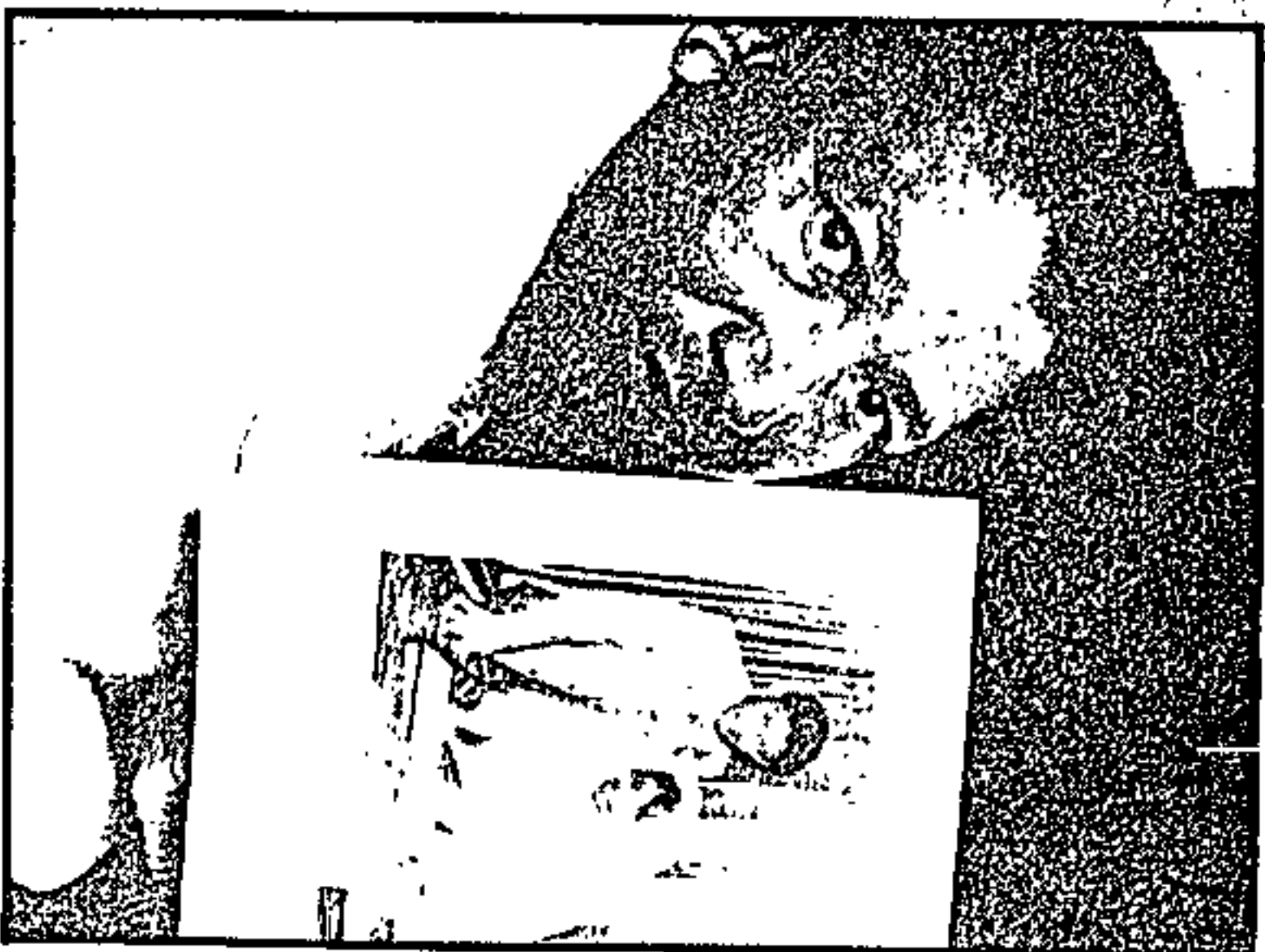
These concerned unreliable services, overcrowding, buses in poor condition and expiry dates of coupons. Commuters also demanded an 18 percent reduction in fares.

Putco's managing director, Dr Jack Visser, then threatened to withdraw the company's Soweto service. He said a boycott and an 18 percent reduction in fares could result in the company having to pull out of the township.

The SDPC withdrew its boycott call in return for the extension on usage of weekly ticket coupons and the provision of additional buses.

Tourists' Nightmare

Cap Times 29/6/90 (332)



STRANDED... A worried Mr Billy Jacobs of Grassy Park with a photo of himself and his wife Diana, who is among the nearly 200 tourists stranded in Istanbul.

Picture: ORED ZILWA

By BRONWYN DAVIDS

NEARLY 200 Capetonians — mostly pensioners — were stranded in Istanbul, Turkey, yesterday after a city travel agent botched their travel arrangements.

In a frantic call to Cape Town last night, tour leader Mrs Pat Gorralla — SA Businesswoman of the year in 1989 — asked city friends to contact the government for assistance.

She claimed their travel agent had left Istanbul on a flight for Zurich — "dumping" their passports at the air terminal — and leaving their hotel bill of R12 000 unpaid.

Tour members feared they would be evicted from their Istanbul hotel at midnight and could not get flights out of Turkey, she said.

Early this morning a spokesman for the Department of Foreign Affairs told the Cape Times the government had stepped in and negotiated accommodation through Air Turkey in Istanbul for the group.

Flights to London had also been arranged for today.

There embassy officials will arrange accommodation before they are flown back to South Africa.

The tour group, made up of members of the Anglican Women's Fellowship, were due to visit Christian shrines in the Middle East and see the Oberon-magnum passion play in West Germany.

They left Cape Town 10 days ago on what was supposed to be a dream three-week holiday which cost them R7 000 each.

Now the tour has had to be aborted half-way. The tour was arranged by Lansdowne travel agent Mr Dawood Parker, owner of New World Travel Circle.

On Wednesday New World Travel Circle was provisionally liquidated in the Cape Town Supreme Court. The court heard the company owed R550 000 for accommodation, travel expenses, car hire fees and foreign exchange.

The court heard Mr Parker had left the country. One of the travel group, Mrs Doreen Gardner, said last night that the tour was a "shambles" from the start.

"We are not out on the streets right now, but hotel bills have not been paid and it depends on how kind the people are here."

ANC: Action lines drawn

JOHANNESBURG. — The battle lines were drawn yesterday in the African National Congress' mass stayaway offensive next week against Inkatha and its leader, Chief Mangosuthu Buthe.

The ANC has warned the government that the process of negotiations could be derailed unless its demands to pull Inkatha's teeth are met.

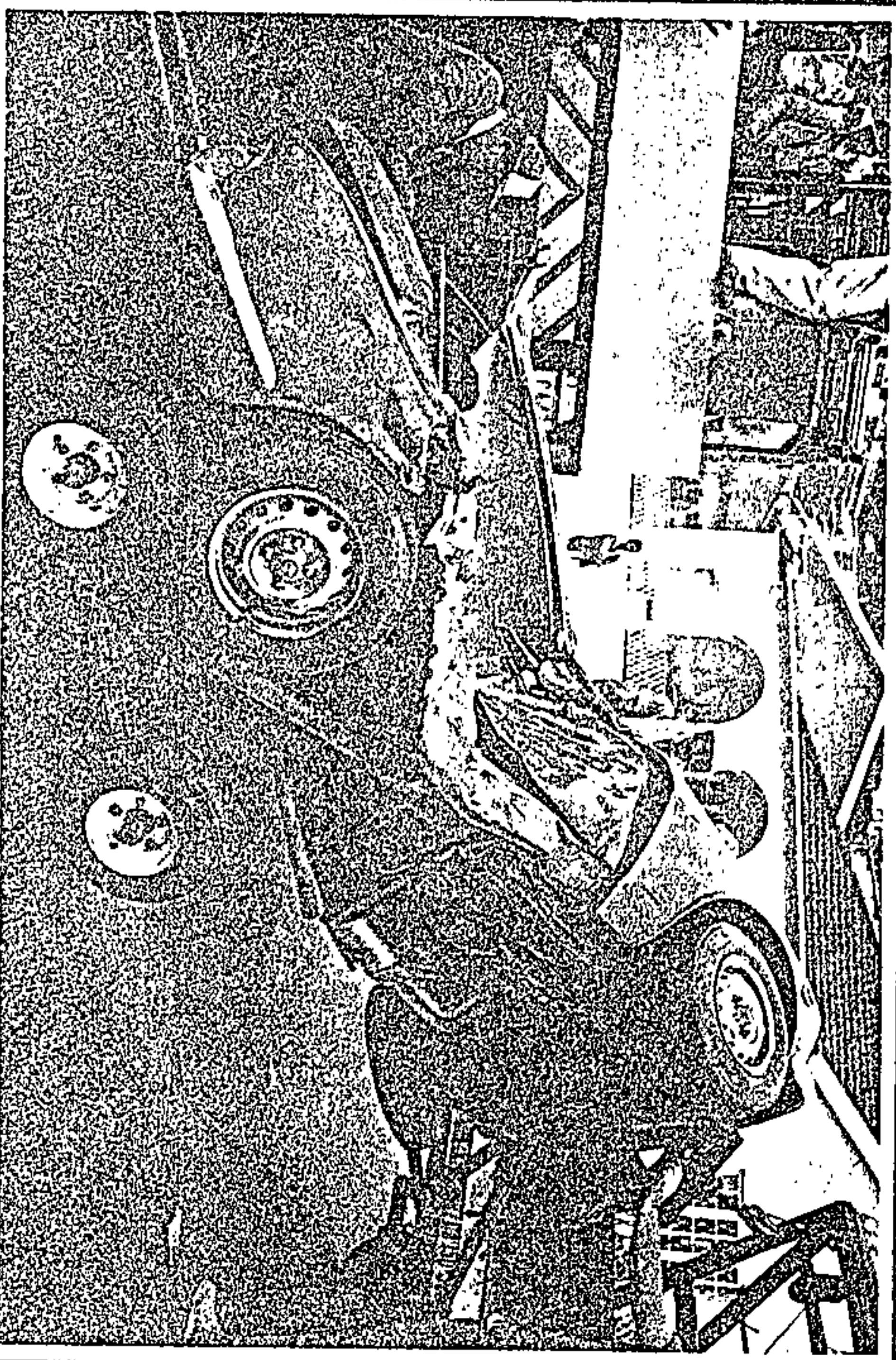
The "week of national mass action", launched at a press conference yesterday by Mr Walter Sisulu and other ANC leaders, aims to:

- Isolate Chief Buthe's political.
- Force the government to disarm and disband the KwaZulu Police.
- Arrest the so-called Inkatha "warlords", whom they blame for the violence in Natal.

The Pan-Africanist Congress and Chief Buthe's have both slammed the

to page 2

LUCKY ESCAPE IN HIGH LEVEL DRAMA



MIRACULOUS... The driver of a Transvaal-registered car had a lucky escape when a heavily-laden cement truck rolled down Duncan Road in Sea Point and crashed into his car while he drove along High Level Road at 11.45 am yesterday. The crash plunged certain parts of Sea Point into darkness for half an hour at lunchtime, while rescue workers untangled fallen electric cables from the crash scene.

Picture: STEWART COLMAN

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Interpol hunts for city agent

From LAN HOBBS

LONDON. — Police forces across Europe have been asked to find and detain South African travel agent Dawood Parker, who has disappeared after leaving nearly 200 Christian pilgrims from Cape Town stranded in Europe.

Mr Parker, whose provisionally liquidated company New World Travel Circle had been paid between R1.6m and R2m for the pilgrims' "journey of a lifetime" to the Holy Land and the Passion Plays in Germany, deserted them in Istanbul five days ago.

He disappeared with their passports and travellers' cheques. Swiss police, alerted by Interpol, were told he was heading for Geneva — but he was not found.

Police have been given details of bank documents indicating that Parker had transferred nearly R500 000 to a bank account in New York, and that he had up to three passports.

One South African passport, issued in Wynberg, was found in a hotel room Parker used in Istanbul. It carried a photograph with his appearance altered and his first name given as David, instead of Dawood.

The coloured pilgrims, many elderly, were rescued by SA diplomats in London on Saturday after leaving Cape Town on June 16 and a nightmare two-week journey through Africa and the Middle East.

As there was no South African diplomatic representative in Turkey, the group begged and

borrowed R170 000 to charter two aircraft to fly them from Istanbul to London.

Most arrived late on Saturday and slept where they could in the South African embassy. They complimented staff and diplomats who helped them.

Yesterday, the diplomats raised about R75 000 for hotels for them. About 40 were staying with British families who had heard of their plight.

Diplomats will today try to get Ethiopian Airways, which dealt with Parker, to fly the group home as soon as possible.

Group leader Mrs Pat Gorralla, of Durbanville, national president of the Anglican Women's Fellowship, said many of her companions feared they had lost everything.

"Most of us are poor people. We are all devout and we planned this trip as the greatest event in our lives. Many invested everything they had in it or even borrowed to go."

Mrs Mavis Darianus, of Crawford, said: "Many of us will of course never recover financially unless we are helped. Some of us are worried that we will have to lose our homes to pay the debts we have had to run up."

"But all we want to do now is to kiss South African soil again. I am desperate to get home to my husband John and my family — and I am younger and luckier than most of us."

A South African embassy diplomat said: "Our hearts go out to these people. We will obviously do whatever we can for them."

SA airlines keep Angola flying

CM-11418 6/7/80 332

JOHANNESBURG. — Two independent South African airlines, Safair and National Airways Corporation, have disclosed details of Angolan operations. SABC radio news reports that, as far as is known, it is the first civilian contact between South Africa and Angola since relations between the two countries were suspended in 1975.

Although Safair and National Airways had operated aviation missions in most countries of Southern Africa during South Africa's isolation, they had been kept secret because of their sensitivity.

The managing director of Safair, Mr Braam Loots, said that more than half of his fleet of Lockheed Hercules cargo aircraft were deployed in Angola at present. His company operated a large percentage of the flights of the Angolan national airline.

The managing director of National Airways, Mr Graham Conlyn, disclosed that his airline had flown a number of charter missions into Angola. He said what was significant was that the initial advances had come from the Angolans.

Both companies are intensively engaged in the maintenance of aircraft and the training of staff for a number of airlines in Africa. — Sapa

Teacher killed after ploughing through crowd

Pretoria Bureau

A white teacher was beaten and stoned to death and then set alight with his car in a horror incident in KwaNdebele yesterday.

Danie Malan (55) was killed during an early morning protest against Putco bus fare increases. The company has now suspended the increase.

Mr Malan of Marble Hall is believed to have panicked when he saw thousands of protesters blocking his path. The crowd had forced 330 buses to a halt just before dawn. Two buses were destroyed by fire and 14 others badly damaged.

Witnesses said Mr Malan switched off his car lights and tried to drive through the crowd, killing four protesters and injuring at least 14 others.

The crowd, estimated by Putco at 18 000, forced the car to a halt, pulled Mr Malan out and beat him to death. His body was placed under the car, which was set alight.

The crowd members who were killed have been identified as Elijah Motau, B J Maphosa, Samuel Matukane and a fourth person known only as Sakkie.

Mr Malan was a teacher at Siyabuswa's Ubuhlebethu High School.

In another development yesterday, the KwaNdebele government, which had opposed the tariff increase, said through its Minister of Transport Affairs, Prince Cornelius Mahlangu, that it condemned the teargassing of the crowd by the South African Police, saying it was "sheer provocation of peaceful people who did not want police interference".

Raising cash

(332)

Taken together with the sale of Arwa, the rights offers in both Duros and Tollgate Holdings (TGH) have brought about an important swing of about R170m from liabilities to assets for the group. Just as significant is that slightly more than half of this has been funded from the UK.

When Julian Askin and Mervyn Key originally bought control of Duros for R45,5m, by paying Johan Claasen R45,5m for 7m of his 12,9m shares, payment of R26m came through the financial rand from London through Askin and Hugo Biermann.

Though the rights issues raised R45m for each of Duros and TGH, a nominal total of R90m, the effective amount drops to just over R70m because of Duros's 60% stake in TGH. According to Key, joint chairman of the consortium with Askin, R42m of this figure has been contributed from offshore sources to follow the Duros rights and a further R20m to take up rights in TGH. So far, therefore, almost R88m (£13,5m) has come from abroad, and not all of it from Askin and Biermann.

Askin, Key says, placed a large part of the rights issues with London institutions "to generate a spread of interest there."

Now, with R70m proceeds from the rights

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(332)

issues and the sale of Arwa for R42m cash on the one side, together with the elimination of R57m debt on the other, the SA group's gearing has changed dramatically. At last count, the group's interest-bearing debt was roughly R320m (FM March 30). This is now reduced to a more manageable R150m. Moreover, there is the probability that even more liquidity will be created in the group as more assets are sold.

Key is silent about the immediate prospects of such sales. Some time ago, Gants was a take-over target and negotiations for the sale of Budget Rent-a-Car to Delta fell through at the last moment. Neither is up for sale now. Key reckons that Gants is making a "meaningful" recovery and could become an important profit contributor soon. Avis previous MD Tony Langley, credited with taking that operation to number one, has just been appointed MD of Budget. He has a long-term brief to take the company up to the top slot — profitably.

But there are other candidates such as bicycle retailer Deale & Huth, agricultural equipment distributor Norths and certain assets in the original bus company, Tollgate, which could be sold. In the meantime, Key says rationalisation within the group is proceeding apace.

With a December year-end, it will be some time before the group as a whole will report to the market. Before it does there are likely to be more major disposals and, possibly, an offshore acquisition. Then there is the question of what is to be done with Duros, once a merchant bank, but which exists now only as a holding company. In all probability it will be collapsed into TGH. Whether the revamped group's aerodynamics have improved remains to be seen. *Gerald Hirshon.*

Peak-hour blast injures scores in downtown Jo'burg

Taxi-rank bomb horror

Spec 11190

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Eyewitness Nhlamhla Mboatha calls relatives of some of the injured.

A powerful explosion ripped through the black taxi ranks and bus terminus in Johannesburg's business district today leaving scores of people injured and damaging at least seven taxis and several private cars.

Eyewitnesses saw injured people lying on pavements and in streets during the peak-hour taxi rush.

No reports of deaths have been received but at least one person is in a critical condition.

At least three cars were badly damaged in the blast and others were damaged when they crashed as the bomb exploded at 8.24 am. The device had been placed in a dustbin in Bree Street between Sauer and West streets.

Emergency services disaster buses, a helicopter, ambulances, police and traffic officials were soon at the scene to ferry the injured to hospital and cordon off the area.

Eyewitness Nhlamhla Mboatha, editor of Drive On magazine, said he believed the bomb had been planted in a concrete dustbin outside the bus stop which serves Soweto.

"I was in the queue, there were about 15 people in front of me, the bomb exploded about 50m away from me.

"We just heard a big noise, everyone scattered, people in the taxis got out and ran away. There were rocks flying into the air. There was blood everywhere. People were crying and screaming. I saw about 10 people injured.

"It was only black people who got injured, I have never seen anything like it before. "I went to see if I could help, everybody was just crying, there was debris everywhere — the concrete dustbin was destroyed, its contents strewn everywhere among the glass. Holes were blown into a taxi.

"The people who were in the taxi were badly injured. One man had a huge gash in his left thigh, blood was just pouring out. He couldn't talk — he was in shock."

Mr Mboatha said he believed "anti-black elements" could be responsible as 89 percent of the people who worked and lived in the area were black.

He said police arrived on the scene within minutes with dogs

and began cordoning off the devastated area.

"They were telling the injured to remain calm."

Isha Charassi was in her shop in Ceramix centre when she heard the bomb explode.

"Everything was clouded with smoke. I saw about six people running towards me with shredded clothing and some with no shoes."

People were standing around the blast scene crying from the shock of the blast.

People in shops buying food before going to work were injured by flying glass.

The area outside the Newgate Shopping Centre, which was strewn with broken glass and debris, was immediately cordoned off by the police.

A bystander, Mpho Ramoekoen, said he saw at least one body lying in the street close to the blast when he ran out of a shop after hearing "a big bang".

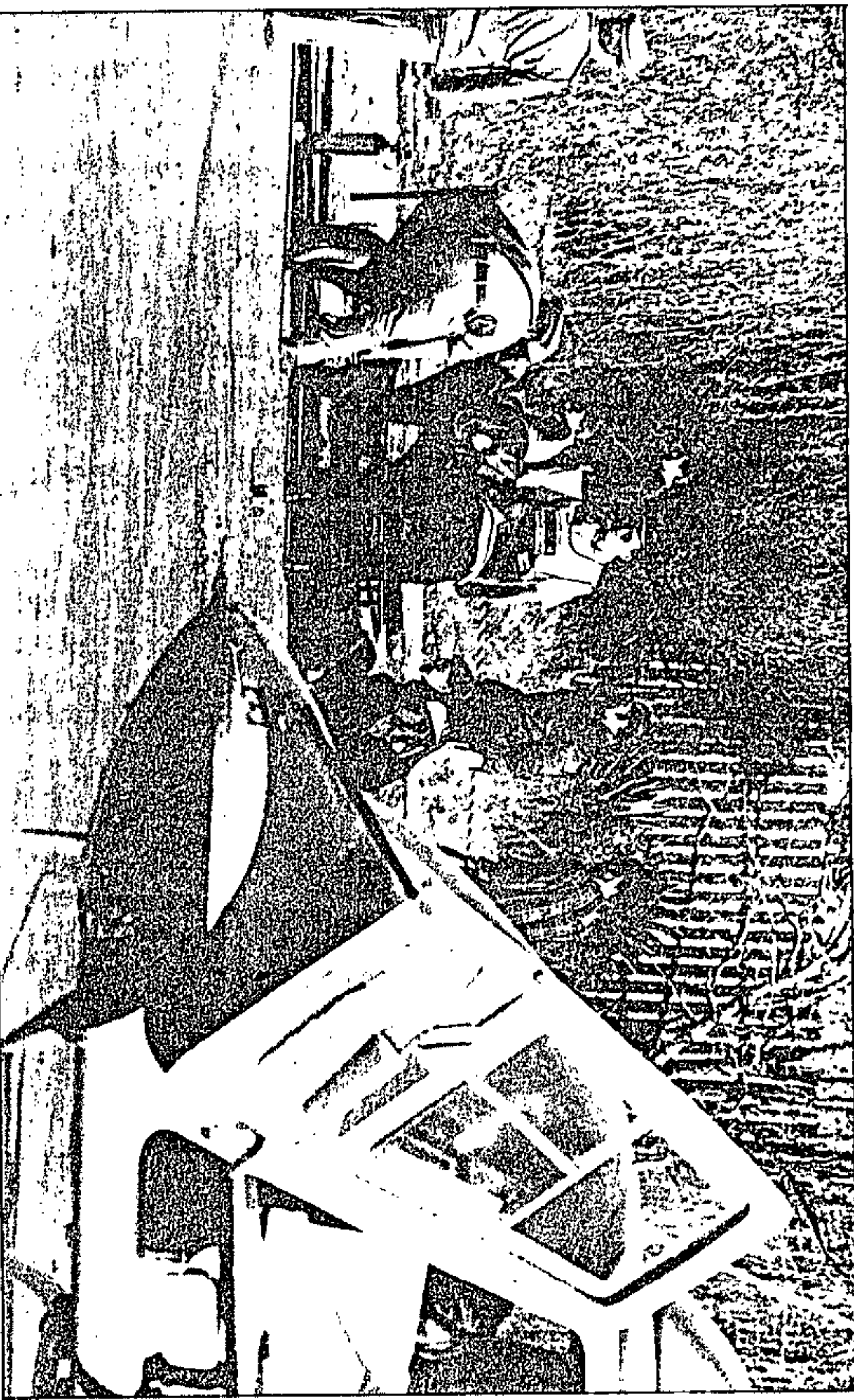
One of those treated for shock and minor injuries Nelile Ndlovu said she only felt glass hitting her and ran away leaving her shoes.

"This is an area which is predominantly used by black people obviously because their bus terminus is here."

The shocked father of Antoinette Makgoe (25), who was removed from the scene by ambulance with leg injuries, railway worker Mr Johannes Makgoe could hardly speak, tears pouring down his face.

Antoinette's grandmother Violet Gosiane from Kimberley was very upset as she was not allowed to comfort her injured grandchild in the ambulance.

By 9.20 am today, the entire area was still cordoned off as police sifted through the rubble to determine the nature of the explosive device.



Where the bomb went off

Queen Elizabeth bridge

Bree

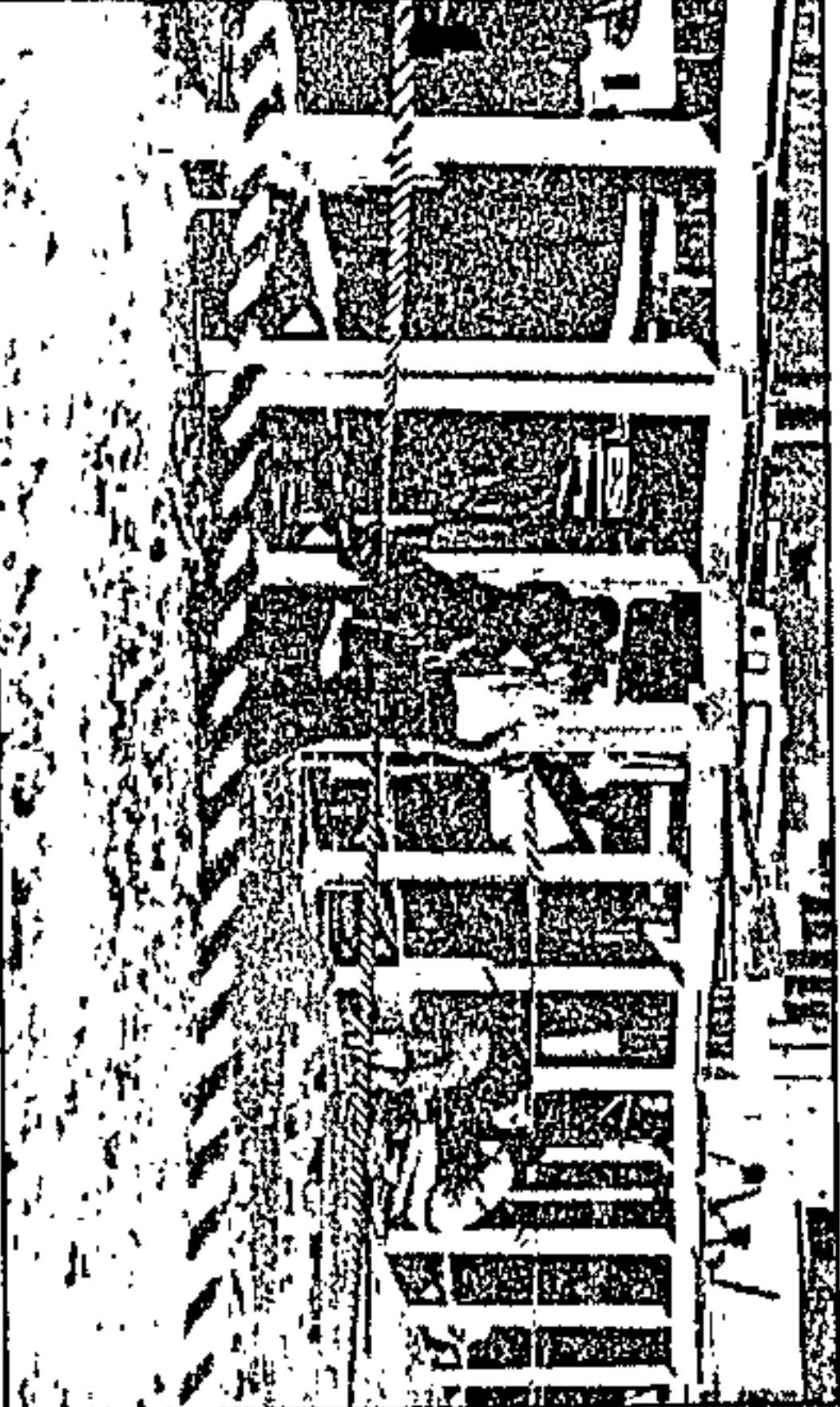
Sauer

Jeppe

Helicopter in mercy airlift

An emergency helicopter (above) readies itself to airlift injured to the Johannesburg Hospital today. (Right) The devastated bus and taxi terminus in Bree Street is cordoned off after a powerful bomb exploded at 8.24 am. Scores of people were hurt and at least seven taxis and several private cars damaged.

© Pictures by David Sandison.



Raising cash (332) (332)

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DEMO TRAGEDY: Crowd turns on driver of careering car ...

Bus protest turns to bloodshed



At Seana Marenga school, Standard Nine pupils write their geography exams ... In the middle of their holidays

BY TSHOKOLO MOLAENG and
VUSI GUNENE

WHILE black students countrywide are enjoying their winter holidays, Soweto high school pupils have volunteered to write "unofficial" mid-year exams.

The Department of Education and Training has described the exams as unofficial because they are not being monitored by school inspectors — who have not visited black schools for several months.

The schools defied the official June 15 DET closing date and continued with lessons to make up for teaching time lost after teachers went on strike in

At high schools in Soweto, an exam is as good as a holiday

May.

The exams began on Tuesday and are scheduled to end next Friday.

A Seana Marenga school teacher, Laurel Mashige, told *The Daily Mail* yesterday it did not bother teachers that the DET considered the exams unofficial.

"Tests are internal school matters," she said. "Even examinations, except for standard 10, are controlled by the

schools." She said the pupils took the exams seriously.

The school did not intend to close for the holidays, she said, but "it is not final; we do one thing at a time".

Meanwhile, Pretoria teachers have decided to break for the winter vacation today, despite a DET warning that they could face dismissal. All DET schools in the area were supposed to have

closed on June 15 and are due to reopen on July 10.

The DET's Northern Transvaal regional chief director, Job Schoeman, said teachers absent during the 14-day period would face dismissal.

Both teachers and students, after holding several meetings to discuss the educational crisis, decided to defy the warning and will return to class on July

6/7-8/7/90

Picture: JUSTIN SHOLK

30 — three weeks later.

Schools in Leithaburgh and Oukastie near Brits closed last week, after a six-week solidarity boycott against the suspension of 13 teachers.

DET management council officials threatened teachers in the two townships with dismissal a week before the official closure of schools, which led to 80 percent of the teaching staff re-applying for their posts.

The Brits Teachers' Union is consulting with lawyers to take action against the DET to re-instate all teachers unconditionally.

Stofela van der Merwe's new Ten Year Plan for education — See PAGE 3

By SAMANTHA WEINBERG

A MASS protest by 18 000 people against Putco bus tariff increases in kwaMahlangu, north of Pretoria, turned into bloody carnage yesterday when a car ploughed into the crowd, killing four demonstrators.

The driver was dragged out of his car and beaten to death by members of the crowd. His car and two Putco buses were set alight.

Late yesterday afternoon, Putco suspended the fare increases indefinitely.

Protesters gathered at the kwaMahlangu crossroads, 10km north of Malolo on the main Marble Hall/Pretoria highway, at 4am yesterday morning and forced to a halt 330 buses carrying workers from the northern rural areas into Pretoria.

At about 5am a white motorist drove into the huge crowd, killing four protesters — Elijah Molea, Samuel Mankwane Mankwane, B.J. Maphosa and a man identified only as "Sakhi" — and injuring five others, kwaNdebele police said.

The injured people were taken to Philadelphia Hospital in Denbilton. Four were discharged and the condition of the fifth is said to be stable.

Police yesterday were unable to offer a reason why the motorist drove through the crowd. "Maybe he just panicked. He was alone and confronted with a mass of people. Perhaps he was scared of being attacked," a policeman said.

Members of the South African Police riot unit and the kwaNdebele police dispersed the crowd with tear gas, said an SAP representative.

A number of protesters regrouped, however, and went to the chief minister's offices in kwaMahlangu.

A delegation met with the minister of transport, Prince Cornelius Mahlangu. After an urgent meeting arranged by the chief minister, Prince James Mahlangu, yesterday afternoon, Putco representatives agreed to suspend the fare increases in the area indefinitely.

Fare increases of an average of 18 percent on Putco services across the Pretoria/Witwatersrand/Vaal triangle area took effect from July 1.

Prince Cornelius Mahlangu told *The Daily Mail* he was pleased with the result of the meeting. "There was no need to introduce the increases in the first place — Putco promised they would talk to us before they were instituted, but they didn't."

He said further talks with Putco were planned for next week, in which he hoped the issue of the government's subsidy of Putco would be addressed.

Later in the morning around 10 000 people reassembled, but by mid-afternoon they had dispersed and the situation was "calm", according to police.

Police last night refused to release the name of the motorist, as his family had not yet been notified of his death.

Strauss Familie Trust buys Presto Transport

BID 617790

CHARLOTTE MATHEWS

THE assets and operations of provisionally liquidated Presto Transport Holdings have been purchased by the Strauss Familie Trust for more than R6,2m, Presto MD Steve Leggatt announced in a statement yesterday.

In May, Presto was placed in provisional liquidation with total liabilities of about R23m and its listing on the JSE was suspended at the directors' request.

The Strauss Trust has other interests in the transport industry including a controlling interest in Rauties Transport and Lindsay's Transport and Warehousing.

The Strauss Trust's Kobus Strauss said Presto would continue to trade as a carrier of containerised goods, although the new owners were aware of the effect of the recession and industrial action on Presto's client base.

"This will result in a consolidation of the group into its core business and customers, with a restructuring of the quantity of vehicles and assets required, staff levels and the overhead base," Strauss said in a statement.

"The company was unfortunate to have

suffered a 40% increase in 1989 in the prices charged by sub-contractor vehicles, which represented 70% of Presto's fleet, and if the group had had the opportunity to spread the acquisition of its vehicles this cost increase would have been avoided."

Strauss said he was pleased with the deal since Presto had a number of strategic advantages over other players in the transport industry.

Consulting

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It had a containerised infrastructure which included heavy duty forklifts and nationwide representation.

In an interview yesterday, Leggatt said it was too early to comment on the fate of the 100 or so shareholders of the group — which was 97% management-owned — or the JSE listing.

Leggatt would be staying on in a consulting capacity for some months to assist the new owners in taking control of the company, but would not stay on permanently.

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Violence suspends bus fare increase

EDYTH BULBRING

PUTCO temporarily suspended its 18% fare increase on the route from KwaNdebele and Pretoria yesterday following violent demonstrations against the fare increases which left five people dead and six wounded.

An SAP spokesman said over 300 buses travelling to Pretoria from KwaNdebele were stopped by groups of protesting commuters at the intersection of KwaMlangane and Bloedfontein Main Road early yesterday.

A white man travelling along the road, dimmed his lights and drove into the crowd at about 5 am, killing four protesters and seriously injuring six. The man was dragged from his car and stoned and knifed to death. His car and two Putco buses were burnt by the protesters, the spokesman said.

The deaths of the five people would be investigated. 610 am 6/7/90

The crowd swelled to about 10 000 people and stoned police who arrived on the scene, he said. Teargas was used to disperse the crowd.

Later, about 1 000 commuters marched to the KwaNdebele government offices protesting against the fares. They returned to the intersection where the demonstrations continued.

The crowd was informed later that following a meeting between KwaNdebele government and Putco representatives, Putco had agreed temporarily to suspend the increases in fares until further negotiations had taken place, the spokesman said.

A mass meeting would be held tomorrow in KwaNdebele to discuss the fare hikes, he said.

A Putco spokesman would not confirm or deny that Putco had temporarily suspended the fare increases.

5 die as car hits protesting crowd

FIVE people were killed when a car ploughed into a group of people during a bus protest in Kwa-

**SOWETAN
Correspondent**

Ndebele early yesterday morning.

A police spokesman said four people were killed and an unknown number injured at the Bloedfontein crossing,

near KwaMhlanga - about 60km north-east of Pretoria - when a man drove his car into a crowd of protesters.

The incident took place about 4am.

The angry mob dragged the driver from his car and beat him to death, before setting fire to his car and a Putco bus.

About 330 Putco buses and about 4 000 passengers had converged at the crossing earlier to protest against fare increases.

Teargas

About 5am Kwa-Ndebele police fired teargas to disperse demonstrators.

The spokesman said about 1 000 people regrouped and marched to the KwaMhlanga government offices, where they demanded to be heard.

Members of the Northern Transvaal riot unit and a South African Police helicopter were assisting the KwaNdebele police and were monitoring the situation, she said.

None of the dead had been identified.

Sowetan 6/7/90

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Brush with death . . . Abram Ngwape in hospital after a car ploughed into the crowd he had joined during the strike. ■ PIC: TLADI KHUELE

Panic may have led to Putco strike horror

By SOPHIE TEMA

PANIC at the sight of a KwaNdebele strike sparked off by a "sudden" Putco bus fare increase might have cost a white schoolteacher his life this week, said a colleague of the dead man.

Teacher Danie Malan, 55, was stoned to death and his car set on fire near the homeland's Ubuhlebethu High School in Siyabuswa this week after his car plunged into the strikers, killing four people and injuring three.

The mob had blocked the main road, and Malan, without slowing down, drove straight into the crowd.

The school's headmaster, Renier Oosthuizen, said Malan must have felt very threatened when he drove into the throng of protestors.

He said: "Malan was a very intelligent man, and would not behave irrationally or impulsively. He must have felt that his life was in danger and thought the only way out was to drive through the crowd and get away."

Oosthuizen said Malan was always calm, reserved, and definitely had no resentment or bitterness towards blacks.

He said Malan, a former departmental head at the school, had great love and admiration for the black children of the school.

Malan is survived by his wife, Annalize, who is a teacher at KwaNdebele Teachers' College.

Those who died are Elijah Motau and B J Maphosa from Kwaggafontein C; Samuel Matukane Mantshiri; and a

man identified as Sakhi, KwaNdebele police said.

Liaison officer Captain Joep Joubert said the injured were Abram Ngwape, who is in Philadelphia Hospital, and Aaron Dlamini and David Nyathi, who were discharged from hospital on Friday.

Yesterday, KwaNdebele police began investigating charges of murder and culpable homicide against the people responsible for Malan's death.

Further reports said the KwaNdebele government, which opposed the tariff increases, had intervened, arranging a suspension at least until Wednesday when commuter representatives will meet Putco management.

Sapa reported Putco had suspended the fare increases indefinitely as a result of the incident and violence.

A Putco spokesman confirmed the company had decided not to increase fares until further discussions with the homeland leadership.

The spokesman conceded passengers had been given short notice of the fare hikes, unlike in other instances when they were warned months before the increases took effect.

Commuters in the area told *City Press* the fare hikes were implemented and brought into effect on Wednesday without their knowledge.

Most said they only discovered the prices of daily and monthly tickets had been increased when they purchased them. Single tickets were increased from 70 cents to R1,15, and monthly tickets from R15.50 to R20.

BACKGROUND

Nature of attacks points to the Right

The latest terror acts were not planned or executed by individuals gone crazy but by a sophisticated organisation with a clear ideological vision, according to the head of the politics department at the University of the Witwatersrand, Professor Alf Stadler.

"This is more dangerous (than individual acts)," he said. He believed the sustained attacks were the work of a far-right-wing group or groups.

Professor Stadler described the attacks as a disturbing development and said they would probably increase in frequency. He pointed out that before Friday's attack, the blasts had not necessarily endangered lives.

This changed when Friday's explosion ripped through a black taxi rank in Johannesburg, injuring scores of people. He said the attacks could have a two-fold purpose.

"The blasts serve to intimidate and terrorise. It also serves as a strategy to galvanise the support of other right-wingers."

In the eyes of the perpetrators the targets of the latest blasts must be daunted as either left-wing reformists or anyone who poses a threat to white-minority rule, he said. This was illustrated by Friday's attack.

White right-wing groups such as the Wit Wolwe in the past claimed responsibility for several of the blasts. Police last week denied that the Wit Wolwe existed.

Terror attacks have increased in intensity and frequency. Last week seven bombs in separate incidents ripped through the homes and offices of left-wing and reformist targets. The spectre of attacks has unnerved many and is believed to be part of a plot by white counter-reformists.

SHEHNAAZ BULBULLA reports.

However, the repeated attacks on specific targets, Professor Stadler said, indicated a high level of planning executed by a right-wing group rather than by individuals.

"The targets attacked, the sustained violent action and the geographic scale of the attacks show that the blasts were part of an orchestrated plan by a right-wing group," he said. February 2, the day President F W de Klerk announced the imminent release of ANC leader Nelson Mandela and the unbanning of the ANC and PAC, was a watershed date which triggered white counter-reformist reaction.

"This was the date which marked the end of old-style apartheid. Since this announcement the far-right believe they have been abandoned.

"Political violence is often undertaken by those who don't have a constitutional footing. Such was the case with the ANC during the 1950s."

The delay in the actual execution of terror attacks since February 2 was due to the need for time to build an organisation which would embark on violent activity, Professor Stadler believed.

"It takes a while for a clandestine hit-squad to get its act together."

"Unlike the CCB this far-right group does not have access to everything on hand. It has to find people who will be prepared to take the risk of bombing and obtaining ammunition," he said.

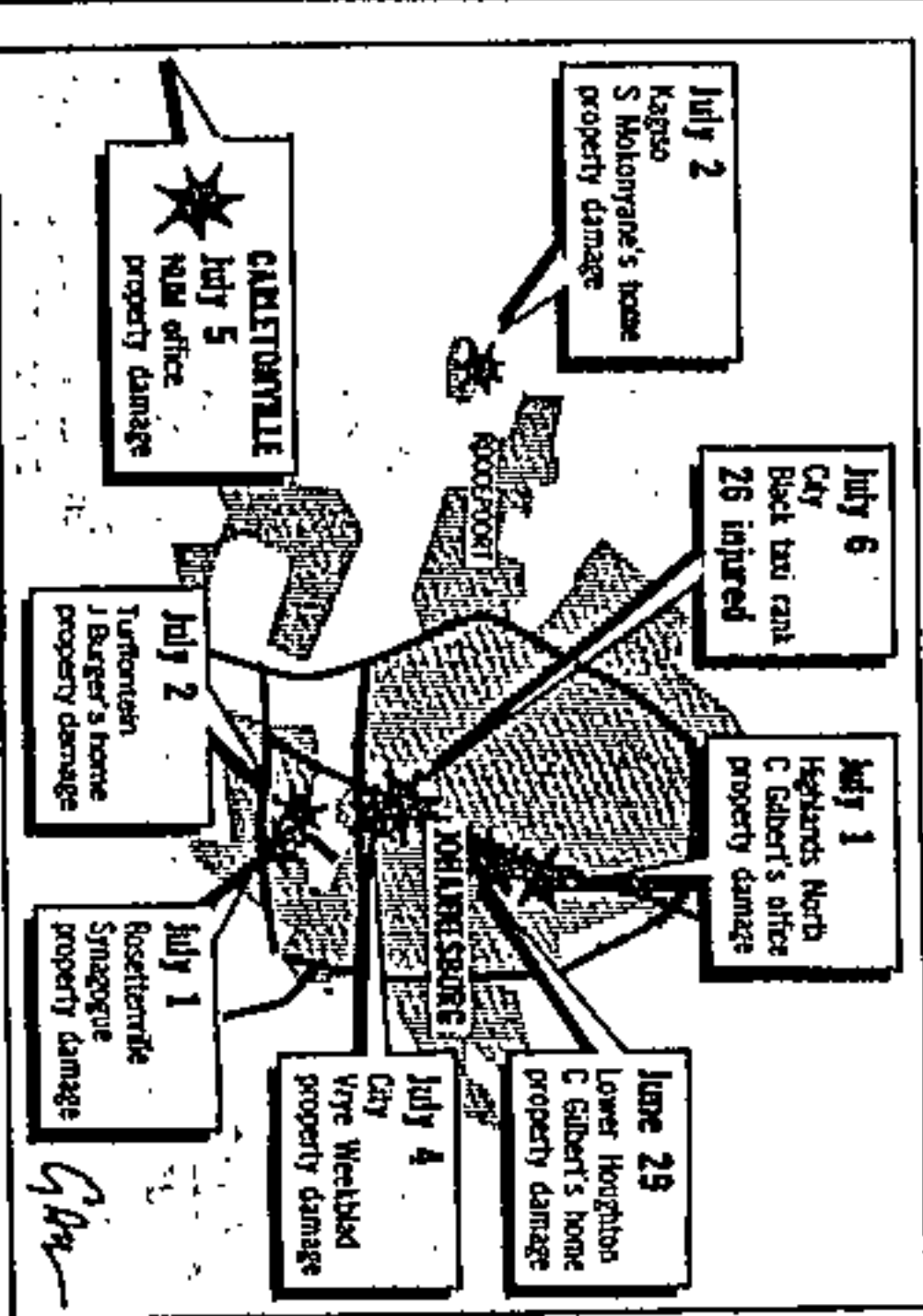
Another factor which showed that the blasts were the work of a right-wing group was that the bombs were made of commercial explosives.

Such explosives were easily obtainable by white miners and the white counter-reformist grouping would probably have access to these people, he said. He added that the profiles of all those attacked suggested far-right responsibility.

"A left-wing newspaper, Vrye Weekblad, was bombed. The Wit Wolwe claimed responsibility for the bomb which ripped through the house of National Party leader in the city council and management committee member, Jan Burger, who has been associated with moves to open city amenities."

"Another bomb made of commercial explosives exploded at the home of prominent ANC and union activist, Serge Mokonyane, in Kagiso. "Rightwingers have also made anti-Semitic statements and the bomb which exploded at a Johannesburg synagogue and which rocked the offices and home of a Democratic Party councillor is symbolic in this sense."

The foiled attack on the offices of the National Union of Mineworkers' also suggested right-wing activity, he said.



Helping hand ... a shocked woman is carried away for treatment after the Johannesburg bus-terminus blast on Friday.



Aftermath of the blast ... the windows of this minibus were shattered and many people injured. Pictures by Etienne Roitbart.

Black taxi market still growing

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By Sven Lünsche

Light commercial vehicle and minibus sales continue to defy the bearish trend in the rest of the motor industry, advancing by 10,6 percent to 10 111 units in June compared with May.

At the same time new passenger car sales recorded a marginal decline of 90 units to 18 622, but were down a steep 1 639 units, or 8,1 percent, compared with the same month a year ago.

Light commercial vehicle (LCV) sales have held up well in

response to the continued growth of the black taxi market and the National Association of Automobile Manufacturers (Naamsa) expects this segment of the market to continue to outperform the other motor sectors.

For the first five months of the year LCV sales totalled 56 561 units compared with 56 522 in 1989, although sales from June 1989 to June this year were 4,8 percent lower.

year. The June sales figure were in line with industry expectations and pushed total new car sales for the January to May period to 103 861, almost 10 000 units down on the first five months of 1989.

However, greater declines were prevented by further improvements in the supply position of various manufacturers and the recent introduction of the Fiat Uno, Naamsa says.

Sales of vehicles in the low volume medium and heavy

truck segments had remained well below corresponding levels achieved during 1989, although the June 1990 heavy commercial vehicle sales showed a welcome 104 units, or 17 percent, rise on the previous month sales of 609 units.

Total vehicle sales in June of 29 818 units were slightly higher than May's 28 866, but were almost 3 400 units down on the comparative month last year.

For the first five months sales totalled 166 652, compared with 177 024 in 1989.

Tollgate embarks on time of consolidation

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SYLVIA DU PLESSIS

TOLLGATE Holdings (TGH) is embarking on a period of consolidation during which growth will be organic rather than by acquisition, says outgoing chairman Johan Claasen in the diversified industrial holding company's latest annual report.

He says the emphasis in the coming year will be on rationalising investments, increasing profit margins by effecting improvements in asset management, particularly working capital, cost reduction and greater operating efficiency.

TGH, whose subsidiaries include Gant's, Entercor and Budget Rent-a-Car, posted earnings of 23,5c a share in the 18 months to end-December, compared to an annualised 15,7c. Dividends of 27,5c (18,3c) were declared.

"Certain of the divisions have been operating well below their true potential and we expect improvements in their results in 1990," Claasen says.

The economic slowdown and continued high interest rates would still affect the group's results in the coming year.

"At this stage it still seems that a further period of slow economic growth is ahead of us, with no likelihood of a material reduction in interest rates before the end of the year," he says.

"The recent political developments could have far-reaching implications for the economy of southern Africa, quite apart from the changes in political and

social life facing us."

He said that while a settlement would set the stage for a period of long-term growth, the immediate future was one of uncertainty and high risk.

The past 18 months had seen the transformation of TGH from a road passenger transport company into a diversified industrial holding group with a wide range of interests, Claasen said.

"This has been a most intensive and strenuous period, involving a number of major transactions, which has resulted in total assets employed increasing by 248% to R808m and shareholders' funds increasing by 55% to R167m.

"Such a period of rapid change and expansion has not been without its difficulties."

He said while group turnover and operating profits almost reached the levels targeted, net profit after tax was below expectations.

The interest saving that would result from TGH's R44m rights issue would have a considerable impact in the future, he added.

Writing in pyramid Duros's latest annual report, Claasen said emphasis during the remainder of the current financial year would be on increasing profit margins and rationalising industrial investments.

B1 Day 16/7/90

BUSINESS DAY, Monday, July 16 1990

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Couriers may help out with postal delays

THEO RAWANA

A HUGE backlog in postal deliveries has forced the Post Office to look into the possibility of using private couriers in a bid to speed up deliveries.

Posts and Telecommunications spokesman Amanda Singleton said the probability of contracting couriers to transport mail was being investigated.

She said the Post Office would write out specifics for tenderers and couriers could tender.

• "The couriers will only transport mail from main post offices to depots — not do a door-to-door delivery operation," she said.

Sapa reports Western Cape deputy senior director of postal services Jurie Swart as saying courier contractors had helped to deliver to rural area depots for some time.

Referring to business complaints about outdated sorting equipment compounding delays, Swart said: "We believe we have an efficient mail-sorting system at Cape Town and technicians are in the process of further updating our equipment."

Postmaster-General Johan de Villiers said last month the Post Office was giving urgent attention to the problem of delays in mail deliveries.

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An effort would be made to expand the in-house transport network and the transport facilities of couriers.

He said private couriers were not allowed to deliver mail. "Private couriers are prohibited from delivering direct mail to the public or mail from individuals to private houses."

Deputy chairman of Sun Courier's holding company Uniserv Barry Saxton said Post Office delivery problems could be solved within price ranges acceptable to the public.

He said his companies had the infrastructure for fast and efficient national delivery, including outlying areas and small towns.

The Post Office could be helped with major problems areas such as speed and reliability in transporting mail to post offices, especially those in outlying areas and also in minimising the sorting delays.

The SA Posts and Telegraphs division announced on Friday that a priority mail service between Pretoria and East London was going to be put to the test for six months.

OK gives notice of 570 retrenchments

OK BAZAARS has issued retrenchment notices to 570 employees in the PWV area due to the effects of prolonged striking by SA Commercial Catering and Allied Workers' Union (Saccawu) members.

However, talks will resume this week between the union and OK, Checkers, and Southern Sun in an attempt to end industrial action.

OK spokesman Gavin Brown said wage negotiations with the union would continue on Thursday, but the retrenchments would go ahead as initially planned.

Affected workers were notified on Friday that their employment contracts would be terminated at the end of the month. Brown refused to comment on the nature of the talks, which have been held sporadically over the past two weeks.

Saccawu national organiser Jeremy Daphne denounced the retrenchments and said the company had undertaken at talks held last week to consider the union's demand to withdraw the notices.

As the strike entered its seventh week, Daphne said the union would take an improved management offer

DANIEL FELDMAN

to its members for consideration this week.

The union originally demanded a R160 across-the-board monthly increase, as well as an R800 minimum monthly wage, while OK offered service-related increases and a minimum wage of R710 a month after a year's service.

Mediation between the union and Checkers is scheduled to resume today. Saccawu has lowered its demand to a R150 across-the-board increase, and management has offered R138.

Talks between the union and Southern Sun continued throughout last Thursday night and into Friday. The outcome of the talks could not be established yesterday.

Daphne also said the union had written to Law and Order Minister Adriaan Vlok "in the light of ongoing police harassment". The letter stated that the arrests of picketers were not only without any justification in law, but constituted "a gross interference with workers' rights to picket".

Unless arrests were discontinued, the union would reserve its right to seek relief in the Supreme Court.

Nationalisation of mines must hit economy expert

DANIEL FELDMAN

NATIONALISATION of the mining industry will inevitably lead to a misallocation of resources, inefficiencies and the detriment of the economy, says Chamber of Mines senior economist David Kennedy.

In the latest edition of the chamber's newsletter, Kennedy said: "The risks involved in tampering with an industry that employs over 750 000 people and provides some 55% of the country's foreign exchange earnings must outweigh any perceived advantages."

Economic research showed there were no imperative economic or financial reasons for nationalisation, and any government already had the power and the necessary means to exercise fairly effective control without resorting to public ownership, he said.

In addition, the experiences of Eastern Europe, the cost of nationalisation in Western Europe and the failure of nationalisation in Third World countries like Zambia and Burma offered proof that nationali-

sation did not work.

Modern economic studies had shown empirically that State-controlled industries were almost certain to be less efficient than privately-owned businesses.

"For private enterprise to survive and prosper in SA it may be necessary to depart from its proper and correct role of aiming to maximise profit and to take a more active part in fulfilling socio-economic expectations," said Kennedy.

"This may include allocating more resources to education and training, and perhaps even some kind of affirmative action employment programme. This should help to defuse current antagonisms and help provide an acceptable face for capitalism in SA."

Kennedy said nationalisation was not based on tangible economic/financial criteria, but was in fact an emotional reaction to perceived injustices.

New airline law could bring a 'scrum for higher prices'

AKG
16/7/90

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By DAVID YUTAR, Business Staff

A 'BLOODBATH' between smaller airlines and SAA with escalating air fares has been predicted, as smaller airlines join a competitive scrum following the recent deregulation of the domestic airline market brought about by the July 1 amendments to the Air Services Act.

The amendments, which became effective on July 1, remove legislative obstacles to free competition on domestic air routes and — for the first time in 41 years — make it possible for private carriers to compete with SAA on such routes.

Mr Richard Fleming, executive chairman of Link Airways, which runs an extensive service throughout the country, predicted that the present trend of smaller carriers rushing in to compete with SAA would lead to a "bloodbath" in which there would be "more losers than winners".

He said that deregulation had benefited no-one when it had come to the United States.

"There, two years after deregulation, there were four times as many airlines and five years afterwards, there were half as many.

He said that in the US a price-cutting war had resulted in a situation where even the larger airlines were unable to service their aircraft and couldn't get fuel with the result that passengers were "being let down left, right and centre."

More importantly, said Fleming, airlines had started to buy "non-approved, bucket-shop parts" in an effort to save expenses.

Turning to South Africa, Mr Fleming said:

"We should be deregulated but we need to have a flat playing field on which to play ..."

He said the development of the airline business overseas had proved that the feeder airline service was the correct route to follow in South Africa.

"But if we all go bold-headed to try and get the main hub-to-hub routes which are already being flown very successfully by SAA, albeit at the wrong price, then nobody will win."

He predicted that many private airlines would

ECONOMICS

find themselves in serious trouble as a result of rushing in to compete with SAA when they could ill afford to do so.

Mr Bert Van der Linden, commercial director of Comair, which provides scheduled air services from the Rand to destinations such as Richards Bay, Phalaborwa, Manzini and Margate, said that if the public expected to see a massive influx of private carriers into the domestic market, with a concomitant lowering of air fares, it was going to be "bitterly disappointed".

"Contrary to the popular perception that air fares will come down, they will in fact go up," said Mr Van der Linden.

"And until such time as air fares have gone up sufficiently to make it enticing for private enterprise, we will not see competition on SAA's routes."

Mr Van der Linden said that as long as air fares remained at the current levels, private air carriers would be unable to compete with SAA, who would continue to monopolise the market in effect.

He also pointed out that smaller carriers would find it difficult to acquire sophisticated capital equipment, which SAA had bought when the rand was still strong.

Mr Van der Linden said that even if SAA did raise its fares, as it had said it would, the anticipated increases would probably still not be sufficient to make competition by private companies economically viable.

Safair chairman Dr Piet Van Aswegan, who is also chairman of the Airlines Association of South Africa, agreed that as far as the passenger market was concerned, the results of deregulation would not be "as instantaneous as with freight".

"Anyone wanting to enter that market will have to do his arithmetic very well," he said.

"The air fares are low and we are looking at all the obstacles ... but we do not think that they cannot be overcome."

He said Safair would enter the passenger market via Trek Airways, whom SAA was already assisting to train pilots.

Dr Van Aswegan said that as SAA was expected to earn a return on the capital they used, so air fares would have to go up.

However, the freight market was a very different matter, he said.

Competitive rates made operation more feasible and Safair, which already owned capital equipment such as aircraft, was already flying some of the domestic routes under licence from SAA and would try to obtain its own licence in the near future.

services such as water, council," said ACO.

Stolen tickets: Putco warns commuters

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some for
16/7/90

PUTCO has again appealed to commuters in the PWV area not to buy coupons on the black market after robbers snatched thousands of weekly tickets last Monday night.

Three armed men held up a Putco security guard at Selby depot before fleeing with three boxes containing the coupons.

They broke through the concrete fence at the back of the depot and attacked the guard.

"One of the men held the guard at gunpoint while the others ransacked the store room," said Mr Robin Duff, a divisional manager of the bus company.

By KENOSI
MODISANE

The guard was not injured during the robbery.

Duff has again appealed to commuters not to buy tickets from anyone except at the usual mobile outlets. He said police and inspectors were on the lookout for the coupons, whose numbers are known to them.

All the stolen coupons are valid till July 22. They can only be used within the PWV area.

Duff said: "Commuters found in possession of tickets with same numbers as those stolen will be prosecuted".

Code and stickers may discipline taxis

By TOSH LEVETT-HARDING

TAXI OWNERS operating in Sea Point have accepted a code of conduct whereby drivers may be reported for bad driving — and vehicles will display stickers to facilitate complaints.

Members of the Green and Sea Point Traders Association and taxi owners have agreed to meet at Sunset Beach, Sea Point, on July 23 for a handing-over of the stickers.

The association is hoping to have scores of taxis lined up for the big handing-over ceremony, which is expected to be an impressive event.

City councillor Chris Joubert, chairman of the association, said there were numerous reports of bad driving and he believed self-discipline was the answer.

He said: "We now have the co-operation of the taxi operators, who represent about 200 taxis operating in Green Point and Sea Point and who have consented to the stickers being placed on vehicles, while drivers have agreed to adhere to

IF MY DRIVING OFFENDS YOU

PLEASE PHONE

434-0825

GREEN & SEA POINT TRADERS ASSOCIATION

STICKER TAPE ... The sticker which Sea Point taxi drivers will display and will give the public the right to report cases of bad driving.

a code of conduct.

"The owners have also agreed to discipline drivers found guilty of bad driving and this could result in the suspension of such drivers."

Mr Joubert emphasised that the agreement did not amount to a witch-hunt but the traders were in partnership with the taxi owners' associations because both sides were anxious to improve driving standards and to keep death

and injury off the road.

He continued: "Launching these stickers has cost the taxi owners R2 500. There are four taxi associations in control in the area and the co-operation from them has been excellent."

He said the public would have the right to phone a monitoring office in Regent Road, Sea Point, where reports of bad driving would be investigated and, if nec-

essary, passed on to the taxi owners.

"But we are not going to be interested in petty complaints. To be taken further reports must be valid."

Mr Joubert said he believed this move by the traders could result in similar action nationwide. The association had engendered enthusiasm among the taxi associations which agreed to the imposition of discipline among drivers.

He concluded: "We are doing something positive at last to reduce the accident rate and the co-operation of drivers and the public is vital."

Screening for the elderly

THE Cape Peninsula Organisation for the Aged at the Seniors Centre at Sea Point Place reminds senior citizens that the screening clinic service is on the first three Mondays of every month.

This is done by the city council with a doctor, sisters and a chiropodist in attendance. Remember to book.

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sandton and Midrand said.

'Shabby treatment' by taxi drivers

HANDICAPPED people in Pretoria have threatened to stage public demonstrations in protest against the shabby treatment allegedly received from taxi drivers. *Sowetan 17/7/90*

This threat was made yesterday by Mr Harry Mogale, vice-president of the Associated Blind of South Africa.

Mr Enos Makena, chairman of the Pretoria United Taxi Association, said such behaviour would not be tolerated by his organisation.

Unitrans buys Malawi company

MANDY JEAN WOODS

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ROAD freight transportation group Unitrans has acquired a transport company in Malawi in a move to expand its operations in southern Africa.

With the acquisition of the Malawian freight transport company, Unitrans now has operations in Namibia, Zimbabwe, Malawi, Zaire, Zambia, Mozambique, Botswana, Lesotho, Swaziland and, more recently, Tanzania.

Unitrans CE Eduardo Garcia said yesterday the company was purchased for a nominal amount as it was previously owned by Unitrans's UK-based parent company BET which wanted to sell the Malawi company.

"In April, we sent up a complete management team and applications to inject capital — in the form of vehicles and cash — into the company has just now been approved."

Garcia said in the annual report that the company hoped to capitalise on the need for a reliable road transportation network in southern Africa.

However, SA still had the best prospects for growth, and the core business would remain with long-term contracts in SA, he said.

Laser posts 18% pre-tax income loss

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Business Staff

THE slowdown in the economy has already had an impact on the interim results of household removals giant Laser Transport Holdings. Pre-tax income for the six months to June is down by 18% to R7m (R8,8m), based on a marginal increase in turnover to R56m (R55,7m).

Net income before interest and tax was R8,5m (R10,2m), but the interest bill was down by 10% to R1,4m (R1,6m).

Net income after interest and tax was R3,5m (R4,3m). Earnings at share level were 35,2c (43,1c). The interim dividend is 54% lower at 6c (13c) a share, with increased cover of 5,9 (3,3) times earnings.

MD Denis Kaye said Laser had chosen to adopt a conservative dividend approach, in view of the uncertain near-term future facing SA.

The results are in line with his forecast almost a year ago, when the first

signs of a decline in economic activity were detected.

Kaye said the company had acted timeously to introduce cost-cutting measures and improve efficiency to dampen the effect of the downturn. "These remain part of an ongoing programme and should be reflected better at year-end."

In addition to a substantial reduction in borrowings, the group has rationalised its fleet of vehicles. Spread between its various operating companies — Stuttafords Van Lines, Pickfords Removals, Frasers International Removals, Jack Wellsted and J L van Nimwegen, the fleet is a wholly-owned asset valued at more than R80m.

Laser Transport is also beginning to realise benefits from its property holdings. A spokesman said these were in strategic areas throughout SA "and have contributed materially to the company being able to strengthen market share as increasing numbers of competitors fall victim to the recessionary conditions".



Margaret Hare has joined Morgenhof Estate as marketing manager.



David Lavelle has been appointed group MD of Plantopia, a subsidiary of Grovewalk Services Group.

Taxi groups pledge unity

TWO major taxi associations - the Southern Africa Black Taxi Association and the National African Federated Transport Organisation (Nafto) - have pledged themselves to unity aimed at black economic empowerment in all business sectors in South Africa.

Sabta's public affairs manager, Mr Mike Ntlatleng, said yesterday that unity was a catalyst towards black economic advancement and the organisation would welcome any speedy move aimed at achieving it.

Nafto's president, Mr Peter Rabali, said unity was the only means of obtaining strength and self-reliance during the "difficult times in which blacks are living at present". *Sowetan 19/7/90*

They were responding to the appeal by two ANC leaders, Mr Andrew Mlangeni and Mr Steve Tshwete, that there was a need for a united transport organisation to be formed with clear objectives for the sake of black economic advancement.

The leaders made the appeal in Venda at the weekend. They also called for unity among black businessmen and women in order to make apartheid difficult to function.

Mlangeni said the history of the development of the black transport industry was characterised by hardships similar to those that faced the oppressed masses.

He added that 65 percent of the black taxi industry was infiltrated by whites.

Once exiles, now they're officials

Star
By Esmaré van der Merwe,
19/7/90 Political Reporter

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For six members of the ANC delegation who had travelled to 14 countries over the past six weeks, their arrival at Jan Smuts Airport was an emotional experience. It was the first time in many years they had set foot on South African soil.

The exiles, all living in Lusaka, returned home with Nelson Mandela for only a few days before going back to their base. They still don't know when they will finally return.

Excited chatter

Last night they attended a birthday party for "Comrade Madiba" at his Soweto home.

Pren Naicker, the physician on the international tour, has never been to Soweto. Born in Durban, he has spent most of his life in exile and was educated in London and Moscow.

As the chartered Mozambican plane approached Johannesburg, Dr Naicker refused to join in the excited chatter of his colleagues. He quietly stared out of the window, tears welling up.

As the only reporter on the flight, I asked him how it felt to come home after 23 years. He hugged me, but was too emotional to talk.

ANC treasurer-general Thomas Nkobi came home for the first time in 27 years.

"I hope I will be able to find my sense of direction within three days. And I'm going to drink some champagne with my friends and relatives in

Soweto I haven't seen for almost three decades," he beamed.

Tiny Zondi, the sound-man of the two-member ANC video team, said: "The first thing I want to do is to convince myself I'm back. I foresee freedom!"

He has been in exile for eight years.

His counterpart, cameraman Stahley Ndlovu, who was returning after seven years, literally jumped up and down.

"When we left, we were fugitives. Now we're returning as officials, with very great hope for the future."

Agnes Lieta, Winnie Mandela's personal aide, approached her return in her typical business-like style.

But this was perhaps because she has been away for only four years and has regularly seen her family in neighbouring countries.

Crossed border

Administrative official Ngoako Ramatlhodi, feeling miserable from a heavy bout of flu, said he wanted to visit his father's grave in Potgietersrus. He died in 1984, six years after his son left the country.

Ngoako left South Africa 10 years ago, crossing the border to Lesotho by foot after several spells of conflict with the security police as a student leader at the University of the North.

A qualified lawyer who studied in Lesotho and completed his masters degree in Zimbabwe, he looked slightly lost. "I can't see my township," said the Tembisa son as we prepared to land.

AA cost-cutting 'won't alter service, subscriptions'

Star 19/7/90

By Shirley Woodgate

Rationalisation measures by the Automobile Association will not directly affect subscriptions or the service offered to the organisation's 500 000 members, says managing director Peter Elliott.

"Internal cutbacks necessitated by high operational costs and a 25-30 percent inflation rate, rather than the official 15 percent, include the closure of the marketing division and retrenchment of 21 out of 750 staff, the scrapping of the AA Foundation and the training department," he said.

The AA Foundation is a research body that relies on sponsorship from organisations in-

terested in bringing down the road accident rate.

Another reason for a projected operating deficit of R4 million for 1990 was the fact that new projects devised by the AA had not sold as well as anticipated. These included the corporate membership scheme, which was not meeting its target in the present economic climate.

"Emergency road services, tow-truck operations and technical and travel services provided for our members will be totally unaffected," said Mr Elliott.

"In fact, the emergency road services will grow to meet the rising demand... because of increasingly ageing vehicles on the roads."

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Tollgate restructuring: final plans are outlined

CAPE TOWN — Plans for the final restructuring of Tollgate Holdings (TGH) have been announced.

Masterminded by London-based entrepreneurs Julian Askin and Hugo Biermann and their local colleagues, Mervyn Key and Lawrie Mackintosh, TGH is to become the group's holding company while Duros, Enterco and Norths are to be delisted.

The main purpose of the restructuring is to make its shares more attractive to foreign investors.

TGH is listed in SA and on the International Stock Exchange in London. It is understood to have attracted a foreign institutional interest since Askin's consortium acquired the group in July.

Most of the group's assets are based in SA, but Askin and Biermann plan to expand the group internationally by acquiring new assets in the UK and the US.

The consortium plans to convert Duros, Enterco and Norths into wholly owned subsidiaries by buying out their minorities.

Enterco shareholders will be offered 66 TGH ordinary shares and R2,23 in cash or R223,33 in cash for every 100 shares held, while Norths'

LESLEY LAMBERT

will be offered 33 TGH ordinary shares and R1,12 in cash or R111,67 in cash for every 100 shares held.

If shareholders approve the transactions, both companies will continue to operate as wholly owned subsidiaries.

It is proposed that Duros sell its insurance investments — 4,1% in Hosken Consolidated (HCL) and 24,1% in Safrian Life — to cash shell Arwa for R35m.

TGH will then offer Duros shareholders about 240 of its own ordinary shares for every 100 Duros shares and 200 TGH 14% compulsorily convertible debentures worth 350c each for every 100 Duros 14% compulsorily convertible debentures worth 700c each. This will convert Duros into a wholly owned TGH subsidiary.

The JSE yesterday approved the scheme subject to certain amendments. Once shareholders have approved the Arwa transaction, the company will be suspended from the JSE for six months in accordance with the normal stock exchange ruling. Once the acquisitions from Duros have been concluded, it will apply for reinstatement.

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Laser Transport hit by recession's early blast

CAPE TOWN — Laser Transport, traditionally an early barometer of the effect of economic change on the performance of companies, has reported dismal results for the six months to end-June, with earnings a share down 18% to 35,2c.

Turnover increased marginally from R55,8m to R56m, reflecting the static nature of activities in the transport sector, which has seen a number of casualties during the past six months.

Net income before interest and tax plummeted by 17% to R8,5m. A reduction in borrowings reduced the interest bill by 10%, while tax was reduced by 18%.

But this did little to stall the decrease in net income which fell by 18% to R3,5m, translating into earnings a share of 35,2c.

The dividend was slashed by 54% to 6c a share, pushing dividend cover from 3,3 to 5,9 times. Laser MD Denis Kaye said the company was determined to restore dividend cover of between 2,5 and 3 times which suggests the final payment might

LESLEY LAMBERT

be adjusted upwards to reflect this policy at year end.

Kaye said the group anticipated the economic downturn in September last year and took immediate action to trim costs and borrowings. Borrowings were reduced by R8m to R12m, pushing the debt to equity ratio from 0,7 to 0,56 and the vehicle fleet was rationalised.

The effects of these austerity measures began filtering through in about March and should be reflected in the year-end results.

The group is also beginning to realise benefits from strategically placed property holdings, Kaye said.

However, while the company was expected to report an improved earnings performance by December year-end, there was unlikely to be any real growth in earnings, he said.

SHIPPING

Tanker crackdown

With world oil prices still in a slump — and depots around the globe taking the opportunity to boost their stockpiles — the tanker business is booming.

This is making underwriters nervous, however, because the strong demand for tankers is keeping many ageing carriers in service and increasing the risk of major spills.

The SA coast is especially vulnerable at this time of year as the tankers negotiate the Cape in winter. At any one time an estimated 30 oil tankers, and another 30 bulk carriers, are off the coast.

At its annual meeting last month in Tokyo, the International Council of Classification Societies agreed to tighten survey requirements for older ships. Its surveyors now will take a closer look at the corrosion in hulls and the condition of salt water ballast tanks. Protective coatings to retard corrosion will now be compulsory and a ship's internal structure will be inspected more frequently.

The societies are also demanding greater structural strength in new ships so marine architects must now pay more attention to fabrication standards in yards and the fatigue considerations and corrosion margins of the steel the yards are using. These new standards also cover bulk carriers.

Breaking up

Surveyors must certify a ship is seaworthy before an underwriter will insure it. All of the dozen major classification societies are represented in SA.

An incident last month that was recounted at the council's meeting underlined the need for tougher requirements: a Chinese bulk carrier heading from Australia to Cape Town disintegrated halfway across the Indian Ocean.

The crew was picked up by a Japanese tanker and taken to Cape Town. Litigation over the loss of the bulk ore in the ship is under way.

Two weeks ago the issue hit closer to home when the hull of the ore-carrier Petingo was damaged by heavy seas and later split apart near Richards Bay. Oil leaking from the ship's tanks polluted about 8 km of Natal beaches.

Meanwhile, the US Bureau of Shipping has issued a warning about the lighter materials now used in tankers as a cost-and-weight saving exercise by Asian shipyards. The Americans say these lighter ships will have shorter lives; the saving of 20% in weight from using less steel will mean that a new tanker will last only 10 years instead of 20 years.

The US Congress agreed last week that most single-hulled oil tankers calling on US ports should be phased out over the next 20 years and all new tankers should be built with double hulls. Some engineers worry, however, that gases will collect between the two hulls and explode if there's a fire. ■

F/M 20/7/90 (332)

pendent auditor's valuation but, according to Askin an approximate market value of these assets is R33m.

After this proposed transaction, Duros will be left with the following: 63% of TGH, 50% of the TGH convertible "B" debentures, some unlisted investments and cash, the amount of which will depend on the demand from minorities for the cash option.

TGH will then issue its own orders to Duros shareholders in what is effectively a share swap. Duros will be collapsed into TGH, as the FM posited (Fox, July 6) and the TGH shares that are currently held by Duros will be cancelled. The net result will be that Duros, Entecor and Norths will be wholly owned by TGH. They will be delisted, Duros will cease to exist and the other two will remain in business. Only the renamed Arwa and Gants will remain as listed subsidiaries of TGH. With the sort of momentum the consortium is now generating it is unlikely to leave either of these operations to languish.

Arwa becomes a holding company with strategic insurance investments. The probability is that the consortium will move without delay to utilise its remaining cash — about R8m after paying for the Duros assets — and create a significant earnings base for the organisation. With the restructuring of the group under way it is also probable that Gants will be included in the programme. So watch out for that one.

Though the consortium took control of the TGH group only on July 1, a lot has been going on. Askin has placed large slices of TGH's equity with London institutions he believes will support the consortium's growth plans. The same is probably true of local institutions which have recently bought some hefty chunks of TGH and are expected to make a market in the shares.

As a result of these placings and the consequent wider spread of shareholders, the recently completed rights issues in both Duros and TGH, and now the latest scheme of arrangement, the consortium will no longer directly control the group. Its shareholding will ultimately drop to about 40%. Askin points out that interim results will not reflect the changes, though he believes the second half will show a substantial advance. A large reduction in debt will help as, too, will administration cost savings through decentralised management. Then there are further plans which seem likely to involve at least one overseas acquisition.

Gerald Hirshon

TGH/DUROS

Askin restructures

Julian Askin and the consortium which controls Tollgate Holdings (TGH) have great plans to convert their company into an off-shore organisation by making use of its London listing. But before they can go ahead, they need to remove the group's pyramid structure — a structure London investors turn up their noses at. It will also help eliminate the costly operational structure implemented by TGH's former controlling shareholders. (332)

As chairman Askin puts it: "The criteria of overseas investors include a strong bias against investment in pyramid and control companies and a disinclination to support a multiplicity of listed companies within a group." F/M 20/7/90

The restructuring is being planned through a scheme of arrangement in which Duros, Entecor and Norths are delisted and TGH becomes the holding company of the group. To achieve this, minority shareholders are likely to be taken out with the option of taking cash, TGH shares or convertible debentures as compensation.

Subject to sanction by shareholders, the JSE and the Supreme Court, the scheme is likely to offer shareholders cash or TGH shares for their holdings. Management is still working out the terms.

Arwa (the name is to be changed), the cash shell from which the assets and liabilities of the original business were sold to Johann Claasen for R42m cash, is the starting point of the scheme. Arwa is to spend part of the R42m to buy Duros's 24% stake in Saf-life (the life insurance arm of HCI) and 4% of HCI itself. The final purchase price of both these will depend on an inde-



Picture: HANNES THIART, The Argus.

SAFETY PLAN: Pasting a sticker on a taxi window is the Traders Association's Mr Chris Joubert with taxi driver Mr Hester Siko.

Sea Point acts to end minibus taxi menace

By DALE KNEEN, Staff Reporter

SEA Point businesses and two taxi associations have taken steps to improve the driving of 200 minibus taxis on Atlantic seaboard.

Stickers which call on people to report bad driving were attached to minibus taxis yesterday following negotiations between the taxi associations and the Green and Sea Point Traders' Association.

Drivers would receive three warnings and then be suspended from operating in the area if they drove recklessly, hooted excessively or operated in minibuses which were not roadworthy.

"There have been no fatal accidents involving taxis in the Sea Point area, but by launching this sticker campaign we are hoping to make this a model area," said the chairman of the Peninsula Taxi Association, Mr Yusuf Louw.

"People telephone a monitoring number if they witness taxis being driven dangerously.

DISPLAY STICKER

"The associations would take action against the drivers after three warnings and in some cases we would even consider reporting the driver to the traffic department."

Similar steps would be taken against taxi drivers affiliated to the Western Cape Black Taxi Association.

● A taxi-driver course which has been approved by the Automobile Association and the National Road Safety Council has been offered to drivers in the Peninsula. Those who complete it will be entitled to display a "Project Spear" sticker.

Project Spear will hold two two-day courses next month. Drivers who wish to enrol should contact the Operator Training Centre — 946 3106.

Perishable Cargo is first in the Top 20

PERISHABLE Cargo Agents is once again first among the Top 20 SA airfreight export agents this year.

Freight & Container Weekly assembled its annual Top 20 airfreight export agents from confidential IATA figures produced for 1989.

But it says this way of ranking the local freight forwarding agents is biased as it only represents exports on IATA-member airlines.

Perishable Cargo Agents sales shot up 33% to R42,2m in 1989.

Second place was maintained by Rohlig Airfreight, which saw its turnover jump 23% to R23,7m.

Next came Rentfreight Aircargo, which showed a 19% rise to R9,1m.

It was followed by Safcor Aircargo, Grinrod Airfreight, Kuehne & Nagel and Burlington Airfreight.

Portnet launches with R106m in new projects

NEWLY formed Portnet has a lot on the go — new capex projects and record handling of goods through SA's ports.

It is planning to invest about R106m in capital projects in the current financial year.

New projects include a Ro-Ro shed in the Ben Schoeman Dock, Cape Town, improvements to the tanker berth in Port Elizabeth and a single-buoy mooring system in Mossel Bay.

Work at Durban includes dredging of berths 9 and 10, lengthening of container cranes at quays 108/109 and new mobile wharf cranes.

In addition, tracks will be added at the arrival yard in Richards Bay and three harbour tugs at Walvis Bay will be refitted.

Ongoing projects include improvements to the capacity of the bulk handling facility in Richards Bay, a new Ro-Ro shed at berths 108/109 in Durban and the replacement of mechanical handling plant and equipment, as well as vessels at all the ports.

Record

In August last year, a record 47 166 containers (TEUs) were handled through Durban, almost 5 000 more than the previous record set in July

1989.

Portnet says a record 760 444 containers were handled at SA ports from April last year to March this year.

A milestone was reached in October last year when the four-millionth container was handled at the container terminal in Durban.

In August last year, an agreement was signed between Portnet and Durban Harbour Granite Terminals which resulted in the establishment of a granite terminal at A berth.

Apart from hardening the surface, two overhead granite cranes were erected. The clearing of the area around B berth has been completed, with paving laid and mast lights erected.

This area is being used for general cargo and was brought into operation on April 1 this year.

EDI is set to replace the paper shufflers

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THE traditional role of freight forwarders is changing, with a swing towards using computerisation and integration, says Uniserv deputy chairman Barry Saxton.

Freight forwarders have traditionally organised the movement of goods on behalf of importers and exporters.

Their major function has been handling customs clearance, but their role has included co-ordinating the paper flow as well as the diversified parties involved in moving goods, including shipping lines, airlines, road hauliers, customs clearing authorities and insurers.

But Saxton says the freight forwarding industry is undergoing many changes. There has been greater stress placed on optimising

factors such as time, price and reliability to meet the customers' requirements.

Freight forwarders are also moving into the hi-tech arena of computerisation, with the paper shuffling role being replaced by Electronic Data Interchange (EDI).

An important future role will be in providing EDI facilities to customers, with computer-based forwarders interfacing with all parties through electronics means, says Saxton.

Diminish

In addition, the importance of the freight forwarder in customs clearing is likely to diminish.

One factor which will cause this is changing tax methods. Government is reviewing its methods of taxation and the emergence of free trade zones, a border-free Europe in 1992 and,

possibly, a southern African trading bloc, will have an influence.

Another factor that might reduce the need for clearing agents is the movement towards world-standardised customs classifications, which will result in more formalised electronics means of paying import duties.

It is possible that in the future the exporter or middleman could deal directly with the customs authorities, paying duties through computerised EDI, says Saxton.

This could lead the clearing agent to changing his role from a payer of duties to a consultant.

Another change facing the industry is the trend to intermodal transport carrier companies which, among other things, has been boosted by the increasing use of containerisation.

Saxton says: "In the past, we have had carriers who operated main lines, the consolidators of traffic, who presented cargo to carriers and the freight forwarders, who selected transport methods."

But he sees the emergence of several large international companies which provide worldwide integrated transport networks.

Comprehensive

Already, freight companies such as Federal Express, United Parcel Service (UPS) and Burlington Air Express own and operate their own aircraft and have comprehensive ground facilities to effect door-to-door collections and deliveries.

Shipping lines with container operations have also been moving into land-based operations and deal-



BARRY SAXTON

ing directly with the public. Because of the emphasis on controlling transport door to door, companies will tender differently from the traditional FOB and CIF.

The increased quoting of ex-works or free domicile will change the face of international trade.

In terms of design, there will be more freight-designed aircraft and freight airlines which buy or work in co-operation with freight forwarders to offer integrated services, says Saxton.

Renfreight expands to improve its service

15 years 15/7/90
RENFREIGHT is investing millions in expanding its facilities for its niche market activities.

Divisional GM Eddie Stead says the company specialises in commodity type niche markets such as paper, chemicals and steel.

It is constructing a R13m, 10 000m² forest products terminal for local consumption and exports at Richards Bay set to be running by November.

Doubled

In addition, it plans to expand its two forest products terminals in Durban this year to cater for increased production and exports. Capacity of these terminals will be doubled at a cost of R22m.

Renfreight's new joint venture with Transnet subsidiary Viamax, Forest Products Distributors, will spend R1m upgrading its Reef facility.

Plans have also been completed for a R12m specially designed chemical terminal in Durban which will be available as a common user facility to all chemical importers early next year.

Getting the right goods to the right place at right time

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THE management of goods movement is becoming the most strategic tool for SA's importers and exporters.

They need to get the right goods to the right place at the right time and SA's freight and forwarding industry is focused on meeting the needs of the local business community.

It is also on track to meet the challenges of the '90s.

These include increasing competition, rising costs and a rapidly changing and sophisticated international trading market.

SA Association of Freight Forwarders (SAAFF) president Gideon van Zyl says the decline in imports affecting the freight forwarding industry is temporary as the economy will recover and there are expected reductions in surcharges.

While a weakening rand has hampered imports, it has helped boost exports. Last year, SA's exports reached R58bn and imports R44,5bn.

Rohlig & Co service manager Thomas Manigk says the softening in sanctions will make exports easier and most likely cheaper. It will also allow SA companies to ship directly to areas they previously transhipped to.



GIDEON VAN ZYL

He says the political changes could enable SAA to fly across Africa to Europe, making SAA faster and possibly bringing airfreight prices down.

The SA freight forwarding industry is highly competitive, with price cutting in a bid to get volumes — to the detriment of sellers and the advantage of SA exporters.

In the current economic downturn, forwarders' margins are tightening, with constant increases in rates of shipping lines and railways, says Manigk.

To get the competitive edge, companies have turned to improving service.

Uniserv deputy chairman Barry Saxton says freight forwarders in SA take on a large role as fi-

nancier. They are used by SA importers to finance all aspects of imports ranging from customs duties, harbour charges to freight charges.

SAAFF executive director Alan Cowell says its over 200 members pay over R1,75bn a year for custom duty and surcharge purposes on behalf of their clients.

Prevented

Saxton says this has resulted in local freight forwarders becoming heavily geared and has prevented them from obtaining an adequate return on capital.

However the freight forwarder's role as a credit provider will change in the future, he says.

Van Zyl says industry

competitiveness has been aggravated by a lack of skilled personnel. However, last year 318 students and this year 100 students enrolled in SAAFF's new course on customs affairs.

To develop professionalism, SAAFF intends instituting a further training over two years on freight forwarding management.

Van Zyl says a factor which could have huge implications for freight forwarders is Value Added Tax (VAT) as it is proposed in the draft legislation.

In terms of the proposals, VAT will have to be paid on all imports. In the past, GST was only paid on imports where the importer was the final user of the product.

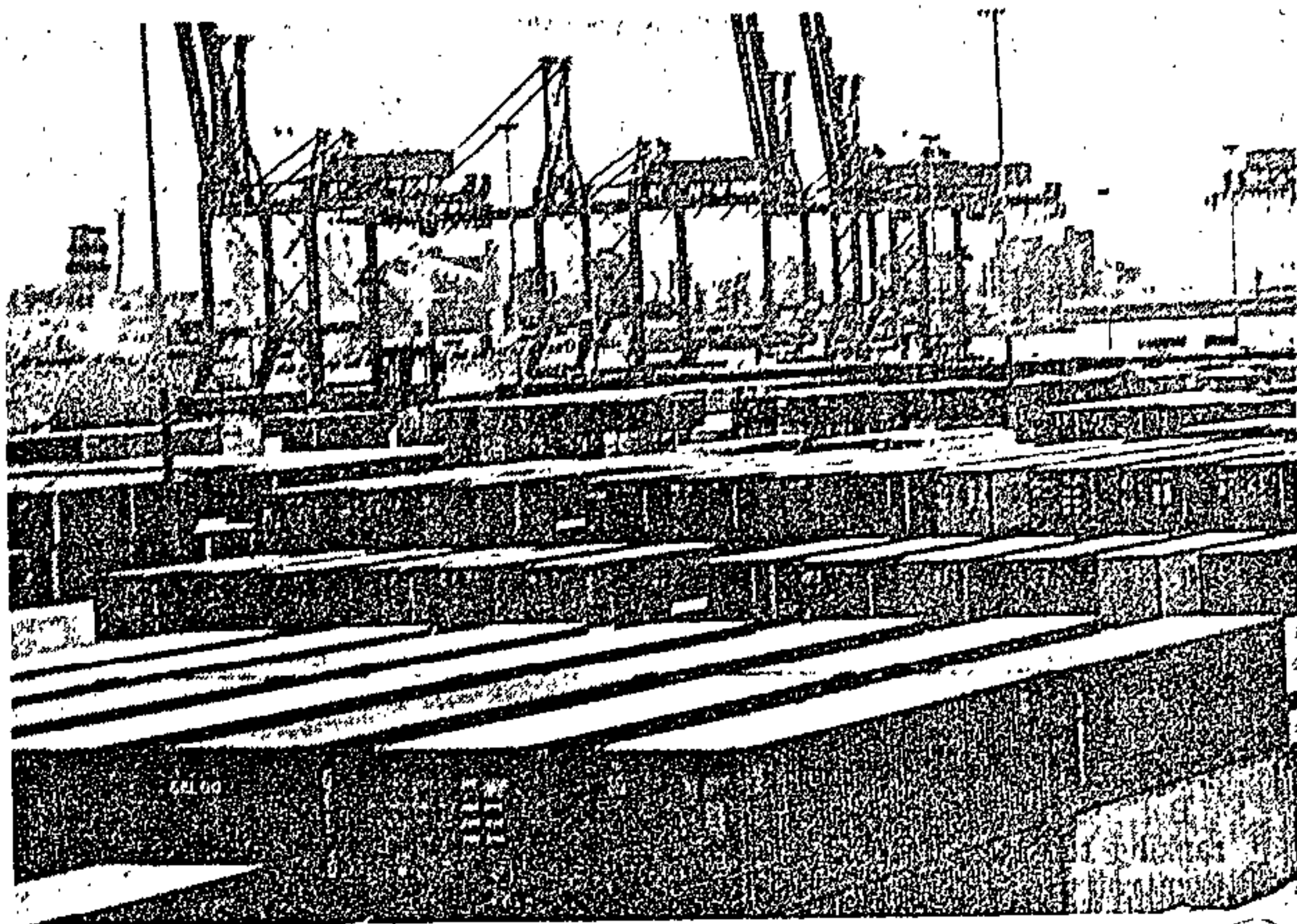
He says SAAFF will have to educate its members on VAT and is holding a seminar for the industry this month.

SAAFF will be making recommendations on the draft legislation to authorities. In addition, it is holding discussions with Customs and Excise on the import value for duty purposes for a clearer definition.

Cowell says the industry is moving into the Electronic Data Interchange (EDI) era to enhance the speed of data related to moving goods internationally.

Business Day SURVEY

The weak rand may have hampered imports but it certainly helped exports. Last year, SA's exports reached R58bn. With the softening of sanctions, exporting should become easier and most likely cheaper. Against this background the efficient movement of goods becomes a strategic tool. ZILLA EFRAT reports on the freight and forwarding industry.



The container terminal at Durban harbour.

International link a boon as borders open

AHEAD of changes in Eastern Europe and the common European market in 1992, Renfreight stands to benefit from its association with its international agent, the UK-based Lep group of companies.

Renfreight divisional GM Eddie Stead says Europe accounts for about 50% of SA's trade and with the changing Eastern Europe environment, this is likely to increase substantially.

Lep, which represents Renfreight in all countries except Japan, has been expanding into Europe over

the last year, particularly into Eastern Europe.

It has added to its European network by buying a major West German transport group, Wohlfarth, thereby strengthening its ability to offer a door-to-door service from both East and West Germany.

In East Germany, it has negotiated a major expansion of its freight and forwarding and distribution activities by establishing Lep Lassen. This follows the purchase of a majority stake in Duetrans, the East German state-held forwarders.

In addition, Lep has established delegation offices in Poland, Hungary, Czechoslovakia and the Soviet Union.

Flow

As the world prepares for the changing patterns of trade which will flow from the removal of customs and trade formalities in Europe in 1992, all eyes are focused on the Benelux countries, which will become a test case when international barriers are removed in January 1991.

With Antwerp and Rotterdam the traditional

gateways of Europe, Lep has over the last year acquired Jean Vincent SA and Maro-Trans in Belgium and Steenbergen in Holland.

These acquisitions form a part of the Lep Swift expansion throughout Europe, forming a Pan-European distribution network, says Stead.

Lep has 42 000m² of warehousing facilities and more than 100 vehicles in Benelux.

Renfreight's agents in Holland and Belgium used to be Damco and Cosmos. It has now appointed Lep as its agent in these countries

to bring them in line with the rest of its Western European operations.

Stead says Renfreight will be able to take advantage of the enormous infrastructure Lep has developed ahead of 1992.

He says the changes set to take place in 1992 will affect the way trade and freight forwarding are done.

The falling of borders will influence shipment of goods. Forwarders will look at the closest ports, rather than country, and the most cost-effective port will be used.

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\$1-billion loan to De Beers' big loan to Soviets

CMA Trust 26/7/90

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From JOHN CAVILL

LONDON. — De Beers Centenary (the offshore arm of the gem giant) is to lend \$1 billion (about R2,6bn) to the Soviet Union's diamond industry in the first deal of its kind by any Western company.

In return Centenary will have the exclusive rights to sell all Soviet rough-diamond exports over the next five years — worth more than \$5bn (about R13bn). The historic contract was signed in London yesterday by Mr Nicholas Oppenheimer, deputy chairman of De Beers Centenary, the Swiss twin of De Beers Consolidated, and Mr Valery Roudakov, head of Glavalmazloto, the Soviet precious metals and diamonds administration, after negotiations lasting less than 12 weeks. It is a coup for De Beers and the Central Selling Organisation (CSO), which will now sell diamonds for all the world's major producers.

And the \$1-bn loan, to be repaid over five years from November, will be a huge relief to the Soviet Union in meeting its import bill arrears. The Soviets have admitted they need \$2bn (about R5,2bn) to cover short-term debts.

The loan is being made "on a commercial basis", Mr Gerrard Ralfe, a director of De Beers Centenary, said here yesterday.

It will carry interest at an undisclosed margin over the London Interbank Offered Rate (Libor), currently 8,125%.

And the Soviet Union will deliver to the CSO in London its stockpile of diamonds valued at \$1bn at current market prices to be held as collateral against the loan.

Commenting on the signing, Mr Oppenheimer said:

"This is a very important deal for both the Soviet Union and De Beers Centenary. At a time of considerable financial strain the Soviet Union has been able to raise a loan of \$1bn while signing a contract with De Beers Centenary which assures it of a steady flow of funds from diamonds for the next five years.

"This historic contract is clearly in the interests of

the diamond trade in its widest sense."

Chairman Mr Julian Ogilvie Thompson said it was "extremely good news, not only for De Beers Centenary but for the stability and prosperity of the international diamond industry".

Mr Ralfe revealed that the initiative for the deal came from the Russians, who had built up stocks of rough stones which they wanted to cash in without disrupting the market.

Talks started in May with Centenary directors Mr Oppenheimer, Mr Ralfe, Mr Alex Barbour (deputy chairman of the CSO) and Mr Anthony Oppenheimer (son of Sir Philip) shuttling between London and Moscow for negotiations in both capitals with Glavalmazloto and Almazjournelreexport (AJE, the marketing agency).

The sales contract will not mean a big increase in the amounts of diamonds the CSO has to sell — a record \$2,45bn (about R6,3bn) worth in the first six months of this year.

Although there has been no direct contact between the CSO or De Beers and the AJE since 1963 — following

Sharpeville — uncut Soviet gem stones have found their way to the 10 annual London sales via other channels. "AJE has always behaved with great prudence in its selling," said Mr Ralfe.

At the end of last year Centenary had diamond stocks valued at \$2,4bn (R6,2bn) and net current liabilities of \$29m (R75,4m).

Since then Centenary's cash position has built up and the composition of the loan is likely to be a combination of that and bank borrowings. "We are under-borrowed and we are totally comfortable about the situation," said Mr Ralfe.

● A spokesman for the Minister of Trade and Industry, Mr Kent Durr, said last night that insofar as the development promoted new levels of co-operation, "it can only be devoutly wished in the normalisation process with Eastern Europe".

The Minister of Mineral and Energy Affairs, Dr Dawie de Villiers, said: "The agreement will obviously contribute to the further stabilisation of the international diamond market and this will be to the advantage of a major diamond producer like South Africa."

INVESTMENT

New-look Tollgate Group on the cards

From JOHN SPIRA

JOHANNESBURG. — Tollgate Group Holdings, which holds its annual meeting in Cape Town on Monday, is undergoing a fundamental transformation involving rationalisation of its domestic businesses and overseas expansion.

Accordingly, the share has been reincarnated as an investment with exciting growth prospects and intriguing rand hedge qualities.

TGH is a diversified industrial holding company with interests in high volume consumer and brand orientated industries.

Subsidiaries operate in the food, textiles, tourism, sport and leisure sectors.

In addition, TGH retains its long-established transport interests.

In the 18 months to the end of 1989, total assets employed soared from R232 million to R808 million as the group diversified away from road passenger transport.

Not surprisingly, so rapid a change in focus was accompanied by a measure of dislocation.

Thus, while sales have rocketed, taxed profit has fallen way short of expectations.

On an annualised basis, earnings fell from 31,7c a share in 1988 to 15,7c in 1989. And the distribution sagged from 20c to 18,3c.

Flies in the ointment were Arwa and Gants Foods, along with the group's high gearing and the resultant heavy interest burden.

To reduce borrowings, TGH raised R44 million by way of a rights issue of convertible debentures in June.

Profitability

To improve operating profitability, TGH is busy rationalisation certain of its interests.

But this is all background to the main attraction — the change in control at holding company Duros, which has been acquired by a consortium led by London-based former South Africans, Julian Askin and Harold Biermann.

The new management team has ambitious plans. Already a major restructuring programme has been announced.

Duros is being absorbed into TGH, while minority shareholders in Enterco and Norths are being taken out.

TGH will become a pyramid company, with just two listed subsidiaries — Arwa and Gants — and two wholly-owned subsidiaries in the form of Enterco and Norths.

As a result, TGH's net worth should increase by 18 percent to 366c a share, while earnings should rise by 34 percent to an

annualised 23,9c a share in the year to December 1990.

Significantly, TGH is listed in London and management has extensive plans to convert the company into an offshore vehicle for making foreign acquisitions using TGH paper.

Indeed, it is well worth noting that TGH has become the first South African company in many years to have developed an active market in its shares in London.

Messrs Askin and Beirmann are highly regarded in the UK. If their foreign strategies come to fruition, TGH will become an important rand hedge counter and a shield against ANC-inspired nationalisation threats.

Track record

A track record is required before the shares can be regarded as more than speculative in nature.

But they could in due course come to be highly rated on the back of the overseas plans.

In the meantime, an encouraging recovery looks to be in prospect following the rationalisation programme and the emphasis on boosting profit margins.

An unchanged 1990 dividend of 18c from earnings which should be in the region of 25c a share makes the prospective yield an undemanding 6,2 percent.

Minibuses carry 625 000 daily

ABOUT 625 000 black commuters travel in minibus taxis daily, says a book launched last night in Johannesburg by SA Institute of Race Relations (SAIRR).

The book, No Easy Ride, is written by SAIRR researcher Colleen McCaul and traces the history of the Kombitaxi industry from a fledgling concern to its present position as a giant whose share of the African commuter market has overtaken that of buses and trains.

"Taxis have played a major role in reducing the travelling time of African commuters from almost three hours a day in 1984 to two hours last year," McCaul says.

Touching on the taxi industry's impact on the motor industry, she says there are 23 minibus models on the SA market made by six car-makers. "About 50% of them are Hi-Ace minibuses made by Toyota SA and 40% are E20 minibuses from Nissan SA.

"The balance of the market is held by the

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THEO RAWANA

Delta Motor Corporation (which makes the Isuzu Relay Bus), and Volkswagen SA, which makes the Kombi and Microbus," she says.

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McCaul explains that African purchases as proportions of Toyota's private minibus sales have increased from 41% in 1980 to 61% in 1988. Their share of Nissan's sales increased from 36% in 1982 to 66% in 1988.

In the first half of the 1980s the Welgemoed Commission proposed that Kombitaxis be prohibited. But the solutions proposed by this commission "risked exacerbating the problems and contradicted the government's own solutions of deregulating, privatising and devolving responsibility to lower levels of government".

By mid-1989 government had agreed to a compromise with the dominant taxi association, Sabta, on the issue of deregulation.

A mammoth task: control

Professionalism is essential if the black taxi industry is to progress beyond its present status — and for this, greater controls are necessary at all levels.

Sabta is faced with a chicken-and-egg situation. On the one hand, dangerous driving and careless handling of the vehicle is costing owners money; on the other, owners are demanding high rates of productivity from their drivers and forcing them to ignore safety rules in their pursuit of passengers.

Underpaid drivers slip a large percentage of takings into their pockets. The average wage for a driver is about R150 a week — fixed, based on turnover or on the basis of returns after paying a set daily income to the taxi owner.

"Whatever arrangement is made, taxi owners compute theft by drivers into their sums. We believe taxi fares could be reduced as much as 30 percent if this could be controlled," says joint-MD Jabu Mabuza.

"We are faced with a mammoth task," comments marketing director Ashley Mabogoane.

Grading

Sabta has adopted a two-pronged approach to the problem. Safety is of prime importance — and here the issue is to prove to drivers and taxi owners that better driving enhances profits.

In the long term, Sabta hopes to introduce driver grading.

Mr Mabogoane explains: "All Sabta drivers have to have a valid driver's licence and a public carrier permit (PCP), and these would give the driver a 'one star' qualification.

"A second star could be awarded on the successful completion of a safe driving course, a third star for completion of a public relations course, and so on."

The idea is that driver

salaries would be paid on the basis of their star rating. These could also be displayed on taxis for the benefit of increasingly safety conscious commuters.

In the long term, Sabta plans to set up a data bank containing information on the star rating and performance history of members. Taxi owners could phone in for this information before employing a driver — an added incentive for drivers to improve their rating.

Steal

But additional measures are needed to protect taxi owners.

"Usually when an owner employs a driver he allows for the fact that the driver will steal a percentage of the fares, and often pays him less while simultaneously demanding a high bottom line income," Mr Mabogoane explains.

"The driver, in turn, justifies his stealing on the grounds that he is paid too little money.

"The only solution is a ticket system that can be monitored and will reduce drivers' handling of money to a minimum."

A pilot scheme is to be launched in Bloemfontein in October. If successful, it will be introduced in other major centres.

The scheme involves the use of a "smart card" operating off a credit balance, to be held by all Fabcos members. The card holder will deposit cash into the card account in advance.

Non-cardholders will still be able to use cash — but will be issued with a receipt. Eventually it should become possible to sell tickets from a central point at taxi ranks, virtually eliminating the need for drivers to deal with cash.

"Use of such a system could cut taxi fares by a third while still making it possible to pay drivers a living wage," says joint MD James Chapman.



Driver training . . . A series of courses, developed by Sabta and the National Road Safety Council, are run by Project Spear.

Projects aim to promote s

Safety on the roads is a major factor of concern to Sabta, and various campaigns and programmes are already underway to improve standards of safety — of both drivers and vehicles.

The issue is two-sided, however. Simply training and motivating the drivers will not be enough if Sabta's efforts do not receive the support of taxi owners.

An owner whose prime interest is short-term profits in effect encourages overloading and fast driving. Consequently, an important aspect of Sabta's task is to educate taxi owners on the financial benefits of safe driving — and to motivate them by educating the public to demand higher levels of safety.

In addition, the commuter needs to be educated: about the need for safety, the advantages of choosing a skilled driver endorsed by Sabta and his own role in ensuring vehicle safety.

Central to its campaigns is the annual Sabta Best Driver

Competition, which is now in its fourth year.

"Our prime aim is to alter owners' and drivers' attitudes towards road safety," says Bigriver Rahlahane, projects manager in the marketing division.

"If the owner demands too high a level of productivity from his driver, he makes it impossible for the driver to concern himself with road safety."

The competition is a prestige event and simply entering entitles a driver to take credit.

The sponsors are Nissan, Shell and the National Road Safety Council (NRSC).

The competition progresses from local to national level and involves theory and practical tests on safety, the state of the vehicle and the driver's attitude towards his passengers.

"This competition is one of a number of programmes we have underway which are aimed at creating a positive image for the taxi industry," says Mr Rahlahane.

Project Spear project. A training programme has been developed and the NRSC is looking to train across the country. The TBVC states that the aim of the project is to teach taxi drivers defensive driving skills, as well as their driving.

The programme consists of four courses. The first is on safe driving skills; the second on defensive driving; the third on motor vehicle safety; and the fourth on professional driving.

Each course is a two-day course and at least 100 drivers are allowed to enter each course.

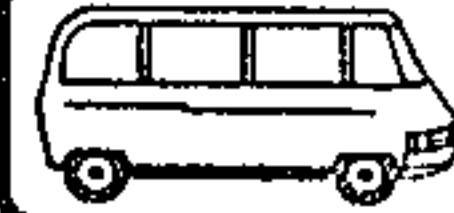
"We use our own facilities and have donated by a number of courses," says Mr Rahlahane.

th task: control

Corporate Review

SABTA

(S A Black Taxi Association)



A Star survey

Working together to meet demands

The Toyota HiAce has entrenched itself in the black taxi market and is now claimed to be the most popular choice of drivers and passengers alike.

Toyota's efforts to meet the demands of this market sector have been ongoing for some years. Its ties with Sabta can be traced back to the association's inception in 1979.

And the relationship has developed in two directions. Not only does Toyota acknowledge and use the input of the taxi drivers; in addition, the company has given considerable financial support to Sabta.

More recently, it has given financial backing to the creation of Fabcos. And when Fabcos launched the black driver training programme Project Spear in 1989, Toyota donated four HiAces and committed itself to monthly financial contributions.

Sabta members represent a sizeable chunk of the new vehicle market — and Toyota has responded by recognising them as fleet owners. This title — normally restricted to owners of five or more vehicles — entitles them to fleet discounts.

Toyota also makes a financial contribution to Sabta itself for each new vehicle purchased by a member.

Over the years, the design of the HiAce has been modified as a result of regular liaison with Sabta representatives.

Investigations have shown that the vehicles generally travel with a heavy payload. To cope with this, the HiAce is equipped with high performance suspension, and the flooring and seating have been reinforced.

High daily mileages are another feature of the industry — mostly short trips characterised by frequent stops and starts. This leads to rapid wear and tear on tyres. Toyota is shortly to introduce a bigger, wider, stronger tyre designed for these stressful conditions.

The braking system has also been improved and more robust brake pads introduced.



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Projects aim to promote safety

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Project Spear is another project. A training programme has been developed by Sabta and the NRSC and is being marketed to training institutions across the country as well as in the TBVC states, Swaziland, Lesotho and Botswana.

The aim of the project is to teach taxi drivers to use basic perceptive skills in understanding the traffic pattern around them, as well as to improve their driving skills.

The programme comprises four courses. The first concentrates on sharpening perceptive driving skills; the second deals with defensive driving skills; the third on master driving skills and the fourth rounds it off with professional driving skills.

Each course takes two days and at least two months is allowed to elapse between courses.

"We use our own vehicles — donated by Toyota — for the courses," says Henry Serfontein, who runs Project Spear.

A 60-year struggle against bias

The black taxi industry became a newsmaker during the last decade — but its roots extend over 60 years back, when the first recorded taxi operated in Katlehong in 1939.

The SA Black Taxi Association came onto the scene only 40 years later, when taxi operators banded together to deal with the negative attitude of the private and public sectors.

"Exploitative deals with members of the private sector threatened to cripple the industry," says joint-MD Jabu Mabuza.

"For example, in 1985 a taxi owner buying a vehicle was expected to pay a 50 percent deposit for a R20 000 vehicle, at the highest possible interest rate. In addition, he was obliged to pay an insurance premium of R8 000 a year for cover with a R8 000 excess!"

At the same time, Mr Mabuza says, the vehicle manufacturing industry worked on a quota system, in terms of which a small percentage of vehicles sold were allocated to black buyers while the rest went to whites.

"It wasn't only government that upheld the status quo — it was white businessmen who restricted the amount of business they were willing to do with, and the amount of credit they were willing to extend to, black entrepreneurs.

"It was perceived as a high risk market — but when some far-sighted companies opened their



The taxi industry became an essential service for South Africans as state transport did not provide for social and domestic needs.

doors to black businessmen they found the risks had been greatly overstated," said Mr Mabuza.

The Sabta Foundation Scheme, backed by Wesbank, was introduced in 1987. This consolidated the black market for vehicle purchases — now worth an estimated R100 million a year — and made credit more readily obtainable.

But before such a scheme could come into action, Sabta had to deal with years of government resistance to the industry.

"The grand apartheid concept promoted the creation of a subsidised bus and train service to transport blacks to and from work. No provision was made for social and domestic transport needs — and hence the black taxi industry developed and became essential to people's survival," he explains.

1983 saw the Welgemoed Commission mus-

cle in on the industry, with the recommendation that government phase out the black taxi — and this recommendation more than any other factor served as a rallying point for the industry.

Legislation limited seating in a taxi to four, although this was later increased to eight.

Bureaucratic harassment — already a factor in the lives of taxi operators — intensified.

The number of pirate operators increased, despite vigorous action by the traffic department — laying the foundations for the strife and poor standards which plague the industry today.

In 1986 Sabta, backed by the National African Federated Chambers of Commerce, made a play to buy out the Putco bus company.

Bus transport had already been hard hit by the taxi industry; Sabta saw this as an opportunity to take over an es-

tablished infrastructure and extensive property holdings.

Circumstances, however, went against them.

"Because of its sensitive nature the success of the deal depended on speed and secrecy. But there was a leak to the press and people reacted to our proposal as a major political threat.

"In the end the confusion was so great that we withdrew from the deal ... and continued developing the infrastructure we needed from within."

Since then lobbying by Sabta has forced government to recognise the taxi industry as a feature of the economy that is not going to go away.

"On the one hand we have used the power of numbers to break through the resistance of the private sector, and on the other we have seen government's attitude change towards co-operation," comments joint-MD James Chapman.

"The change in attitude presents some problems — uncontrolled deregulation, for instance, sounds good but represents a real threat to the industry. And although taxi operators welcome the legislation that permits the use of 16-seater vehicles, this is also putting a strain on the market.

"But for the first time, government is willing to pay attention to the views of black businessmen in determining its relationship with black business — and that is an important step in the right direction."

Debunking black taxi myths

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F/M 27/7/90



Colleen McCaul is survey research manager for the South African Institute of Race Relations and author of *No Easy Ride*, a report on the minibus taxi sector published this week by the institute.

It's no secret that minibus taxis have been a boon for both black business and workers. In just 12 years minibuses have captured the largest share of the black commuter market, outstripping both buses and trains. In the process, blacks have sharply cut their commuting time, from the three hours a day it took when buses or trains were the only options, to two hours.

But the debate continues over two key questions: How big is the industry and how much of it is controlled by whites?

Some estimates of the number of black taxis on the road are wildly exaggerated. A 1988 estimate by the commissioner for Inland Revenue put the figure as high as 300 000 — and that was at a time when there was a total of only 145 000 minibuses registered.

A study last year by transport specialists Nesta Morris and Mark Freeman provides the best data. Using various field counts and surveys, they estimated that there are 2,25m black commuters, that the average taxi makes 1,5 trips in each peak period, that peak occupancy is between 10 and 14 passengers, and that only 60% of taxi trips are between home and work — the rest are feeder trips to take commuters to buses or trains.

Morris and Freeman then looked at the implications of these four assumptions for the various estimates of the size of the taxi industry. They found that one popular estimate of the number of taxis, 160 000, would mean that up to 90% of black commuters use them as their main mode of travel — obviously unrealistic. An estimate of 100 000 — the media's favourite — implies that more than half do.

The Transport Department has found, however, that only about 30% of black com-

muters use taxis each day. This suggested that there were between only 45 000 and 70 000 minibus taxis.

Estimates at the lower end of the range are probably more accurate because 16-seat taxis, legalised four years ago, are more common than 10-seaters. In fact, the taxi industry has been largely responsible for one in two minibuses being 16-seaters now, compared with one in six a decade ago, according to motor industry figures.

The issue of white ownership has sometimes been a flashpoint for conflict, especially in the Vaal Triangle and townships outside Pretoria. The organised taxi industry — represented largely by the Southern Africa Black Taxi Association — was notably vocal about this issue in the last two years when it was struggling for some degree of control over taxi deregulation. It wanted veto power over the issuing of permits to new taxis, during a transition period before full deregulation went into effect.



One route to black empowerment, after all

lution went into effect.

This demand — evidently granted — was fuelled by the association's assertion that whites were taking over an industry established by blacks with difficulty and hardship, and that this was unfair. Some association officials contended that white ownership of black taxis reached 30% in some areas; others claimed that every second taxi was white-owned.

Central Statistical Service's figures on minibus registrations, which show that more minibuses are registered to whites than to

blacks, were frequently used to justify these claims. But a closer examination shows that there always has been more minibuses registered to whites. In fact, there were 60 000 minibuses on the road before the black taxi industry even started. What would be significant would be a substantial increase in whites' share of the market.

The figures, however, show a steadily increasing black share of the market — from 20% in 1979 to 29% in 1988, the last year for which figures are available — and a declining white share, from 53% to 43% in the same period.

During 1987, the year that white ownership was supposed to have taken off, white ownership grew by only 4% over the previous year, while black ownership grew by 8%. In 1988, white ownership grew by 6% while that of blacks jumped by 11%. All in all, whites' share of the minibuses market has stabilised at between 42% and 45% since 1982.

Looking at the most reasonable estimates of the size of the black taxi industry last year — that is, between 45 000 and 70 000 vehicles — and using simple arithmetic, one can estimate the extent of white ownership.

With some 60 000 minibuses registered to blacks last year, and with probably almost all of them used as taxis, then an estimate of 60 000 black taxis would mean that white ownership is insignificant.

If there are 70 000 black taxis, the upper limit of the range of estimates, then whites would account for only about one in seven.

And with more black operators now buying panel vans because of the shortage of minibuses and converting them into taxis by putting in seats, it's likely that whites own fewer minibus taxis rather than more.

So the claims of extensive white ownership, which disappointed many of those who hailed the taxi industry as the success story of black business, appear to be greatly exaggerated.

Size of black
taxi market
exaggerated

By Kaizer Nyatumba

The scale of the minibus taxi industry has been exaggerated, says Colleen McCaul of the SA Institute of Race Relations.

In a book on the black taxi industry, "No Easy Ride", Ms McCaul said that although the minibus taxis' share of the black commuter market had rocketed from virtually zero to the single largest, their numbers had been greatly exaggerated.

Research showed the number of minibus taxis was about half the often-quoted figure of 100 000.

Ms McCaul challenged the Southern Africa Black Taxi Association's claims that almost half the taxis on the road were owned by whites. The real figure was likely to be 14 percent at most.

About 625 000 blacks travelled to work in taxis daily, and taxis had played a big role in reducing black commuters' travelling time from almost three hours a day in 1984 to two hours last year.

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US, Colombia and even Venezuela are determined to maintain their business by going after Poland's market in Europe. SA has only a small share of the European market, but it could be squeezed out of even that.

The good news is that western European imports of steam coal will increase by 35 Mt/year, to 109 Mt, in the next five years. At the same time, the Far East is expected to boost its imports by 6% annually.

Shipyards in search of new business are hoping that owners will take the hint from

these projections and sign contracts for new carriers. There are hints that SA owners are doing just that. Reports from eastern Europe indicate that SA shipping lines have looked into building bulk carriers and container ships there. Poland is seen as a good ship-building country, but discussions also reportedly have been held with Bulgaria.

Both Safmarine and Unicorn are faced with replacing ageing tonnage and both cost and time factors favour accepting tenders in eastern Europe. While it is advantageous for

foreign owners to build ships in SA — as some are doing in Durban — the rand's low rate of exchange makes it too costly for local companies to purchase components overseas and then ship them here for installation.

For now, however, SA owners are relying heavily on the availability of charter tonnage to move cargo and, as long as charter rates remain low, a reasonable return is assured. But a surge in rates induced by political commotion anywhere in the world would see the same charters proving very costly. ■

SHIPPING

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Bulk profits

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SA shipping interests, which in recent years have made millions of dollars by capitalising on the rapidly growing export of coal, ore and other cargoes, are keeping an eye on the competition emerging from changes in eastern Europe and the determination of the Soviets to expand their exports.

SA shipowners have been supplementing their own fleets by chartering hundreds of Asian-owned and staffed bulk carriers on the open market. And even after paying a charter rate of US\$18 000 a day for a 130 000 t ship, the return from the cargo produces a good profit.

The worldwide consumption of steam coal has been rising steadily, despite opposition from environmentalists, and this has boosted SA exports. Last year SA coal exporters shipped a record 44 million tonnes through Richards Bay, taxing facilities to the maximum. Expensive plans are afoot to expand the terminal's capacity to 49 Mt annually.

While SA bulk exports are booming, some of the country's long-established competitors have problems. Australia was plagued by industrial disputes both in its collieries and docks in the last year. China suffers from antiquated and inadequate rail links to loading ports. So, with Japan increasing its steam coal imports from 6 Mt to 32 Mt in the last nine years, it is believed that long-term SA trade to the Far East will persist.

An imponderable, however, is how much competition will result from the Soviet effort to increase its coal exports in order to secure urgently needed hard currency. Poland has reason to be the most concerned because the

SABTA

New threat to taxi industry



Sabta president T J Ngcoya . . . While too few permits were being issued there was at least a degree of stability, he says.

Excessive regulation created the climate in which the mafioso element of the taxi industry could flourish — and today uncontrolled deregulation threatens to throw the entire industry into chaos.

"Only a few years ago government made a decision to do away with the black taxi."

"Although we resisted this attempt, our numbers were limited, and while too few permits were being issued there was at least a degree of stability," says Sabta president T J Ngcoya.

"Then, largely as a result of our lobbying, government's attitude changed and instead of excessive control we had deregulation."

"Last year saw a 135 percent increase in the number of permits issued, on top of a 100 percent increase the year before."

"Overnight the ranks have been swamped with newly licensed drivers — and that is when the trouble started. Fights almost always occur because a driver has tried to move into territory which belongs to someone else, and which cannot accommodate him."

In addition, there is little room within the industry for normal market forces to operate — and profitability has begun to take a beating.

Sabta membership growing by about 300 a month

In the 11 years since it was established, the SA Black Taxi Association's membership has grown from 21 to an estimated 55 000 owners, drivers and businessmen with links with the industry.

And the membership is growing by an average of 300 a month, as newcomers enter the industry and as splinter groups rejoin under the Sabta banner.

"There are no reliable statistics for the total number of minibus taxis on the roads — figures range between 60 000 and 300 000," comments public affairs director Mike Ntlatleng.

"Our estimate is a total of about 100 000. The industry is huge, and has a growth potential of 30 to 40 percent."

ern Africa, including Namibia, Mozambique, Lesotho, Swaziland and the TBVC states.

But its main complaint at this stage is the lack of official recognition of its status as industry leader.

"We represent about 60 percent of the total taxi industry — and a good 80 percent of short distance taxis," says Mr Ntlatleng.

"But the authorities grant equal status to us and to other organisations which may have as few as 20 members."

South Africa has an estimated 65 taxi associations apart from Sabta, ranging in size from five to 5 000 members, with an average membership of 25. The largest of these is the SA Lion Distance

dustry it was easy to make money running a taxi, because it offered greater efficiency, comfort and flexibility than any of its competitors," comments transportation consultant Paul Browning.

on the roads. Before it attempts such a programme government needs to understand the nature of the taxi industry," says public affairs director Mike Ntlatleng.

"People established within the industry have struggled for years against resistance by government, hostility on the part of financial institutions and harassment by traffic police."

Outcry

At the same time, the bus industry has been bolstered by government subsidies to enable it to survive a period of galloping inflation — while taxi fares have not kept pace with inflation.

And whenever these are increased, there is a tremendous outcry. Sabta has even been threatened with boycott action if it fails to keep fares down.

"Today it's questionable whether, using normal standards of accounting, many taxis are operating on a basis of long-term profitability," says Mr Browning.

The situation is exacerbated by the government's deregulation policies — which have met with resistance from Sabta.

"If deregulation takes place willy-nilly, it will create chaos

Taxi Association (SABTA).

"Some of these organisations make astounding membership claims — and if all of them were true there would be something like 500 000 taxi operators in South Africa."

In fact, Sabta is the only association with a computerised membership list — and we would challenge any organisation claiming a membership of more than 5 000 to prove their claims."

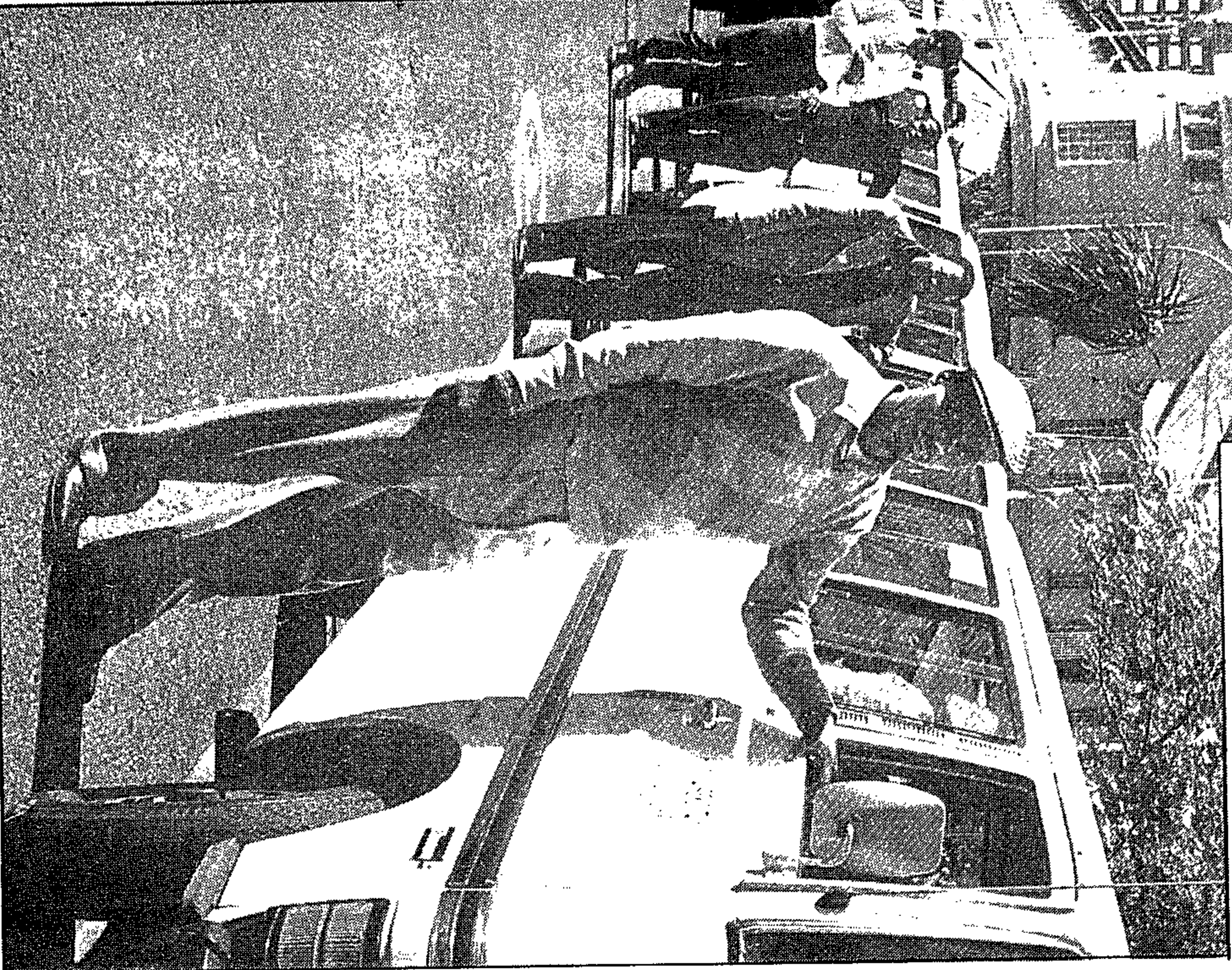
Members are subject to tough disciplinary codes and have to qualify to be accepted. Owners are required to have a valid taxi permit, while drivers need both a public carrier's permit and a driver's licence. A membership fee of R25 a year is levied.

Reports by
VAL PIENNAAR



Corporate Review
SABTA
(S A Black Taxi Association)

A Star survey



Some taxi operators have taken years to become established within the industry, struggling against government resistance, hostility from financial institutions and traffic police harassment, says Sabta's public affairs director.

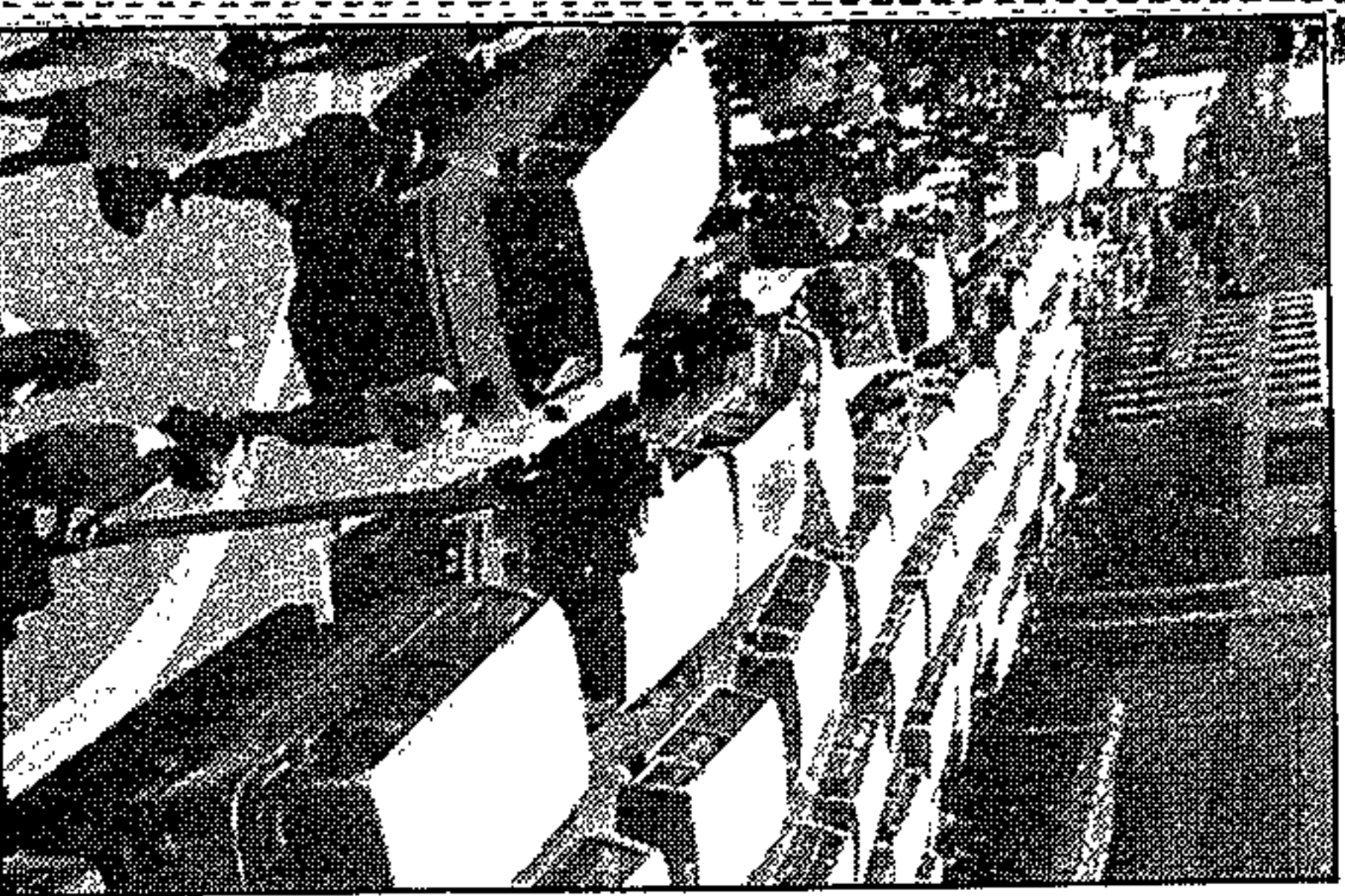
New service aims to break down the colour barrier

The black taxi has the potential to be far more than a mass transporter of a limited group of people.

This decade will see it expand into numerous new markets — many of them still in the making.

The most obvious first step is the breaking of the colour barrier. A new service, aimed specifically at the white market, is to be launched in Pretoria during the next three months, and will be followed by others countrywide.

At present there is no reason why whites should not use the existing taxi services — except that there is a certain mystique to the industry which is understood only by blacks.



The taxi industry has shown tremendous growth over the past five years, putting great pressure on facilities.

Taxis carry no destination boards, for instance. Instead, a complex system of hand symbols unique to each area indicates where would-be passengers want to go.

For example, in the Johannesburg area a person wanting to travel to the CBD would hold up one finger — in what white motorists could interpret as a rude gesture. If that is the taxi driver's destination, he stops; if not, he simply keeps going.

The success of the Pretoria service will be based on the radio link-up between taxis and a central control. Passengers will be able to phone for a taxi — making the service as flexible

Steps to ensure the success story continues

The black taxi industry is one of the greatest success stories in the history of South African entrepreneurship — but members are aware they must come to grip with a number of vital issues if they are to continue to progress.

This is why Sabta approached the CSIR during 1988 with a request for help in improving its operations and reducing the accident rate.

"We drew up a list of projects — but it soon became evident we weren't even scratching the surface.

"At the beginning of this year we formed a new programme — People's Transport 2000 — manned by 12 full-time research workers supplemented by outside experts," says project leader Pat Miller.

It covers foundational research into driver training; training in business skills; investigations into collisions; the need for facilities catering for the industry and its customers; and the inte-

as a conventional taxi but far cheaper.

Marketing director Ashley Mabogane stresses, however, that this service will not be able to make more than limited headway into the white market before the quality of service improves.

"Black commuters are learning to be more discerning about safety standards and public relations — and standards of expectation among whites are already high.

"No white commuter will use a taxi — or allow his children to use one — unless it is clean, safe and manned by a courteous driver. Simply being cheap isn't enough," he says.

gration of high density traffic into the established traffic flow.

Safety is another important area of concern, covered by the Taxi Safety Action Group.

"A diversity of organisations, ranging from Project Spear through Cosatu and the Black Consumer Union to the SA Police and the CSIR, have been working towards improved safety. We aim to co-ordinate all their activities," she explains.

These projects, however, are only a part of the overall research objective of the CSIR.

"Sabta is unique. It is huge and relatively well organised, yet still a member of the informal sector. In fact, it has become the flagship of the black entrepreneur," says Ms Miller.

"Transport is as basic a need as food or shelter — and because of its important role in this sector, Sabta has become a fundamental part of the black community.

Mr Mabogane sees an additional potential market in parcel delivery services, both within a metropolitan area and in an inter-city service.

"Outside of peak hours, taxis tend to stand around costing money. We would like to train our members to a level of professionalism which would make them able to take responsibility for delivery services.

"A service like this — whether it involves running around town or transporting goods and documents between cities — could be managed much more efficiently and cheaply by Sabta taxis than by any alternative service currently operating," he says.

"Over the past five years the growth of the industry has been phenomenal, putting tremendous pressure on facilities. Municipalities — who based long-term planning on the expectation that taxis were to be phased out — have been caught with their pants down."

Today, town planning is geared to the needs of the industry.

Already some unexpected facts have been highlighted as a result of the research. According to Ms Miller:

- The ratio of taxi drivers wearing glasses is lower than the national average — indicating many drivers have uncorrected defective vision.
- Alcohol usage is low and indications are that there is a strong awareness of the dangers of drinking and driving within the industry.
- Drivers tend not to wear seatbelts.
- Worn out tyres tend to be replaced late — and then often with the wrong product. Tyre pressures also tend to be poorly monitored.

Finance ^{Start 27/11/90} through ^{332 (140)} group buying

Wesbank and Sabta have developed a scheme which makes finance available to thousands of entrepreneurs who would normally not qualify.

Based on the old African "stokvel" principle, which makes use of the power of group buying, the scheme has established Sabta as Wesbank's biggest client group.

"The biggest problem faced in granting credit to entrepreneurs is the uncertainty factor. Few small black businessmen have the credit records needed to qualify them for a loan," explains Wesbank marketing manager Peter Page.

The solution was the creation of a special fund, held by the Sabta Foundation and pledged to Wesbank, intended to cover any bad debts.

These have not been high — and today the fund amounts to some R40 million.

Members place a 20 percent deposit with the fund. Once the loan is paid up the lender is entitled to the return of his original capital.

From holiday driver to joint-MD

Jabu Mabuza, joint-MD of Sabta, is a maverick with a definite flair for management.

Born in 1960 in Waterval-Boven, he was the son of a driver employed by a local Indian shopkeeper. He excelled as a student.

His mother died when he was 12 and he moved to kaNgwane and later to Daveyton — remaining at his Eastern Transvaal school as a boarder.

In Standard 8 he was elected SRC president. In June 16 of that year riots erupted across the country — and a politically alert young Jabu took his place in the forefront of activity at his school.

The protesting students were eventually evicted

from the school. Jabu returned the following year — just long enough to pass his Standard 8 exam before being expelled.

He moved to Durban to complete his schooling, matriculating first class in 1979. In 1981 he entered the University of the North to take a law degree, but during his second year his father died and he had to drop out to help support the family.

By then his links with the taxi industry had already been forged.

"I had been driving a taxi since I was a school-boy on holiday and had also been active in the Benoni Taxi Association. In 1983, after leaving uni-

versity, I went into driving taxis full time."

Various jobs followed, but he continued to drive taxis during weekends and holidays. By 1986 he had joined Ashley Mabo-goane — now marketing director at Sabta — as joint-MD of a travel agency and was also the owner of three taxis.

It was only a matter of time before he met James Chapman — as leader of a delegation against Sabta.

"At a subsequent meeting I asked him: 'What is in this for you, White Man?' He told me he was building a better future for his children. I was impressed by that answer," recalls Mr Mabuza.



Jabu Mabuza

By 1986 he had been retained by Sabta as a consultant and during the following year represented the association before the Margo Commission.

He joined Sabta as communications manager in June 1988 and by the end of the year had been appointed deputy MD. He was appointed joint-MD in March this year.

Following a dream of stability

When James Chapman first got involved with the black taxi industry, it was with a view to making a profit.

Today, 11 years down the track, his life revolves around Sabta.

His involvement has challenged and moulded his philosophy of life, and it is with a measure of difficulty that he is gradually withdrawing from the controls and handing over to his joint-MD Jabu Mabuza.

His involvement started in 1979 with an attempt to attract taxi operators to his filling station business in Pretoria.

"It opened up a whole new world to me. At first I was simply curious —

but after two or three years the vision of a different South Africa took hold of me.

"I was gripped by the idea that one could use economic forces to create a stable South Africa that we could all share.

"Without that vision I could never have coped with the pressures of working with Sabta during the years that followed," he says.

Mr Chapman's wife shares his vision and is employed in the public affairs department. He has five children — who give meaning to his dream for the future.

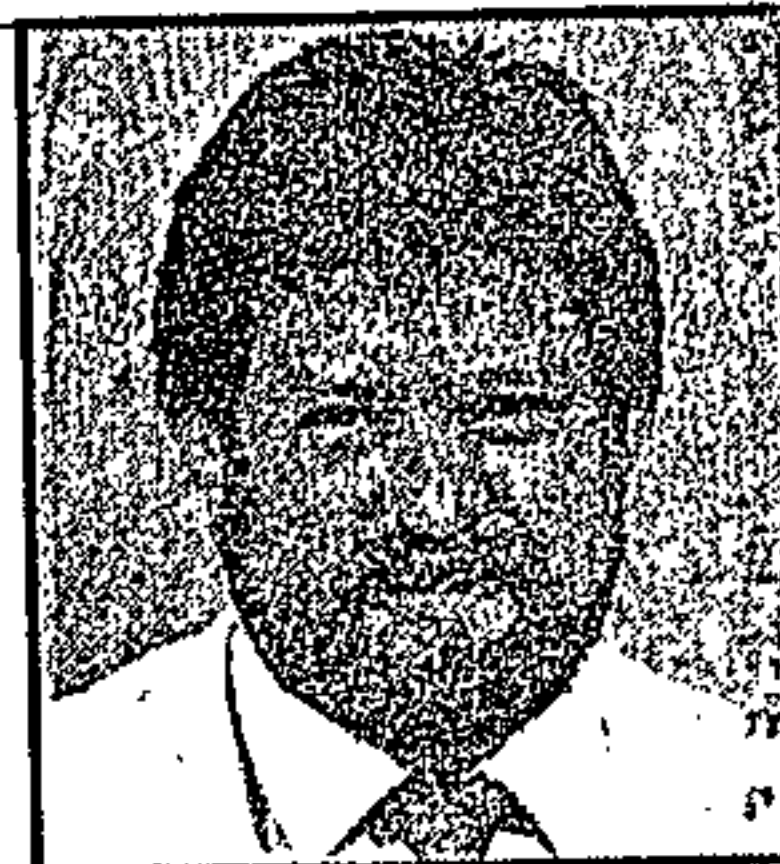
Born and bred in Pretoria, half Afrikaner and half English, Mr Chap-

man was educated at Pretoria Boys' High.

Many of the skills and principles he has brought to bear in Sabta and Fabcos were inherited from his father, who founded the first co-operative buying associations in Cape Town and Pretoria.

"Our family wasn't wealthy — we had to keep a close watch on where our money went. Forming a co-operative buying effort with colleagues made a real difference to my parents' budget," he recalls.

An awareness of the cumulative power of groups of purchasers alerted him to the potential of the taxi industry,



James Chapman

before anyone in the business had dared to dream of more than day-to-day survival.

He challenged a small group of black businessmen to "get together and see what you can do" — and an organisation developed that continues to serve as a blueprint for entrepreneurial black business in this country."

CP Reporter

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CP 29/7/90
THE spectacular success of the black taxi industry in South Africa is the subject of a well-researched book, *No Easy Ride*.

Written by Colleen McCaul, the South African Institute of Race Relations' surveys research manager, the book traces the history of what was once a fledgling industry to its present position as one of the most important means of transport for hundreds of thousands of black commuters, and a vital force in the motor industry.

By 1989, the minibus taxi share of the African commuter market had overtaken that of buses and trains.

The book shows that about 625 000 African commuters travel in these taxis every day, reducing

They took a ride on the wild side and won the day

the daily travelling time of African commuters from almost three hours a day in 1984 to two last year.

McCaul concludes that:

■ The average annual growth rate between 1979 and 1987 for minibus registrations was 15 percent. The growth rate in African registrations was well above average at 26 percent, with 10 percent for whites.

■ During 1987, the year in which white ownership was supposed to have taken off, it grew at only 4 percent over the previous

year, whereas African ownership grew by 8 percent.

The growth of the taxi industry took place in the face of attempts by the government to stem this development.

In the mid-1980s, the Welgemoed Commission proposed that minibus taxis be kicked off the roads.

The Competition Board also investigated the taxi industry, concluding that illegal taxis could never be controlled.

McCaul says: "The board was extremely sensitive to the pressure of illegals, believing that trying to keep them out would be futile.

"The government accepted this proposal, rather than the restricted deregulation advocated by the National Transport Policy Study."

By mid-1989, however, the government had changed its view and agreed to a compromise with the South African Black Taxi Association on the issue of deregulation.

While the taxi industry unquestionably solved many problems, it also created new ones.

For example, McCaul says there is no guarantee that because the taxi industry is black-owned, it will not run into the political problems that have affected South African transport in the past.

BOOKS

The driving force of the 'Zola Budds'

W.E. McCaul

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NO EASY RIDE by Colleen McCaul
(Institute of Race Relations, R20)

THE commonly quoted figure of 100 000 minibus taxis on the roads is a wild exaggeration: 55 000 is more like the figure. Whites have not infiltrated the minibus taxi business, and misinterpretation of figures that seem to show this merely favour the Southern African Black Taxi Association (Sabta) in its fight to control or retard deregulation of the industry.

These are two of the myths that Colleen McCaul carefully punctures in her meticulously researched study of the minibus taxi industry, *No Easy Ride*, launched yesterday in Johannesburg. Yet it betrays none of the journalistic glee of iconoclasm in coming to these and other conclusions. The book is scrupulously impartial in tone and approach and all assertions are supported by detailed, footnoted quotation. It is no coincidence: McCaul is Research Manager for the Institute's prestige annual survey.

The minibus taxi has driven — with the speed that characterises the "Zola Budds" themselves — into several important areas of our daily lives since it first started to ply routes on our roads 10 years ago. Its seemingly unstoppable growth has meant that it reached into many areas of activity as well as the business of passenger transport. The industry has historic, political, social, economic and even its criminal dimensions.

The history of the minibus taxi points up the degree to which, in South African transport at any rate, politics is interwoven with economics. McCaul finds that the route the industry took to its present importance was indeed no easy ride, certainly in the early years, and details the important role played by Sabta and by individual operators in overcoming obstacles. Black minibus operators could only operate legally, courtesy of a loophole offered by the Road Transportation Act of 1977 — and then with one seat of a 10-seater taxi empty. The local Road Transportation Boards were hostile to the infant industry and made the necessary permits difficult to obtain, forcing operators into illegality and laying them open to fines and even, after 1983, forfeiture of their vehicles. The permit



No easy ride ... the minibus taxi industry has had to overcome many obstacles, negotiating with government at both a local and national level

system was vigorously enforced by the now disbanded Railway Police, acting to protect the SA Transport Services (Sais) and the established bus operators from such menacing competition. Hostility to the minibuses peaked with the Welgemoed Commission report, which, to the consternation of the public sector, advocated sweeping the minibuses off the road altogether.

The government-appointed National Transport Policy Study, to which Sabta contributed, prevailed, however, and the industry was saved. The NTPS, McCaul notes, was the first major change in transport policy since 1930. It also favoured the established taxi industry, in

late and agree to a compromise on deregulation with Sabta which would involve restrictions on entry for three years."

After this, permits would be freely available but rather meaningless because access to ranking facilities would be controlled by local authorities and liaison committees, on which established taxi organisations would be represented.

Sabta's role in making the minibus industry work can be put down to its willingness to negotiate with government at both a local and national level. However, McCaul also notes that its entry into contentious areas such as the sanctions debate haven't been well-received by all.

Nor is the belief correct that taxis come off best from politically-motivated bus boycotts. McCaul points out taxis are as vulnerable as buses, and their relationship with commuters can be ambiguous, with alliances as well as hostilities.

The political dimension of transport in South Africa aside, the industry's greatest challenge would seem to be overtrading. This seems to be the major cause of the ugly taxi feuds, most of which are about which taxi group should play particular route or may not use a particular taxi rank. The taxi business is prone to overtrading because of the ease of entry. Sabta's answer is that other business opportunities in transport must be exploited for black entrepreneurs to move into the formal sector.

Popular belief is that minibus taxis are accident-prone deathtraps. Accidents involving minibuses, while a problem, must be put into perspective. The accident rate for minibuses is lower than that for other vehicles. But because they carry more people than cars, injury and fatality rates are higher. On the other hand, the accident rate of minibuses is rising.

Much has been written about the industry but this is the first synthesis of what has been reported, together with first-hand reporting and a penetrating analysis of the problems and challenges of this peculiar South African business phenomenon.

Reg Runney

Overseas expansion plan for Tollgate

By AUDREY D'ANGELO
Business Editor

THE restructured Tollgate Holdings will be "a totally different animal within the next nine months", new chairman Julian Askin said at the annual general meeting yesterday.

He told shareholders that the restructuring so far announced — with Duros to be re-absorbed into Tollgate, Entercor and North Industries becoming wholly owned subsidiaries and Arwa sold — was "only the beginning."

Its London listing was one of the reasons his consortium had bought control of the group. Most of the new board were based in London and a great deal of expansion was planned overseas.

Within 18 months more than 80% of group earnings would be non-rand "so the SA activities will become less relevant."

However, Askin said, he would not make any move overseas until "the situation in SA has been tidied up."

The first priority was drastically to reduce the group's debt, which cost R56,1m in interest in the 18 months to December. "I have never liked high borrowings. I have never run highly geared companies."

He was reticent about his plans. "I know precisely what I want to do, but I

am not going to show my hand at this stage. I am very reluctant to be more specific," he told shareholders.

He added: "I have put a great deal of my own money in and I am not going to blow it. I stand as the largest shareholder and I have no intention of shooting myself in the foot."

In answer to questions from the Chairman of the Shareholders Association of SA, Issy Goldberg, Askin said the group would have survived without the takeover of control by his consortium.

"There were some excellent businesses in it. It expanded too quickly, and it was over-borrowed, and overtaken by high interest rates."

But, he said, its asset value "would have pulled it through."

Askin said it had been a priority of his to dispose of Arwa. "It was not doing well and was not a company I understood. I have not got a manufacturing background and textiles are very volatile."

There had been inquiries about other companies. "There always are after any takeover."

In answer to Goldberg, he said the group was not at present involved in negotiations to sell any company. There had never been any negotiations to sell Gants.

The company was not under pressure, and did not need shoring up. There was activity in its stock in London, and would be more.

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CAP 114B 3/7/90 (352) (269)

'Buses should be sold'

Business Editor

TOLLGATE Holdings should sell its fleet of buses to the Government or local authorities and manage them under contract, the Chairman of the Shareholders Association of SA, Issy Goldberg, said yesterday.

Recommending this at the AGM, he said it was ridiculous that a company which paid taxes should take over the responsibility for providing public transport — which should be that of the authorities.

Tollgate chairman Julian Askin said the transport side of the business was profitable. He told Goldberg: "I hear what you say about the buses.

"I have ideas of my own, and I don't

want to prejudice any negotiations that may be held."

After the meeting Goldberg pointed out that the replacement value of the company's fleet of 2 400 buses all over the country would be enormous.

"Their value would be very great if they were exported — but the Government would never allow that."

If, instead, Tollgate sold the buses to the authorities — allowing them credit over 10 years — the paper could be discounted, to clear the company of debt, he suggested.

It should be made a condition of the sale that Tollgate would continue to run the bus services under contract, so that it would be done efficiently.



If a Sabta members is found to be involved in attacks on other taxi drivers, stern disciplinary action is taken against him, say Sabta officials.

Taxi wars: a fact of life for many

Vendettas are a fact of life for people operating within the taxi industry — but while it accepts a significant role in attempting to solve the problem, Sabta reacts defensively to suggestions that every taxi war concerns its members.

"Whenever there is trouble, because Sabta is a name people know in connection with the taxi industry, they assume we are involved," says marketing director Ashley Mabogane, who dismisses many allegations of mafioso behaviour as "pure nonsense".

"Not every vehicle on the road is a Sabta vehicle — and if one of our members is found to be involved in attacks on other taxi drivers we take stern disciplinary action against him."

Battles usually erupt when drivers cross the boundaries into each other's territories — either accidentally or in pursuit of a few rands worth of extra business.

If a trespassing driver is spotted by taxi operators who control the territory, he is warned off. A second offence could lead to an assault — which in turn would bring retaliation from the assaulted driver's friends.

And in all too many cases, the final outcome is murder — often carefully planned in cold blood, and executed late at night, before the eyes of the murdered man's family.

The police are powerless to protect people from these incidents — and ineffectual in tracking down the criminals. Clearly the solution has to come from within the industry

itself — but Sabta president T J Ngcoya says the situation will become truly controllable only when government adopts a rational approach to the industry.

"For years our members have been ignored by the law except when it was being used to harass them. They have become accustomed to fighting their own battles, outside of the law."

"Negotiation is a foreign concept to them. Around 50 percent of our staff is constantly involved in defusing and negotiating a way through these incidents — but unless the government gives us teeth and takes steps to protect the industry, our effectiveness is limited," he says.

Unification of the various taxi associa-

tions is an important step. If Sabta were to be adopted as an overall umbrella organisation — or given the standing of a pace-setter — it would be possible for the industry to run more smoothly and efficiently.

"Government needs to learn to trust black organisations. There is a fear that if we are given the ability to regulate ourselves, we will cause havoc — for instance by exerting political pressure."

"But we are not in the business of politics, we are in the business of providing mass transportation. To do so effectively, we want the same respect and authority as any other self-regulating body, such as the SA Medical and Dental Council," says public affairs director Mike Nlatleng.

Big Tollgate offshore plan

CAPE TOWN — Tollgate Holdings (TGH) chairman and international entrepreneur Julian Askin has confirmed plans to expand the restructured group offshore until 80% of its earnings are foreign. Its current earnings are 100% South African.

Askin, who is in SA for a month to oversee the local phase of TGH's restructuring, said in an interview after the group's AGM yesterday that he intended building up assets in the UK, Europe and possibly the US within the next 18 months to two years.

He confirmed that the main reason for the acquisition of TGH, effective this month, was to use its dual listing on the International Stock Exchange in London to build up non-rand earnings and provide local shareholders with a rand-hedge investment.

The strategy is to complete the local restructuring and strengthen the balance sheet during the remainder of the current financial year, and then to set out on an international acquisition trail, Askin says.

LESLEY LAMBERT

The first phase of restructuring comprises a scheme of arrangement in which TGH becomes the holding company while Duros, Enterco and Norths are delisted.

It is aimed largely at making the group more palatable to foreign investors whose investment criteria tend to be biased against pyramid companies or groups comprising a several listed companies.

The next priority, says Askin, is to reduce the group's debt "substantially" by the end of the current financial year.

Last year's debt, reported as R373,7m in December 1989, has already been reduced by a rights issue which raised R44m and the sale of Arwa for R42m, plus its liabilities which amounted to a further R56m.

The rights issue, in the form of compulsory convertible debentures, will also have boosted total shareholders' funds which

□ To Page 2

Tollgate

stood at R233m at the year-end.

Askin said TGH was not negotiating the sale of any other companies in the group. Approaches had been made for Gants, but no negotiations had been entered into.

The acquisition of offshore companies — many of which had already been pinpointed in the areas of electronics and industrial material distribution — would only begin

once the local restructuring had been completed, Askin said.

TGH is understood to have attracted a fair amount of foreign institutional interest since Askin's consortium, which includes London-based partner Hugo Bierman and local businessmen Mervyn Key and Lawrie Makintosh, acquired the group with effect from July 1.

□ From Page 1

Taxis vie for title of safest on the road

The Argus
Correspondent

PRETORIA. — The Southern Africa Black Taxi Association (Sabta) has launched its safe taxi driver competition.

Aimed at promoting road safety among black taxi drivers throughout southern Africa, the competition was launched in Mamelodi yesterday. The competition is run in co-operation with the National Road Safety Council.

Mr. Fanyana Shiburi, Sabta's liaison officer, said the project will continue to September 19 when 12 winners from the organisation's four regions meet at Sun City to pit their driving skills against each other.

Mr. Shiburi said area competitions would be held in different towns including Springs, Witbank, Eldorado Park, Klerksdorp, Bloemfontein, Maseru, Pietersburg and Cape Town.

Three winners from these areas will be in the Transvaal regional finals in Venda on September 3.

Taxis make R1,8-bn, not a cent for me - Receiver

Own Correspondent

DURBAN — The Receiver of Revenue has appointed a team of experts to investigate the black minibus taxi industry, as it believes the taxi operators are collecting revenue of about R1,8 billion without paying income tax.

Some estimates claim that the tax loss is about R500 million a year.

The Southern African Black Taxi Association president, James Ngcoya, said in Durban today he was aware of the move to tax the minibus industry and said that his association had asked the Receiver for an extension of time to educate members on tax matters.

He said that it was not true, however, that minibus taxis made a lot of money.

"These vehicles are so expensive and by the time the owner makes a profit his vehicle is worn out. Also, the conception that single owners have fleets of minibuses is not true.

"We are currently educating

our members so that we can put a number of aspects straight and will prove that the vast majority of our members earn so little that their income is below the taxable fringe and that by the end of the day their income will be below the taxable amount," said Mr Ngcoya.

Estimates of the taxable revenue generated by the minibus taxi industry vary widely, but transport consultants put the figure at a minimum of R1,8 billion. About half the 100 000-odd taxi operators are members of Sabta.

Estimates of nett income vary widely and was put by one transport consultant at about R3 000 a month after expenses.

According to Sabta's official journal, Sithuta Isizwe, there were two options open to the taxman.

He could negotiate with Sabta to try to reach a compromise or he could decide to take action against taxi operators. In that case, Sabta would not be prepared to assist the taxman.

TRANSPORT - PRIVATE - GENERAL

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Taxman goes after taximen

THE Receiver of Revenue has appointed a team of experts to investigate the black minibus taxi industry, as they believe that they are collecting cash revenue of about R1,8 billion without paying income tax.

Some estimates claim that revenue totalling about R500 million is lost every year as a result of non-payment of income tax by the minibus operators.

South African Black Taxi Association president Mr James Ngcoya said in Durban yesterday that he was aware of the move to tax the minibus industry and said that his association had asked the Receiver for an extension of time to educate their members on tax matters.

He said, however, it was not true that minibus taxis made a lot of money.

"These vehicles are so expensive that by the time the owner makes a profit his vehicle is worn out. Also, the conception that single owners have fleets

● To Page 2

Taxman after taximen

● From Page 1

of minibuses is not true. Most minibus taxis are owned by individuals.

"We are currently educating our members so that we can put a number of aspects straight and will prove that the vast majority of our members earn so little that their income is below the taxable fringe and that by the end of the day their income will be below the taxable amount.

"We are on the point

of proving to the Receiver that minibus taxi owners are honest people who are not running away from their tax obligations," said Ngcoya.

Estimates of the taxable revenue generated by the minibus taxi industry vary widely, but transport consultants put the figure

at a minimum of R1,8 billion. About half the 100 000-odd taxi operators are members of Sabta

Estimates of net income vary widely and was put by one transport consultant at about R3 000 a month after expenses.

Taxi war: 2 gunned down

Own Correspondent

DURBAN. — Marketgoers and bus passengers watched in horror yesterday morning as two men were gunned down in cold blood in the Warwick Avenue Triangle area.

The shooting, thought to be related to the current Stanger taxi war, occurred outside the Durban Market in Leopold Street just before 11.30am.

According to Mr Rajen Deochand of Chatsworth, who was walking along an overhead pedestrian bridge with his

friends, at least five shots were fired.

"We ran to the scene when we heard the shots and saw a body lying on the pavement. As we were running we saw one of the gunmen rush into the market and disappear into the crowd."

SA Police spokesman Lt Bala Naidoo said the two men were shot as they arrived at the taxi rank, and both died instantly.

It was believed that three attackers were involved, but no arrests had been made.

Study reveals cause of taxi accidents

B/day 2/8/90

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SPEEDING and overloading were the two major causes of taxi accidents on SA roads, a CSIR research project into the minibus-taxi has found.

The results of the Sabta project, started last year with a R254 000 sponsorship by the Anglo American and De Beers Chairman's Fund, were announced at a media conference in Johannesburg yesterday.

In all, 508 collisions were investigated, and of these, 91 were in-depth, which involved a visit to the scene of the collision by a trained team to gather evidence.

The research, Training Programme for Combi-Taxi Drivers, found that speed accounted for 52% of accidents and overloading for 32%, and that only 3% of the drivers wore spectacles, compared to 18% of drivers nationwide.

Stressing the need for comprehensive training within all the sectors of the industry, the CSIR said 34% of taxi drivers entered the industry from the ranks of "untrained, casual and unemployed labour", while 47% had occupied other driving positions.

The level of education was relatively low: 43% had passed standard 5 or a lower standard, 34% had reached the level of Standard 8 and 14% had obtained a matriculation certificate.

CSIR also found that 58% of drivers were either self-taught or had been taught to drive by family members or friends, and

THEO RAWANA

74% were paid by means of a fixed amount rather than through any incentive-based scheme.

Research also showed that the majority of drivers considered their mechanical knowledge and skills to be average to poor.

Only 2% of the drivers involved in accidents had a blood alcohol level of 0,08% or higher, while the national average for urban black drivers of light commercial vehicles was 8%.

Training

The research team recommended the nurturing of a culture within the industry geared to high standards of driver behaviour and that new entrants pass through selection criteria.

The team also suggested the development of an optimal training programme aimed at new and "nearly new" drivers; and the formulation of a development programme aimed at experienced drivers.

Courses developed by the Taxi Safety Action Group would be implemented through organisations such as Project Spear, Anglo spokesman Sheagh Blackman said.

The monitoring of courses would be implemented in conjunction with the National Road Safety Council.

...with possible defect

Top secret deal to buy Ponte City for exiles

By Shirley Woodgate

Top secret negotiations are in progress for the sale of one of South Africa's biggest blocks of flats, Ponte City in Berea, to eventually house up to 2 000 returning ANC exiles.

South African Council of Churches general secretary Frank Chikane today confirmed the National Co-ordinating Committee had set up task forces to deal with issues relating to the return of some 20 000 exiles, including housing. He said it was likely the possibility of acquiring Ponte was being explored, but he did not believe such a deal had been clinched.

Informed sources indicate the contract with the owners, Gazebo



Ponte City

Beneficiaries, and the as-yet unnamed purchaser were at an advanced stage.

Bankorp Property Services, who administer the property, indicated the building "had always been in the market" and a sale had been concluded.

While ANC spokesman Gil Marcus denied any involvement by the ANC, Ahmed Kathrada said he had only heard of the deal yesterday and confirmed: "We have 20 000 exiles in South Africa and we have said we will look at housing, schooling, clothing and so on."

The building falls within the area recently identified for investigation as a free settlement area by the Free Settlement Board.

New scheme to help taxi owners

A NEW scheme aimed at improving the business skills of the black taxi owner so as to enable him to make more money and contribute to the mainstream economy is to be launched today.

Organiser Mr Paul Browning says the taxi industry represents about R3 billion of capital invested in the South African economy. The problem is that it is fragmented and not applied in a concentrated way.

He says the intention is to offer taxi associations the chance to create 'Taxi Business Circles', in which members of the association can learn how to make their investment bring a bigger return.

The scheme is being backed by Toyota South Africa and will be run by Pretoria-based Travel Management, a company specialising in the development of the taxi industry.

By JOSHUA
RABOROKO

Browning says: 'I believe that most of the problems of the taxi industry stem from the fact that those who have put their money into it are not always good businessmen. They have excellent entrepreneurial flair, but little informal business skills.'

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"That is not surprising when one considers the legacy of apartheid and bantu education. But it

does mean that First World concepts of management and control are underdeveloped.

"That is one reason for the unacceptable standards of operation and safety. A greater understanding of the way business works would encourage owners to invest in training and supervision - because they would know that in the long run it would result in bigger profits.

The process of developing mainstream transportation businesses will have three stages:

- * the first stage will be able to help the individual owner-operator to improve his or her business skills so as to be able to improve standards of operation and profitability in the taxi industry.
- * the second stage is the creation of marketing cooperatives in which the individuals can combine to enter into contracts and new ventures.
- * the third is the development of transport businesses in the shape of formal sector companies.

Fewer whites involved in taxi industry

A BOOK on the black taxi industry, *No Easy Ride*, shows that the scale of white ownership in the industry is insignificant.

It constitutes, at most, one in seven, according to author Colleen McCaul.

The study, published by the South African Institute of Race Relations, also provides up-to-date figures on commuter use in the major urban areas of South Africa.

In her book, McCaul states that white ownership is believed by the taxi associations to be extensive in Pretoria, and quotes Mr Enos Makena, chairman of the Pretoria United Taxi Association, as saying that white ownership was a major cause of feuding in that area.

Estimates

She argues that if one takes "reasonable estimates" of the size of the African taxi industry and compares this to the number of minibuses owned by Africans, an accurate estimate of the extent of white ownership can be obtained.

Quoting a study which did not rely on an estimate of the extent of white ownership, McCaul says there were 55 000 African-owned minibuses in 1989, working on the basis of a possible range of between 45 000 and

70 000 taxis.

"If one assumes that 55 000 is an accurate estimate, then white ownership would be insignificant, as Africans would have privately-

By DON SEOKANE

owned about 60 000 minibuses by mid-1989.

"If the 70 000 estimate is correct, then white-owned vehicles would account for about 14 percent of all African taxis," McCaul argues.

Another factor to be borne in mind is that motor manufacturers have reported that Africans have been buying panel vans and converting them to taxis, in view of a shortage in the supply of minibuses.

Growth

McCaul also details African ownership of minibuses since 1979 and concludes from her figures that:

- * Whites have always owned more minibuses than Africans;

- * While the average annual growth rate between 1979 and 1987 in total minibuses registration was 15 percent, the growth rate in African registration was well above average at 26 percent;

- * During 1987, the year in which white ownership was supposed to have taken off, white ownership grew at four percent over the previous year, whereas African ownership grew by eight percent.

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Credit squeeze the reason for rip-offs

Jowetam 31/1/90

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THE inaccessibility of credit facilities from reputable financial institutions has been identified as the major reason why hundreds of prospective taxi-owners are being ripped off by fly-by-night companies.

Leading vehicle financiers in the country require deposits of up to 40 percent from people who want to invest their savings on minibuses.

In money terms, this means that a prospective taxi-owner must raise at least R15 000 to be able to enter the booming taxi trade.

Many of these potential businessmen had been granted permits by the National Road Transportation Board to operate taxis.

Permits

Most of them had had their taxi permits invalidated after failing to produce vehicles for registration as they could not raise finance from leading financial institutions.

This has given rise to financial companies with obscure and, in many cases, dubious credentials, who saw an opening of making a quick buck under false pretences and unethical means.

They make offers which are too good to be true and promise to arrange finance against ridiculously low deposits of as little as R2 000.

These companies, which lure their victims by placing advertisements in widely-read newspapers, rarely deliver the goods and always find flimsy excuses for not refunding their clients for jobs not done.

After operating for a while and having raked a couple of thousands of rands, these companies conveniently get "liquidated" or close down, only to re-emerge in another part of town, operating under a different name and different directors.

They do not only leave a trail of debts behind them, but deal misery, sorrow, pain and anger on the people who, in the first place,

FOCUS

By SY MAKARINGE

dealt with them in good faith.

You only have to listen to Mrs Jeanette Msimang to get a clearer picture of what it is like to deal with these fly-by-night institutions.

When her husband died a few years ago, Msimang, a Katlehong dressmaker, did not know how she would fend for her three minor children.

"I did not make much money from my dressmaking business so I applied for a taxi licence. When the Road Transportation Board granted me the licence, they gave me 60 days to produce a vehicle, failing which the licence would be invalidated.

"The banks did not want to give me finance as they demanded a deposit of at least R15 000. I did not have that kind of money, so in desperation I contacted a company called Sampson Beck which only demanded R6 000 deposit," Msimang said.

Within days Msimang had her minibus delivered. She was expected to pay Sampson Beck weekly instalments of R400.

What she did not know, however, was that the minibus was registered in the name of a white woman who was used to secure finance from Nedbank.

The woman had, without Msimang's knowledge, signed an agreement with Sampson Beck on the understanding that she would be paid R200 a month for her services.

The white woman had also signed four similar agreements with the company, which meant she would earn about R1 000 a month "for doing absolutely nothing".

Msimang also did not know that Sampson Beck was not paying back the money they bor-

rowed from Nedbank, even though they received an additional R400 a month from each minibus taxi they sold in this manner.

She did not know that the monthly instalment, as set down by Nedbank, was around R1 000. She was also not aware that she was paying R600 more a month for the vehicle.

What in fact had happened is that Sampson Beck secured finance for her from the bank through the back door - for an astronomically high fee - to oil the wheels of the company.

Sampson Beck's operations have been smashed by the police. After a court wrangle the ownership of the vehicle was subsequently transferred to Msimang.

Payment

But because of the non-payment of instalments by Sampson Beck over a long period, Msimang was expected to pay over R2 000 a month in instalments to cover the accumulated arrears.

When she could not afford the repayments, the bank decided to repossess the minibus and Msimang was left the poorer.

This is but one example of the frustrations people go through at the hands of these fly-by-night companies.

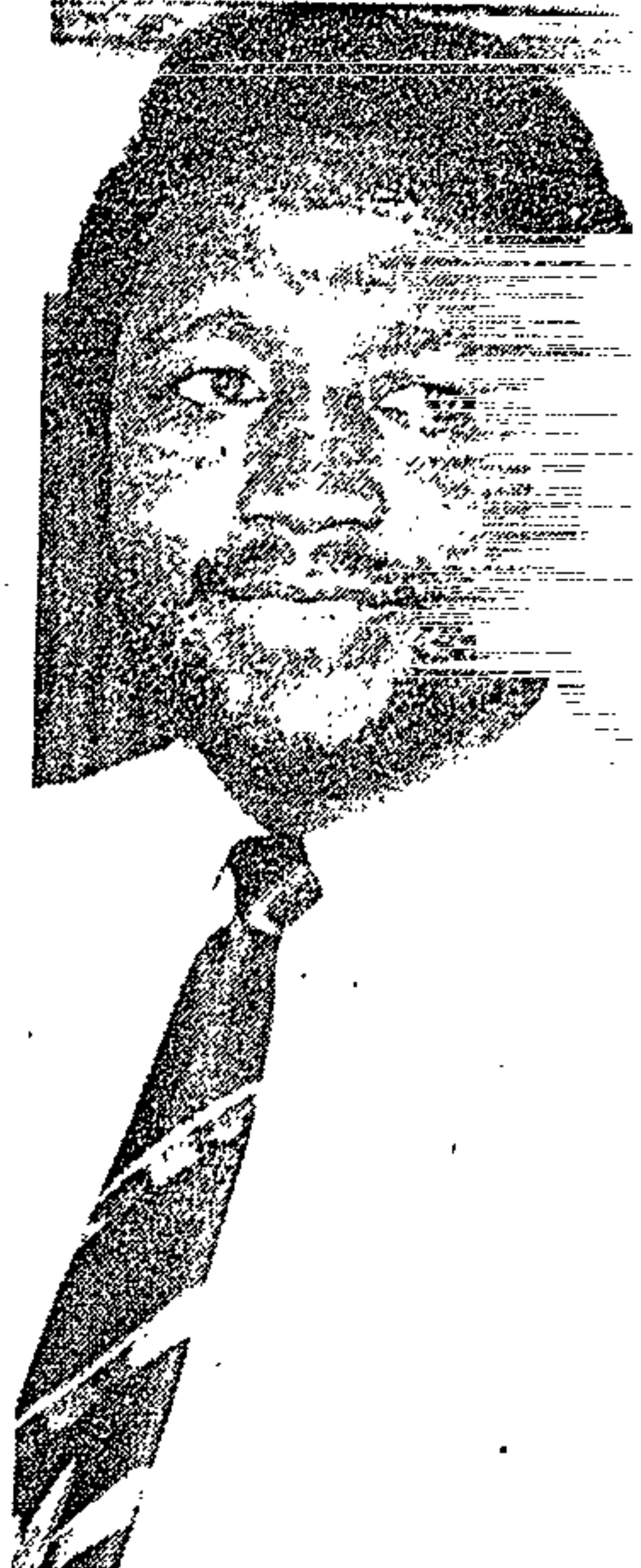
Almost every day of the week Sowetan's consumer affairs department is inundated with complaints of this nature.

Is there a solution? Mr Fanyana Shiburi, media liaison officer for the Southern Africa Black Taxi Association, says there is.

He said Sabta had established a scheme, which is fully supported by Wesbank, to protect taxi operators from these taxi scams.

Shiburi said people who wanted to purchase minibuses should invest an amount of R10 000 in the scheme provided they were members of the association and had been in the taxi industry for at least three years.

"You need not pay a deposit after investing the money and



Shiburi... no deposit.

you're also entitled to a discount from the bank," Shiburi said.

He said the scheme was also accessible to newcomers provided their respective taxi associations had approved their membership.

Mr Peter Moelepele, secretary of the Bus and Taxi Organisation, said his organisation had for a long time been concerned at the way people were being ripped off by fly-by-night companies.

He said after several months of negotiations Busato recently entered into an agreement with Stan-nic to help its members acquire finance with ease.

He said members only needed to pay a deposit of R7 000 for a minibus.

"The only condition is that you have to be a card-carrying member of Busato. Anyone can apply for membership, which only costs R24," Moelepele said.

Card system will ensure taxi safety

Chf Typ
7/8/90
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By BRONWYN DAVIDS

COMPUTERISED cards will be issued to taxi operators within the next few months to ensure that safety requirements are maintained by the taxi industry.

The multi-million-rand computerised-card system, which will be implemented by the Department of Transport, will virtually eradicate licence forgeries, keep a record of habitual offenders and ensure that safety measures are kept up.

A department spokesman said that when taxi operators received their cards they should register with the local authorities where they operate. He said drivers should also be aware of local authority by-laws.

● Meanwhile, "grave concern" over the high number of deaths in minibus taxi collisions has been expressed by the National Road Safety Council.

Such accidents have claimed the lives of 24 people over the past 10 days at an estimated cost at more than R6 million.

Sale brings in R6,6m for Longrail.

31/12/91 31/8/90

ACHMED KARIEM

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ROAD and rail transport specialist Longrail, which posted a 51% drop in attributable earnings to R2,9m (R5,9m) in the year to end-February, has sold its interests in Railit and Priapus Property for R6,6m to a consortium led by joint Longrail MD Tim Edwards.

Higher interest charges, which rose by 79% to R3,3m (R1,9m) due to expansions and property development, contributed to the disappointing results, directors said. Earnings a share fell

by 45% to 5,5c (10c) and no dividend was declared.

The current ratio stood at 0,79:1 compared with last year's 0,87:1. Turnover increased by 11,8% (29,2%) and profits were also affected by a rise in the tax rate from 15% to 49%. Last year's low tax resulted from Longrail's participation in an export venture.

An extraordinary payment of R402 000 related to legal and other costs was

due to a restraint of trade dispute in Railit.

Management said they were confident that real growth in earnings a share would be obtained for the year to end February 1991, despite the disposal of the subsidiaries.

The sales will result in a R6,6m reduction in Longrail's capital. Had this been in place in the year to end-February, earnings would have increased 18,2% to 6,5c (5,5c) and net tangible asset value by 21,7% to 36,5c (30c).

Lower Putco fares

Sowetan Reporter

SOWETO division of Putco has introduced a lower cash fare on its Baragwanath-Faraday route in off-peak hours, Mr Fred Stamp, Putco's divisional manager for Soweto said.

The valley fare, as it is called, will operate between 8am-3.30pm and is applicable to all except pensioners who travel free of charge during these hours.

"We constantly research the cycles of commuter travel and monitor the progress of our buses."

"Our number of commuters on this route has increased significantly and we are increasing the frequency of our buses accordingly," said Stamp.

The Star Finance

Longrail to hive off its Railit division

Star 3/8/90

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By Derek Tommey

Transport company Longrail is hiving off its Railit division, acquired in 1987, for R6,6 million.

The directors say the synergy and mutual benefits expected from the purchase have not materialised, so it has been decided to revert to the position that existed prior to the purchase.

Railit is being bought by a consortium led by T Edwards, who is also one of the joint managing directors of Longrail.

He will deliver 29,9 million Longrail shares at 22c a share and R16 000 in cash to Longrail.

These will be converted into "A" shares and cancelled.

The directors say that had the sale of Railit occurred a year ago, earnings for 1989-90 would have increased from 5,5c to 6,5c and the net asset value of the shares would have risen from 30c to 36,5c.

Longrail reports net income attributable to shareholders of R2,917 million for the year to February. This compares with R5,940 million — equal to 10,0c a share — the previous year.

A drop in operating income to R9,99 million (R12 million), an increase in interest to R3,3 million (R1,9 million), a sharp increase in tax and an extraordinary payment caused profits to decline.

No dividend is being paid.

At February 28, shareholders' funds were R18,3 million while the company owed R17,3 million in deferred tax and long-term liabilities.

Fixed assets were worth R40 million, while current assets were R17,1 million and current liabilities R21,8 million.

The directors say that real growth will be achieved in the year to February 1991.

rested.

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Taxi war probe launched

JOHANNESBURG. — An inquiry has been launched into the three-year-old Stanger taxi war, which claimed a further two lives on Tuesday.

Family fear 'blast' taxi driver might be dead

Police have no idea who planted bomb

By DESMOND BLOW

THE abortive Pretoria bomb attempt last Saturday remains shrouded in mystery as police battle for clues.

Police have no idea which organisation – Left or Right – could have been responsible for the 114-kg car bomb found in a minibus at the Hallmark Building parking garage.

The SAP is searching for an Atteridgeville man, 33-year-old David Shongwe, who is alleged to have borrowed the taxi three days earlier to fetch his wife.

He did not return the vehicle and has not been seen since.

Investigations by police have not connected Shongwe, who is well-known in Atteridgeville, to any political organisation.

The bomb, which was due to explode at 1.15pm, was about three times the size of Pretoria's Church Street bomb which killed 19 and injured more than 200 in May 1983.

Police agree the motive may have been to disrupt "talks about talks" due to resume in Pretoria tomorrow between President FW de Klerk and ANC Deputy President Nelson Mandela.

Soil caked around the explosive devices could mean they came from a buried arms cache, said Major General Herman Stadler of the SAP. "But we will have to wait and see when we trace Shongwe."

There are rumours in Atteridgeville that Shongwe could be dead. The taxi could have been hijacked and Shongwe killed by either the Right or Left.

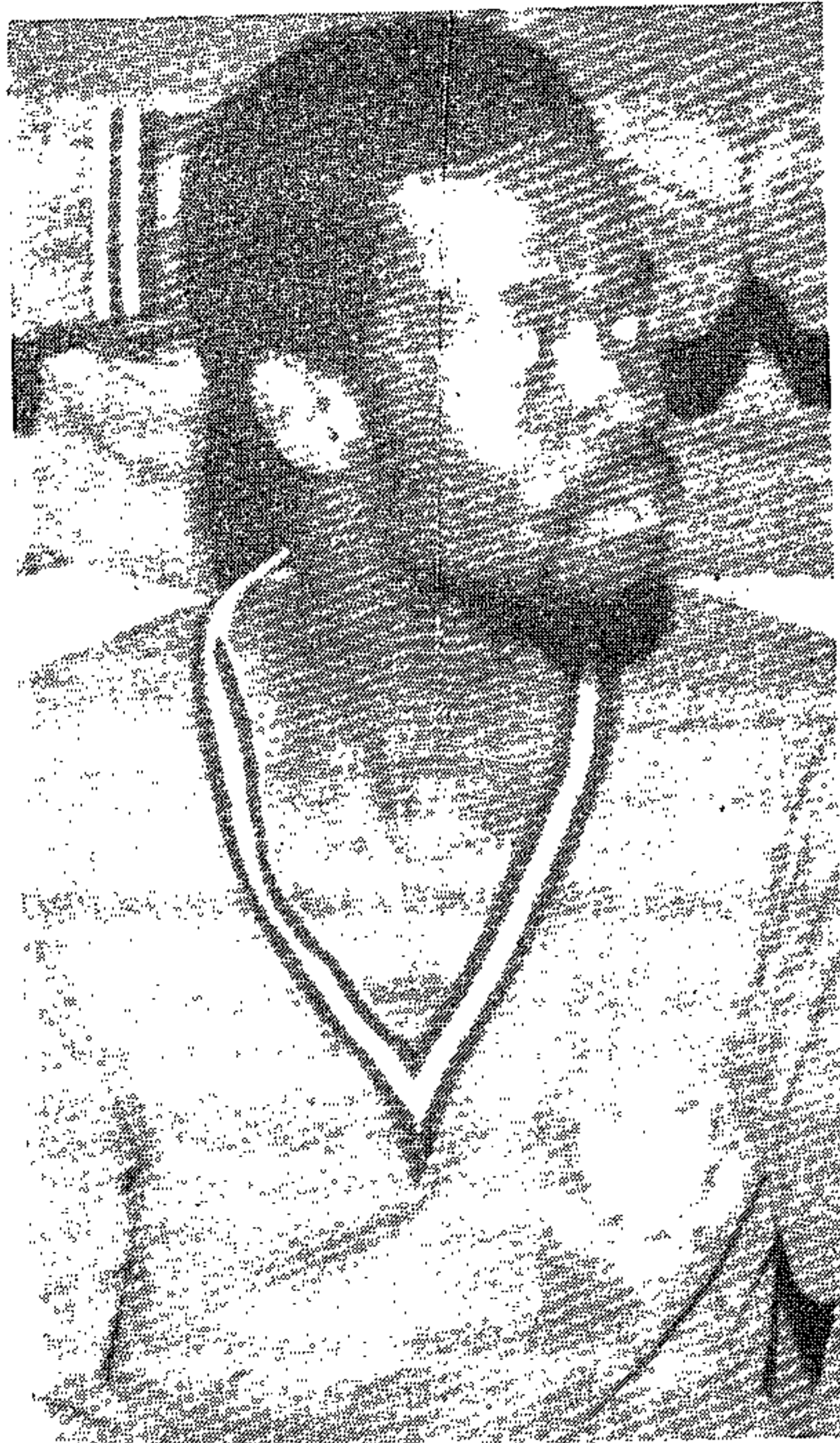
A Pretoria resident became suspicious when he saw the minibus parked at the Hallmark garage for hours and alerted police, who arrived with sniffer dogs.

Police said had the bomb exploded, it would have been devastating because it was in a confined space in the parking garage.

Hallmark Building houses offices used by the SA Defence Force, but mainly offices of private concerns.

The police traced the taxi's owner who employs several people to drive for him. The driver told police he had lent the vehicle to Shongwe last Thursday to fetch his wife. Shongwe had borrowed cars from him before and always returned them on time.

At this stage, police are convinced that neither the taxi owner nor the driver are implicated.



Missing ... David "Kimberley" Shongwe.

By ELIAS MALULEKE

THE family of David "Kimberley" Shongwe, 33 – the man sought by police in connection with the taxi found packed with explosives in Pretoria – fear he may be dead.

They think he may have been killed by people who took the taxi, filled it with explosives and parked it at the Hallmark shopping centre in Pretoria. They do not believe Shongwe was involved.

Atteridgeville soccer star Shongwe has no known links with any political organisation.

The taxi belonged to a GaRankuwa businessman.

Shongwe, the father of two children and estranged from his wife, was described as humble and a gentle man who would not argue with anybody. He devoted most of his time to soccer.

He played professional soccer for Pretoria Callies and Orlando Pirates before helping to establish Pretoria Helicopters, an NSL second division team, after Callies were relegated.

Apart from playing for two other amateur teams, he was the trainer-coach and captain of Helicopters.

According to his family, friends and others who knew him Shongwe had no political links and did not even attend meetings or rallies. They said he hardly discussed politics.

Shongwe was a part-time driver for more than nine months. He used the taxi in the evenings because the full-time driver, Jacob "Killer" Maphosa, has weak eyesight and finds it difficult to drive at night.

Shongwe was last seen by Maphosa on Thursday before 7pm when he collected the taxi. Maphosa said he became worried on Friday morning when Shongwe failed to show up.

Minibus taxis to be the focus at CSIR talks

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Dowd
6/8/90

By JOSHUA
RABOROKO

THE rapid growth of black minibus taxis and conflicts coming from this industry are some of the issues that will come under focus at the four-day conference to be held at the CSIR centre in Pretoria starting today.

The conference will discuss controversial topics such as the carnage on South African roads, taxi associations, the effects of transportation on the environment and motor cars of the future.

Other topics to be discussed are toll roads, the consequences of inadequate and unstable

funding of roads and the personality of the reckless driver.

These topics will be discussed at this year's annual transportation convention that has chosen "The challenges of the next decade" as its theme.

This conference will be addressed by leading personalities, including the Minister of Transport and Public Works and Land Affairs, Mr George Bartlett, Fabcos senior

president, Dr Ellen Kuzwayo and Sabta's marketing manager Mr James Chapman.

The black taxi industry has developed in the informal sector to become a major player in the country's economy and one of the largest transportation systems in the world, according to Ms Hilda Muller, of the CSIR (Council for Scientific and Industrial Research).

"This rapid growth, and the increased visibility of the industry, has led to concern regarding methods and standards of

operation.

"Issues such as collisions and safety aspects of operations, provision of facilities, vehicles and design and training will come under focus," she said.

Specific topics to be considered include petrol/alcohol fuel blends, the need for more economic, smaller vehicles and passenger carriage in commercial vehicles.

The privatisation of transportation which affects every individual will be explained by the Minister, who will open the conference.



A police picture of the taxi found with explosives. David Shongwe was last seen driving the taxi.

4 killed in Vaal as gunmen attack taxi

Vereeniging Bureau

Four men were shot dead and six injured, two of them critically, after an armed gang robbed passengers and then opened fire on a minibus on the Vereeniging/Villiers road at the weekend.

Two women, who were abducted by the gang of seven after the shooting, were later found unharmed after they were dropped off next to the road.

A police spokesman said the taxi driver, Agreement Mkungwane (33) of Bekkersdal, was transporting the passengers to the Transkei when the incident happened at about 9.30 pm on Friday night.

Mr Mkungwane apparently spotted a cream BMW behind him just outside Villiers. When

the vehicle flashed its lights the minibus pulled off the road and stopped. Moments later seven men, six of them dressed in green uniforms similar to those worn by security guards, confronted the passengers and robbed them.

They then opened fire on the taxi, fatally wounding four of the commuters. Four men who were wounded during the shooting are recovering in the Frankfort Hospital.

A police spokesman said it was believed most of the passengers — 15 men, two women and two girls — were from the Kloof Gold Mine in Westonaria.

Anyone with information about the attack is asked to contact Major J du Pont at 016 — 33—9707 during office hours.

Cost of replacements could aggravate trucking downturn

01/20/90 71890

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THE expected downturn in the heavy trucking industry will be further aggravated by the high cost of replacing vehicles, says National Association of Automobile Manufacturers of SA (Naamsa) director Nico Vermeulen.

He says prices of heavy and medium commercial vehicles have risen by 240% since 1984, and the industry is experiencing tough times.

Vermeulen says truck manufacturing is a business with relatively high fixed costs and the industry's earnings and profitability remain highly sensitive to volume change.

Despite a recent review of industry forecasts to a sharply lower 7 500 units this year, National Automobile Dealers' Association (Nada) national chairman Errol Richardson projects a 3% increase in sales to 7 700 units of heavy vehicles in 1991 and a further 7% increase to 8 200 units in 1992.

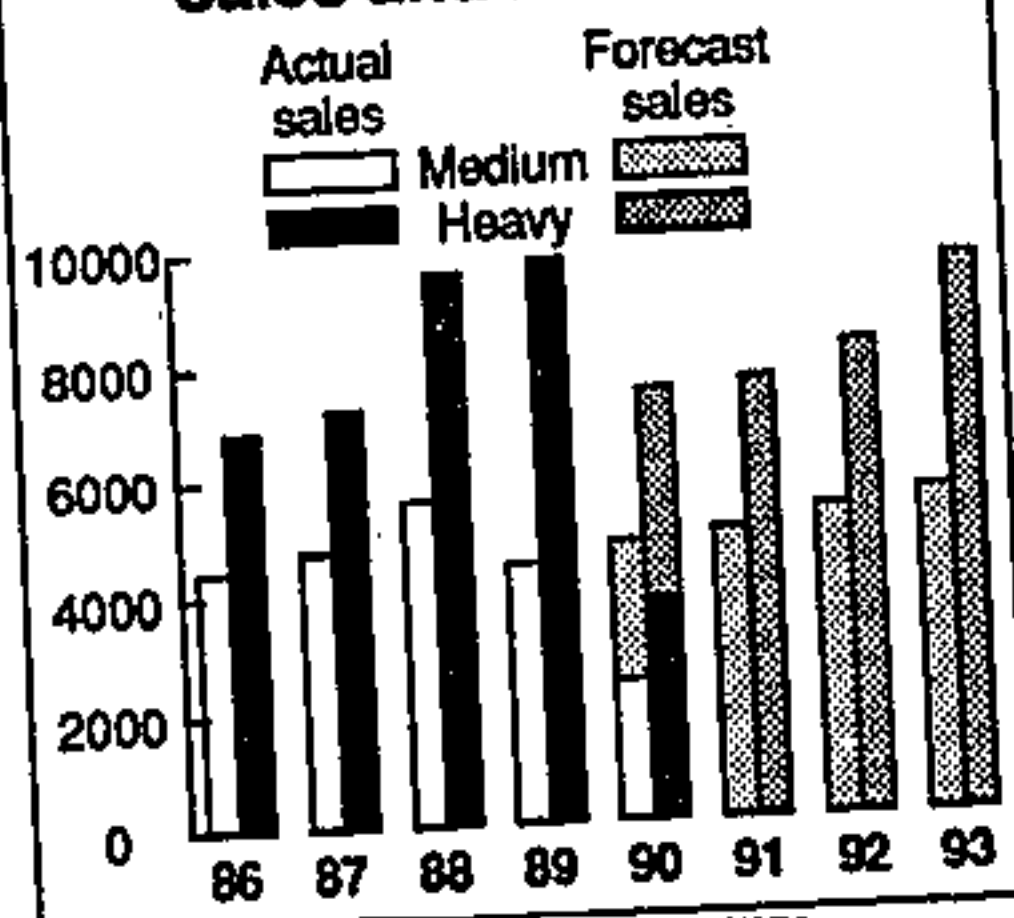
Toyota Diesel marketing director Dave Scott expects sales to plummet by 24% to 7 500 units compared with last year's sales of 9 670 units.

He says that until interest rates drop and the market picks up, fleet managers are not prepared to make any major investments.

According to Naamsa, the heavy truck manufacturing industry will face a number of daunting challenges and the general slowdown in the SA

EDWIN UNDERWOOD

Medium and heavy truck sales and forecasts



Graphic: FIONA KRISCH Source: NAAMSA & NADA

economy could translate into a no-growth scenario as far as new medium and heavy truck sales are concerned.

Factors affecting sales include the small economies of scale for the truck industry, the negative gross domestic fixed investment rate in recent years and compounding costs of sales tax, insurance and licencing fees — all contributing to the affordability crisis.

From 1986 to 1989, aggregate annual heavy truck sales rose by 42% or

2 839 units, while annual sales of medium commercials remained relatively static.

Naamsa says the consequences of constant price hikes over the years have led to most manufacturers diversifying into support areas such as refurbishing and servicing.

Transport operators also consider rebuilding to be a more attractive option to investing R250 000 to R750 000 in a new heavy or ultra-heavy truck.

A positive factor from the industry's point of view is that more than 40% of vehicles in the 7,5 ton category are older than 10 years, and therefore the element of renewal will serve to underpin sales.

Naamsa says the dominant driving force behind new heavy truck sales during 1988 and 1989 was replacement demand. In an average year about 9% of the medium and heavy commercial vehicle population — about 45 000 medium and 145 000 heavy trucks and buses — was normally replaced.

Naamsa expects the continued high dependency on commercial vehicles for the transportation of raw materials and finished goods, and the enhanced demand for utility and commercial vehicles, to help underpin demand in years to come.

Concern over death rate in taxi accidents

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Sowetan 7/8/90
THE National Road Safety Council has expressed "grave concern" over the high death rate in taxi accidents, which have claimed the lives of 24 people over the past 10 days.

NSRC director Mr Eric Wise said in Pretoria yesterday that if urgent attention was not given to the training of taxi drivers in the near future, and the involvement of all sectors was not obtained, traffic safety problems could not be effectively addressed.

He said an important step in promoting safety in the taxi industry was the research programme People's Transport 2 000, which was undertaken by the CSIR's Road and

Transport Technology Division under the guidance of the Department of Transport and Anglo American Corporation.

In the report, which was released recently, it was found that:

- * Fifty-eight percent of taxi drivers were self-trained or were taught by friends or family;

- * Strong support for training existed in the industry and existing skills among taxi drivers on mechanical aspects and the handling of emergency situations were poor.

Training

It was also found that attention should be given to the following traffic safety factors in the industry:

- * The creation of a "culture" within the taxi industry which provides for the effective training and development of drivers;

- * Control over the quality of drivers who entered the industry;

- * Provision for basic driver training programmes; and

- * Provision for driver development programmes.

"The taxi industry is responsible for the transport of a third of the working force of South Africa.

"If a healthy growth and the safety of passengers are to be ensured, the involvement - not only of the taxi operator but also of all sectors in the country - must be obtained," Wise said.

Sapa



Minibus deaths prompt call for driver training

7/8/90 332

By SHARKEY ISAACS, Transport Reporter
MINIBUS accidents in the past 10 days have left 24 dead and cost R6-million, according to the National Road Safety Council.

Concern at the number of deaths has led to a renewed call from the NRSC for the comprehensive training of taxi drivers.

Expressing "grave concern" at the high number of deaths, the chairman of the NRSC, Mr Eric Wise, said unless urgent attention was given to the comprehensive training of taxi drivers in the near future, and all sectors in the country were involved, traffic safety problems could not be effectively addressed.

He said the taxi industry was responsible for the transport of one third of the working force of South Africa.

Research

An important step in the promotion of safety in the taxi industry was the research programme, People's Transport 2000, conducted by the CSIR's road and transport technology division under the guidance of the Department of Transport and Anglo American Corporation.

The report said:

- Fifty-eight per cent of taxi drivers were self-trained or were taught by friends or family;
- A strong support for training existed in the industry, and existing skills among taxi drivers on mechanical aspects and the handling of emergency situations were poor.

It was also found that attention should be given to the following four traffic safety factors in the industry:

- The creation of a "culture" within the taxi industry which provided for the effective training and development of drivers;
- Control over the quality of drivers who entered the industry;
- Provision for basic driver training programmes;
- Provision for driver development programmes.

Probe into taxis, tax evasion

The Argus Correspondent

DURBAN. — The Receiver of Revenue has appointed a team of experts to investigate the black minibus taxi industry, as they believe that they are collecting cash revenue of about R1,8 billion without paying income tax.

Some estimates claim that revenue totalling about R500 million is lost every year as a result of non-payment of income tax by the minibus operators.

The South African Black Taxi Association (Sabta) president, Mr James Ngcoya, said he was aware of the move to tax the minibus industry and said that his association had asked the receiver for extra time to educate their members on tax matters.

He said it was not true, however, that minibus taxis made a lot of money.

"These vehicles are so expensive and by the time the owner makes a profit his vehicle is worn out.

"Also, the conception that single owners have fleets of minibuses is also not true. Most minibus taxis are owned by individuals.

Argus 7/8/90 532
We are educating our members so that we can put a number of aspects straight and will prove that the vast majority of our members earn so little that their income is below the taxable fringe and that by the end of the day their income will be below the taxable amount.

"We are on the point of proving to the Receiver that minibus taxi-owners are honest people who are not running away from their tax obligations," said Mr Ngcoya.

Estimates of the taxable revenue generated by the minibus taxi industry vary widely, but transport consultants put the figure at a minimum of R1,8 billion. About half the 100 000-odd taxi operators are members of Sabta.

Estimates of net income vary widely and were put by one transport consultant at about R3 000 a month after expenses.

Sabta's official journal, Sithuta Isizwe, said there were two options open to the taxman: to talk and negotiate with Sabta and reach a compromise, or to take action against taxi operators, in which case Sabta would not be prepared to help.

'Stop carnage' Groote Schuur

By ANDREA WEISS
Medical Reporter

AKGUS 7/8/90 (332)

MINIBUS taxis have come in for heavy criticism from the medical administration of Groote Schuur Hospital in the latest edition of the South African Medical Journal.

In a letter referring to the deaths of six Groote Schuur nurses and the injuring of six others in a minibus accident, the administration said as health service managers they had a wider responsibility to appeal that the carnage be stopped.

Minibus taxis had become synonymous with "reckless driving, immoderate use of the road and unacceptably high road accident statistics", the letter said.

ALARMING TREND

Casualties and fatalities had shown an alarming trend. There were 40 174 minibus accidents in 1987 which rose by 20 percent to 47 952 in 1988.

"In addition, the costs incurred by the mortality and morbidity are enormous and the effects are widespread. Apart from the loss of life or limb and income on an individual level, a huge financial burden is placed on insurance companies and public sector hospitals."

The shortage of traffic officers cast a shadow on the optimism surrounding the proposed new road traffic quality system.

"If the system is to succeed, the traffic department will need a commitment to improve co-operation from the taxi associations and their drivers. The problem is, after all, a two-way street," the letter said.

Train taxi drivers says CSIR

By DON SEOKANE

THE need for comprehensive training within all sectors of the combi-taxi industry is imperative to avoid further collisions of minibuses, a Council for Scientific and Industrial Research report revealed.

A recently completed project into the need for driver training formed part of a sponsorship by the Anglo

Soweto 6/8/90
American and De Beers Chairman's Fund into the taxi industry. (232) (222)

The report revealed that 34 percent of taxi drivers entered the industry from the ranks of untrained, casual and unemployed labour while 47 percent had occupied other driving positions.

Furthermore, 74 percent of the drivers interviewed, were paid by means of a fixed amount rather than through an incentive based scheme.

The majority of drivers considered their mechanical knowledge and skills from average to poor and there was a strong support for training by drivers, the report stated.

The conclusion of the findings was that the problems experienced by the taxi industry were the results of the poor quality of the human resources available.

Lack of training, and not lack of potential, was the main reason for the poor quality.

Training, the researchers contend, should go beyond the mere learning of skills and focus on the personality of the taxi drivers, incorporating aspects such as customer care, traffic management and self-management.

Growth of black taxis seems set to accelerate

PRETORIA — The mini-bus taxi explosion seemed set to accelerate, with national statistics showing mini-bus registrations grew from 86 273 in 1982 to 145 967 in 1989 — an average growth of 11,5%, Port Elizabeth University's Edward Samuels said yesterday.

Also speaking at the National Transport Convention at the CSIR, Federation for African Business and Consumer Services (Fabcos) MD A S Mabogoane said a move into white areas was a major opportunity for expanding the operations of the black taxi industry.

He said very few white areas had even remotely adequate public transport and many had none at all.

Taxis carried domestic workers to white areas in the morning at about the time that white commuters were readying to leave for work and schools. The pattern, he said, was perfect for balanced operations.

On freight transport, he said this was an essential part of the mainstream economy and provided countless opportunities for black transport entrepreneurs.

The move of the taxi from the informal to the formal sector would need expansion of present services into areas with a flexible demand.

Mabogoane said the most developed diversification was the long-distance taxi to major centres and

homeland areas.

Another Fabcos speaker, Gaby Magamola, said the black taxi industry had grown against all the odds.

He said the implacable opposition of vested bus company interests was not a move to protect profits, important though that was. It was based on the premise that blacks had no right to challenge them.

Imminent political changes would at last address the discriminatory laws which had retarded black development.

Revamp

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Magamola wondered how many state departments were even at this late stage planning black advancement into senior positions.

The long term answer was a complete revamp of the education system, he said.

J Gawthorpe, of engineers Bruinette, Kruger and Stoffberg, estimated the annual profit of an owner-driver mini-bus taxi operator at R11 214.

Annual expenditure was estimated at R57 842 and income for a seven day week over 52 weeks R69 056.

The figures did not take into account the vehicle depreciation. Annual average distance travelled was 87 464km.

Black taxi drivers are 'fast, rude and smelly'

Pretoria Correspondent

National Black Consumer Union leader Ellen Kuzwayo has berated black taxi drivers for their lack of concern about their passengers.

In a key-note address at the Annual Transportation Convention (ATC) in Pretoria yesterday, Mrs Kuzwayo said blacks had "had enough" of the prejudice and trauma suffered when commuting by bus or taxi.

Among the problems in the taxi industry she identified were:

- Taxi commuters being forced to collect one another's fares.

Cheated

- Fast and reckless driving.
- Poor personal hygiene of drivers.

She claimed commuters were often cheated of their change by fellow commuters.

She questioned how many operators employed licensed and experienced drivers, and said on many trips commuters were frightened into silence over bad driving skills.

If they did dare to ask a driver to slow down or suggest he be

careful, the tendency was for him to go even faster, she said.

Mrs Kuzwayo also referred to the unpleasant odour of some of the drivers which left passengers "taking deep breaths" throughout the journey.

She also criticised Putco for allowing filthy buses on routes, and said bus commuters suffered rudeness and poor driving skills too.

Law enforcement of the mini-bus taxi industry was discussed by East Rand transport planner SP Gerber, who said there was a high offence rate among taxi drivers, and in many cases traditional approaches had little effect.

The problem started with the rapid increase in taxi numbers which led to highly competitive conditions. In order to survive taxi drivers resorted to illegal practices.

Other problems such as cultural differences between law enforcement officers and taxi drivers hampered understanding of one another's actions, and aggravated problems, while the high degree of mobility made it difficult to trace offending drivers, he said.

SOWETAN BUSINESS

Vaal taxi fares to go up

THOUSANDS of Vaal Triangle black commuters, already reeling under the soaring cost of living and unemployment, will dig deeper into their pockets when taxi fares go up later this month.

The decision to increase fares by 27 to 34 percent was taken by Region 8 of the Transvaal Taxi Association after

By JOSHUA
RABOROKO

consultation with liberation movements and community-based organisations.

No date has been set, but the spokesman said it would possibly be during the middle of the month. Notices to this effect will be distributed soon.

Commuters travelling between Sebokeng-Evaton to Vereeniging-

Vanderbijlpark-Sharpeville will be expected to pay R1,60 for a single trip all days (previously R1 during weekdays and R1,50 weekends); Sebokeng-Evaton to Meyerton R1,80 (previously R1,30); Sebokeng to Evaton 80 cents (previously 70c).

The chairman of the region, Mr Elijah Phali, yesterday said that the actual amounts to be paid would be displayed on

pamphlets in all taxis in the area.

All major routes will be affected.

The rise in the operating costs of the vehicles, price of petrol, inflation and demand for high pay by operators have left owners with no option but to increase the fares, according to Phali.

"We have not increased our fares in the past two years, in spite of the hike in these com-

modities. We took a feasibility study of the routes and found that the owners were losing," he said.

Phali said they were also faced with the unfair competition from bus transport which was subsidised by the Government, whereas taxi did not enjoy the same benefits.

The black taxi owners were operating under major handicaps.

Sowetan 8/8/90

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against the pupils.

endanger his life he
should leave the school

no effective teaching
was taking place.

Minibus taxis 'rob' bus industry of its commuters

Sowetan 8/8/90 (332)

MINIBUS taxis are "robbing" buses of their commuters.

And transport planners have warned that without heavy Government subsidisation of bus transport, even more commuters would be lost to the taxi sector.

Mr A Bassier of the Cape Town city planning department, said the most

**SOWETAN
Correspondent**

significant impact of the minibus taxi has been on the conventional bus service.

He referred to research in Cape Town that on short routes some taxi users had previously walked, 11 to 13 percent of taxi users previously

caught trains or used private transport and the balance being former bus users.

In his paper, Mr AS Mabogoane of the South African Black Taxis Association explained how the burgeoning taxi industry could diversify in future to take over not only local but long distance bus trips.

Black taxi industry in state of 'disarray'

6/02
9/8/90

GERALD REILLY

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PRETORIA — The mini-bus taxi industry, seen by many as the flagship of black economic empowerment, remained fragmented and in disarray, the CSIR's Division of Transport Technology's V P Servas said yesterday.

At the National Transportation Convention he said the industry had emerged despite the socio-economic and political restrictions the system had imposed on black entrepreneurs. It had to contend with restrictions and setbacks brought about by official and vested interests.

The industry was affected by the inadequacy of rank facilities.

The increasing problems facing the industry included poor safety records, declining profitability, increasing violent competition from subsidised bus companies and white taxi ownership.

Perceived partiality towards bus companies protected by subsidies was a source of consternation, he added.

Sabta's A S Mabogoane said white-owned bus company subsidies were seen as evidence by blacks of government's determination to ensure the survival of big businesses in white hands. The actions of finance companies were "part of the strategy".

Mabogoane said black taxis had managed to take a very large slice of the commuter cake but lack of subsidies had eroded profitability.

● Comment: Page 6

Monday 9/8/90

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National African Federated Transport Organisation (Nafto) chairman Peter Rabali, left, and Teltron Pty Ltd national sales manager Trevor Chamberlain yesterday signed a three-year R15m deal. It engaged the company to install on-board computer monitoring systems on Nafto affiliates' vehicles. Rabali said improving driver and passenger safety was a priority for Nafto members. Driver training was essential to reduce the number of accidents on SA's roads, but real progress depended on using the on-board computers which could regulate vehicle speed and monitor engine performance. Nafto is the transport wing of the National African Federated Chamber of Commerce (Nafcoc).

Picture: ROBERT BOTHA

Right of first refusal to purchase a 10% share

not detrimental
ploration activi

UNITRANS FIM 10/8/90

Longer haul (332)

Activities: Road transportation.

Control: Sankorp 41%.

Chairman: K E Secrett; **CE:** E Gutierrez-Garcia.

Capital structure: 36,4m ord. Market capitalisation: R158m.

Share market: Price: 435c. Yields: 4,5% on dividend; 17,9% on earnings; p:e ratio, 5,6; cover, 4,0. 12-month high, 450c; low, 360c.

Trading volume last quarter, 154 000 shares.

Year to Mar 31	'88	'89	'90
ST debt (Rm)	4,0	4,1	4,5
LT debt (Rm)	1,3	21,7	11,3
Debt:equity ratio	—	0,27	—
Shareholders' interest	0,60	0,53	0,74
Int & leasing cover	—	13,2	5,4
Return on cap (%)	16,8	22,7	19,7
Turnover (Rm)	115,1	185,3	216,2
Pre-int profit (Rm)	17,5	32,4	42,8
Pre-int margin (%)	15,2	17,5	19,6
Earnings (c)	27,8	54,4	78,0
Dividends (c)	9,4	14,0	19,5
Net worth (c)	159,8	205	436

Transport group Unitrans succeeded in maintaining an EPS growth at a compound rate in excess of 50% over the past five years, which ranks it among the better-performing second-line companies listed on the JSE.

CE Eduardo Gutierrez-Garcia says the results were mainly due to well-performing operating companies, a lowered tax liability and a R6,8m capital profit on the sale of vehicles.

The discontinuation of certain unprofitable contracts resulted in a slowdown in turnover growth to 17%. These steps, however, enabled the group to improve its operating margin which, in turn, resulted in the consolidated operating profit being boosted to R35,6m from R28,6m.

Additional funds were raised from shareholders to provide the cash resources and borrowing capacity for future growth. A rights issue of 16% compulsory convertible debentures was fully subscribed and raised R60m.

Gutierrez-Garcia says a debenture issue was chosen as it guaranteed better returns for shareholders who, in addition, preferred a more permanent capital base than would have been supplied by a straight debt financing route.

Part of Unitrans' success can be ascribed to the effective system of decentralised management it developed over the years, whereby its operating companies are able to react

FIM 10/8/90

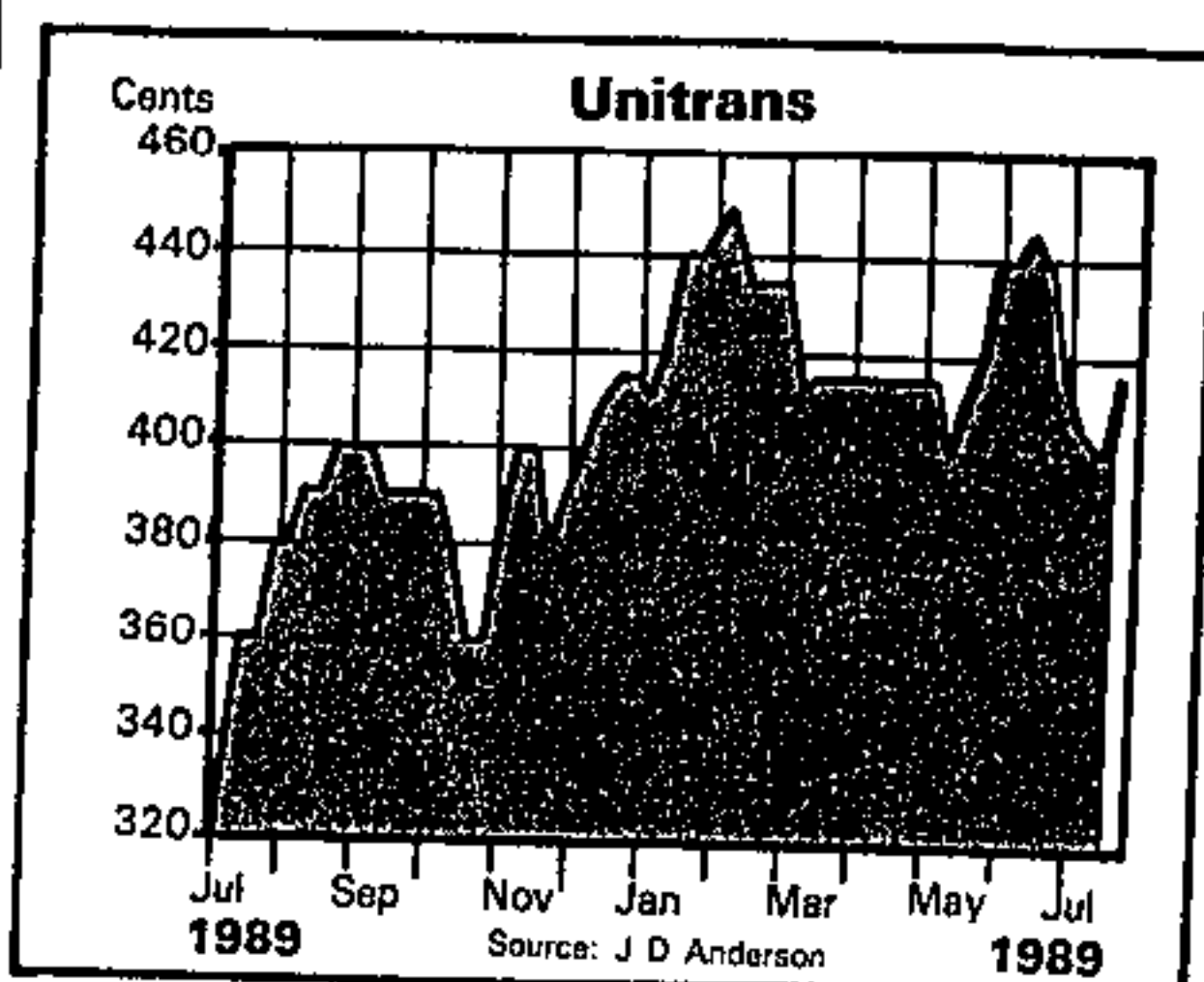
quickly and efficiently to changing circumstances in their own environments, while maintaining close contact with their customers.

(332)

Many of the group's customers are blue-chip companies with a high profile in the marketplace. Emphasis is, therefore, placed on keeping the truck fleet in top condition, visually and mechanically. The effect of that is early fleet replacement which, in turn, has permitted a reduction in the amount of spares carried and financed.

Gutierrez-Garcia says the group is actively pursuing a policy of diversification by product and geography. Six years ago about 40% of the consolidated income came from hauling sugar products. Business from sugar products, timber, liquids and minerals now contribute almost equal proportions to about two-thirds of group income. The balance is made up of a multiplicity of products and services.

The share's 5,1 earnings multiple rating seems more a reflection of short-term prospects than of medium term. *Gerhard Slabber*



Taxi bomb case: body warm

7 days after death — claim

Rev 11/8/90

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11/8/90

THE mother of the driver of a minibus — in which what was believed to be the country's biggest car bomb was found in Pretoria two weeks ago — believes her son was killed not very long before she was shown his body on August 4.

According to the police, Mr David Shongwe's body was found in open veld in the Brits vicinity on the same day that the taxi containing 114 kg bomb was found parked at the Hallmark Building, Pretoria.

However David's mother, Mary Shongwe, said events that took place on and after August 4, the day she was taken by two policemen to identify her son's corpse, led her to believe that her son had been alive until the morning of August 4.

Heart problems

"First," she said, "the two policemen who came to fetch me at home told me that there had been an accident in town in which everyone had been killed. They asked me to accompany them to check if my son was not among the victims.

"When I asked that a relative accompany me they refused. It was only when I told them that I had heart problems that they agreed to someone coming with me." The police then went to fetch Jacob "Killer" Maphosa, the full-time driver of the taxi.

When they started out, she said, she noticed that they were not going in the direction of Pretoria. Eventually they arrived at the Brits police station. A few minutes later a hearse arrived. She was led into the

JOVIAL RANTAO

morgue and shown a corpse lying on a stretcher. She was told it was David.

"When I saw him I could only recognise the gold fillings between his teeth, otherwise his face was a mess. He had a big hole at the back of his head and was still bleeding. When I touched him he was still warm. The mortician wiped blood from his eyes and closed his mouth.

"Any person who died as long ago as July 28 and was seen only seven days later would be stone cold and the blood would have dried," she said.

She said she was then taken to police headquarters in Pretoria where she was told that police would help her bury her son, but she must not tell anyone about it.

"I was even told not to tell my family about David's corpse and the police offer until Monday, August 6.

Mrs Shongwe also told of police harassment. "Before we found David police came here, turned the house upside down and asked every member of the family questions. Even after my son was found, they still come at any time of the day and harass us," she said, adding that police wanted her to go alone and fetch burial money.

"Why do they want me to go alone?" she asked. "In our tradition a mourning person is not allowed to make funeral arrangements. Relatives attend to that matter."

Fearing further police harassment, Mrs Shongwe said on Monday she did not sleep

at her house. She said when police arrived at her home they asked family members whether David was politically active.

"My son was totally apolitical. All he was concerned about was the welfare of his two sons and playing his football."

A married father of two and a consultant for a Pretoria jewellery firm, David moonlighted as a taxi-driver at night. He and Mr Maphosa worked for taxi-owner Thomas Maake. He was in the middle of divorce proceedings when he met his death.

Captain R Bloomberg, a senior police spokesman from Pretoria, denied the allegations made by Mrs Shongwe.

Money due

In connection with the alleged police offer to bury David, Captain Bloomberg said: "Mrs Shongwe told the police that she had no money to bury her son. The police offered to interview the deceased's employer to find out if there was any outstanding money due to David. The money would be used by the mother to bury her son.

"At no stage did the police offer to pay for the burial."

Captain Bloomberg added the visits by police to the Shongwe's was part of a police investigation into the events which led to David's death and the discovery of the huge bomb in Pretoria. He denied that David's body was still bleeding on August 4.

Funeral details have not been released as the family is still arranging for a private post-mortem to be held.



MOURNING MOTHER: Mrs Mary Shongwe believes her son David was killed on the morning of August 4.

● Photograph: Jovial Rantao.

Call text 11/8/90

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Near-riot as gunman assaults taxi driver

JOHANNESBURG. — There were ugly scenes in Commissioner Street in central Johannesburg late yesterday afternoon as an angry crowd surrounded a pistol-wielding man moments after he allegedly assaulted a minibus taxi driver.

According to eyewitness Mr Wilson Ndlazi, an unidentified man climbed out of his car and smashed the taxi's front window with a baseball bat after the bus had blocked one lane of the road.

The man then drove away in his car.

Police said later the taxi driver had been arrested. They said a Mr David Pauline had allegedly had an altercation with the minibus driver and the driver and some of his passengers had allegedly stolen Mr Pauline's wallet, jacket and some tapes from his car.

It was then that Mr Pauline had

smashed the minibus window with the baseball bat, the spokesman said.

Another man, armed with a pistol, then allegedly struck taxi driver Mr Richard Mnguni, 24, with his weapon and pulled him out of the minibus.

He then climbed into the minibus as scores of men and women surrounded the vehicle, rocking it violently. The man then got out of the vehicle.

Mr Mnguni then stood in the road and challenged the man to shoot him.

The angry, shouting crowd initially scattered but then surged backwards and forwards as the man waved his gun around in the ensuing confusion.

Traffic police arrived first and attempted to disperse the crowd and direct traffic. Riot police then arrived and told the crowd to disperse.

Baton-wielding police then moved in to clear the area. — Sapa

Rainy Arbor Day no damp squib

Staff Reporter

HEAVY downpours could not dampen the spirit of thousands of people who turned out on Arbor Day yesterday, to plant trees for future generations.

All over city, Cape Flats, Boland and Karoo towns schoolchildren, businesses and community organisations planted trees of varied species and shades of green.

In Old Crossroads, a tree was planted as a symbol of peace between warring factions.

Mayor Mr Gordon Oliver attended five tree-planting ceremonies.

During this year, the year of the oak, more than a million trees will be planted all over the country as part of the "Trees of Africa" campaign.

Drivers

killed man

By BERENG MTIMKULU

FIVE taxi drivers who sjambokked a suspected thief to death were this week found guilty of culpable homicide by a Johannesburg Regional Court.

Isaac Mkontwana, 29, of Eikenhof, Doctor Thwala, 33, and Jameson Khubeka, 29, both of Soweto, Simon Maduna, 43, of Jeppe, and Vusimuzi Danisa, 33, were each sentenced to two years' imprisonment suspended for five years, and fined R1 200.

Pleading guilty, the men claimed Ndlovu stole a radio cassette player, cassettes and "very important" documents belonging to Mkontwana from a minibus.

Taxi operators need to learn basic business principles

Wed 10/8 - 12/190

EDUCATION in basic business sense may provide one part of a solution to the problem of minibus taxi accidents.

Another part lies in stricter penalties for traffic violations. The solution, like the problem, appears to be multi-faceted, and training alone is no panacea.

The results of one of two studies published recently by the Centre for Scientific and Industrial Research (CSIR) roads and transport technology division confirmed what had long been suspected. Minibus taxi drivers speed, overload, ignore traffic regulations, often have suspect tyres and may often need glasses.

At the same time the CSIR unveiled another ambitious plan to solve the problem, as a result of a separate study. This involved changing the "culture" of the industry and controlling the quality of new entrants through selection criteria.

However, both studies appeared to ignore what has been cited as the main reason for overloading and speeding. This is the economic imperative of taxi owners and drivers to maximise profits. Institute of Race Relations researcher Colleen McCaul, author of *No Easy Ride*, a comprehensive study of the industry, notes that the low wages paid to drivers are part of the problem. Low wages tempt drivers to make good by carrying extra passen-

gers for their own account.

A CSIR study of driver training did touch on the issue. It found: "Of combined taxi drivers interviewed 74 percent were paid by means of a fixed amount rather than through any incentive-based scheme." This seems to suggest the causes of bad driving lie elsewhere, for example in a lack of training or bad attitudes.

McCaul points out that even though there might be no formal quota system, taxi owners employing drivers have a good idea of what a day's takings should be. Drivers, therefore, would have to break speed limits and overload to bring in more than the taxi owners expected to receive. She said that in some cases drivers were remunerated by being allowed the takings for one day of the week.

Transport consultant Mike Johnston, who was responsible for the study of driver training, remarks that many bad business practices such as overloading are wrapped up in the industry culture and will be addressed in follow-up research.

The study focused on educating drivers, not on the owners or operators. The operators might need educating themselves in basic business economics. Speeding and overloading increase wear and tear on the taxis, making these prac-

Minibus taxi drivers have been under fire for poor safety standards. However, taxi owners and operators are also at fault, reports REG RUNNEY

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tices counterproductive. It is likely that extra revenue earned by owners underpaying drivers is cancelled out by the drivers engaging in bad safety practices to make extra money.

Pat Miller, of the CSIR's roads and transport technology division, says the business of running a minibus taxi is being dealt with in a separate project sponsored by the Department of Transport. She notes that a course in basic business skills is being developed. Also, the fares structure of the industry is being examined.

"Fares haven't kept pace with rising costs and as that gap widens many people are becoming marginal and going out of business."

It makes more business sense to charge a higher fee and make fewer trips rather than more trips at lower fees. But Miller reckons that consumer edu-

cation is also needed because there is resistance to higher fares.

The CSIR study of the causes of taxi collisions found that penalties for traffic violations appear to be too low.

The study of collisions itself identified as solutions: implementation of driver training programmes, stricter law enforcement, and more research, for instance into drivers' vision, as well as new lower speed limits for taxis.

Law enforcement that punishes drivers but leaves operators free to employ new drivers does not address the problem. The yet-to-be introduced Road Transport Quality System promises to control operators as well drivers.

On lower speed limits and stricter penalties actual enforcement is the main problem. A spokesman for the Johannesburg Traffic Department yesterday confirmed that the department did not have enough officers to control violations by minibus taxis, despite having a special task force for this purpose.

It was admitted at the press conference announcing the results of the two studies that law enforcement is already inadequate and it is unlikely more enforcement resources would be forthcoming. However, the Taxi Safety Action Group on which many varied organisations rang-

ing from the AA through the Southern African Black Taxi Association (Sabta) to the SAP are represented is looking at co-ordinating what resources there are to make law enforcement more effective.

Sabta's Jabu Mabuza stressed that the minibus taxi industry attached importance to the training programme. Sabta's own Project Spear, set up with much fanfare last year as the answer to the minibus collision problem, has yet to swing into action.

Anglo American and De Beers Chairman's Fund head Michael O'Dowd has said the consumer has to be mobilised. Commuters have to be educated about their power to enforce safety standards in the taxi industry.

Mabuza pointed out that commuters are often the cause of bad driving as they insist drivers overload or drive fast to accommodate their needs.

It has been emphasised that the programme of education, training and development outlined by the training programme study would take five to 10 years to arrive at the requisite level of competence for the whole industry.

It remains to be seen whether the public will be satisfied with such promises. So far there seems to have been little progress.

Cam. Times 13/8/90 332

Staff Reporter

TWELVE minibus taxi drivers in the city have committed 1 182 traffic offences and face 133 outstanding court summonses, it has been disclosed.

And the traffic department has R9 000 worth of unpaid fines from taxi drivers, many of whom have consistently given false names, according to Inspector Nick Rheeder.

He told the Cape Times that the most serious offender has 133 summonses outstanding and has given 32 different names to the traffic department.

1 182 offences by 12 taxi drivers

Noting that not all taxi drivers disregarded traffic rules and that "some are good drivers who abide by the rules of the road", he said most offenders were from townships around Cape Town "where it is not possible to go in and arrest them".

"One day they will give their correct first name and a false surname, and the next day they give their correct surname and a false first name.

Mr Rheeder added: "Standard procedure is now that whenever a taxi is pulled over for a traffic offence, the officer checks whether the driver has any outstanding fines and if he has we arrest the driver immediately."

From June the traffic department had asked taxi associations to inform their drivers to carry their licences and positive identification.

Fatal taxi battle in Soweto

13/8/90
Staff Reporter

One person was killed and three were wounded in a shootout between members of rival taxi groupings at Soweto's Baragwanath taxi rank last night, a police spokesman said.

The taxi service from the rank to many parts of Soweto was disrupted by the gunfight as taxi owners fled their vehicles in terror, leaving their passengers stranded.

Three minibuses were damaged.

A taxi owner who was involved in the clash told The Star Bara City taxi owners had fired on the minibuses owned by

members of the Baragwanath Pretoria Taxi Association at about 7 pm.

"We were just parked here when they started shooting. Some drivers ran away, others started shooting back.

"I was in my taxi, I couldn't run away, so I started shooting back at them through my wind-screen," he said.

He did not know what had sparked the shooting.

"To own a taxi is to own a death," he said.

A Dobsonville resident on her way to the taxi rank from work at Nasrec said she had witnessed the attack.

"I saw a lot of people

carrying guns. There were many shots and many people lying there," said the woman, who did not want to be named.

"Taxi drivers were running away, leaving their taxis behind. I had to walk to Diepkloof Zone 1 to get a taxi, because there were no more taxis at Baragwanath."

Last night police spokesman Captain Joseph Ngobeni said automatic weapons had been used in the attack.

He said the injured had been admitted to Baragwanath Hospital.

A hospital spokesman refused to disclose their condition last night.

garded in Pretoria as an important sign of what has been

President de Klerk to sit down with

Bid to clean up the problem-ridden black taxi industry

Violent taxi feuds, overcharging, speeding and recklessness are facets of the giant black taxi industry that will soon be submerged with the help of strict discipline, if the current efforts of the Southern African Black Taxi Association (Sabta) to forge more power over the industry succeed.

Violence as well as gross disregard for consumers and road rules are accusations which have come to epitomise the industry since it began to flourish in the 1980s. In recent incidents, the use of weapons, including automatic firearms, has become a serious concern for police and umbrella taxi associations. And at the brunt of constant feuds are innocent commuters, whose grievances and fears for their safety have seemingly had little effect.

The reasons for continuing taxi wars is multifold, but the major contributing factor lies in the struggle by ever increasing numbers of taxi drivers to secure operational territory, according to Sabta media liaison officer Fanyana Shiburi.

According to Mr Shiburi, the only way properly to control the industry is through the wider disciplinary influence of

one taxi body over allocation of routes, for instance. Meanwhile, Sabta has launched a major drive to unite splinter taxi groups and diffuse animosity between them.

The industry had also become the battlefield of problems outside business, for instance personal clashes and po-

Major moves are afoot to bring the increasingly conflict-ridden black taxi industry under control. After years of freedom, wayward taxi operators may soon meet with stringent discipline from all sides. **HELEN GRANGE** reports.

one taxi body over allocation of routes, for instance. Meanwhile, Sabta has launched a major drive to unite splinter taxi groups and diffuse animosity between them.

The industry had also become the battlefield of problems outside business, for instance personal clashes and po-

tical differences. One long-standing problem that Sabta had gone some way towards solving was the motivation for recklessness and speeding among taxi drivers. "The reason many drivers speed is because the taxi owner stipulates a particular amount to be submitted to him, and

the rest goes into the driver's pocket. The more trips a driver can fit into a day, the better off he is.

"A computerised money collecting card (similar to a credit card) is being introduced, which will mean no money is collected by the driver. The card will record kilometres done and at the end of the day, the driver and owner can sit down and analyse the computerised information and work out profit sharing."

But in order to clamp down on other 'mafioso' style behaviour in the industry, Sabta needed the ability to stop cer-

tain operators from doing business. "If this happened, the word would soon spread and everybody would eventually fall into line."

Moves to improve the structure of the wayward black taxi industry have been sanctioned by the ANC, which has called for the formation of one united taxi association.

This is likely to be the major hurdle in the bid to oversee taxi operations properly. Although the industry has been a landmark in the Government's deregulation policies, Sabta feels that necessary restrictions will soon be imposed.

UNIVERSITY OF

2 shot after taxi war talks postponed

Own Correspondent

DURBAN — The bitter taxi feud between rival taxi operators erupted in full view of horrified guests in the foyer of the Elangeni Hotel yesterday when two brothers were shot, minutes after a meeting called to resolve taxi operator's differences was postponed.

Members of the South African Black Taxi Association (Sabta) and the Durban Station Taxi Rank operators met yesterday afternoon but soon after Sabta president, Mr James Ngcoya, postponed the meeting and requested that the local taxi operators resolve the problem among themselves, the shooting started.

Terrified guests

John Mkwanaazi and his brother Petros Mkwannazi were shot as they were leaving the hotel. Terrified guests at the beachfront hotel fled in all directions.

The brothers were admitted to the Addington Hospital where their condition is said to be serious.

Detectives have arrested five suspects in connection with the shooting and have seized firearms.

B1 Day 15/8/90

Forecasts achievable, says Racy

MANDY JEAN WOODS

TRANSPORT group Racy Group Holdings should achieve its forecasts in 1991, which would be a satisfactory increase on the 1990 result, chairman Ivor Jacobson said in the group's recently released annual report.

Ignoring unforeseen circumstances in 1991, earnings a share should increase and financial ratios should be restored closer to acceptable self-imposed objectives for leverage.

The financial year to end-March was one in which results were unsatisfactory with the liquidity of the group deteriorating.

"The increase in consolidated turnover by 21% to R55,9m and the increase in tangible net asset value a share from 65,9c to 71,5c after providing tax at a full 50c in the rand, and that earnings are no longer distorted by low tax rates, is pleasing.

"Management is striving to improve margins, profitability and cash flow in the 1991 financial year which I believe will be achieved," he said.

Jacobson said it was hoped general economic conditions would not cause margins to erode further.

He said 1991 would primarily be a year of consolidation for Hendler's Transport as expansion through acquisition and investment in new fleet was substantially completed and on a sound base. (332)

Hendler's Transport's operating income was expected to increase to reach the group's objective of 18% of turnover, and a 40% increase in turnover was budgeted for 1991.

He estimated Dinsa Holdings, trading as Diesel City, would have a 30% increase in sales in 1991.

"Margins can still be improved and management is concentrating on this aspect. Budgeted profits for 1990 were achieved and this division contributed 37% of income before tax," he said.

Sabta wants more security

THE Southern Africa Black Taxi Association said yesterday it was appalled at the increasing violence directed at its members and commuters and called on the police to substantially step up security at taxi ranks. *Gowell 15/8/90*

In the past three months, bombs had exploded at four taxi ranks, including ranks in Welkom, Bree Street in Johannesburg and Bloed Street in Pretoria, injuring several people and causing extensive damage.

Earn a living

"Taxi drivers are not political figures, they are simply people trying to earn a living."

"Passengers gathering at taxi ranks are innocent men and women and children doing no harm to anyone. To use these people to make political capital is unforgivable."

Sabta condemned "such outrageous and barbaric behaviour in the strongest terms", the statement said.

Witwatersrand police liaison officer Captain Eugene Opperman said yesterday police would continue to patrol taxi ranks as part of their normal rounds and would take special action when the need arose. - Sapa.

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Violent taxi 'war' starts

CAPT T-413 15/8/90 (24) 332

BLOEMFONTEIN. — A "war" has broken out here between two rival taxi factions.

There has been simmering tension between Bloemfontein's long-distance taxis and those from the Transvaal and other regions.

On Tuesday morning a minibus with Transvaal registration plates was burnt out in Bloemfontein in one of the latest incidents in the war.

The incident occurred after three minibuses were seen at a taxi rank in the city, one loaded with heavily armed people and escorting the other two.

Weapons such as pangas and knobkerries were found in the burnt-out vehicle.

In Pretoria yesterday, the Southern Africa Black Taxi Association said it was appalled at the increasing violence directed at its members and commuters and called on the police substantially to step up security at taxi ranks.

In the past three months, bombs had exploded at four taxi ranks injuring numerous people and causing extensive damage, Sabta said in a statement.

Sabta condemned "such outrageous and barbaric behaviour in the strongest terms".

Witwatersrand police liaison officer Captain Eugene Opperman said yesterday that police would continue to patrol taxi ranks as part of their normal rounds, taking special action when needed. — Sapa

Sabta boss hits back

Sowetan 16/8/90
THE President of the South African Black Taxi Association, Mr James Ngcoya, has slammed white residents on Durban's Snell Parade for objecting to the proposed taxi rank on the beachfront. (332)
Ngcoya said whites, who feared there would

**Sowetan
Reporter**

be noise, violence, littering, criminal elements and open-air cooking on the pavements, would have no choice but to face the discomforts.

"If that is what they predict, then I suppose they will just have to stomach it," he said.

He said suggestions that the taxi rank should be relocated at Tekweni Beach was against multi-racialism and the "new South Africa everyone is talking about".

Taxi credit squeeze

South 16/8 - 22/8/90

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By CHAIRA CARTER

THE minibus taxi industry — once hailed as South Africa's 20th century "gold rush" — is facing a financial squeeze in the Western Cape.

Commuters are likely to feel

the spin-off in the form of higher tariffs and reduced safety.

In the past month, financial institutions have raised the deposit required for new vehicles to as much as 50 percent in an attempt to cut down on repossessions.

The new stringent measures are aimed at ensuring that operators can meet repayments.

The hike means few operators can afford to replace vehicles or expand their fleets. Dealers say there has been a marked decline in the number of minibuses sold.

Underlying the crisis is a situation

in which too many operators are plying a limited market.

According to Wesbank, the largest financier of taxis in Cape Town, and Mr Basil Nagel, the chairperson of the South African Black Taxis Association in the Western Cape, oversupply has led to taxi operators struggling to make profits.

With the rising cost of repairs and the increased cost of petrol, this has meant many operators face a spiral of debt.

Stannic's marketing manager, Mr AA Reekie, said that while Stannic had varying finance schemes, there had been a trend to raise the deposit required to lower monthly repayment charges.

He said noticeably fewer people were buying new minibuses.

A Wesbank spokesperson said the bank had raised the deposit required at the request of Sabta.

The bank had met with Sabta recently to discuss the situation in the Western Cape.

Ceiling

"Unlike the rest of the country, the taxi industry is no longer a boom industry in the Western Cape," the spokesperson said.

He said Sabta had expressed concern at the large number of its members who were getting into debt and requested that instalments be limited to a ceiling of R2 000 a month. This meant a higher deposit was required.

"There has been a proliferation of taxis in the Western Cape and Sabta's request is an attempt to protect its members," the spokesperson said.

Anyone not a member of Sabta who wanted to enter the business would apply for a loan in the normal way.

Nagel said the taxi industry was viewed by banks as a "high-risk business" and the move to increase deposits reflected a desire by the banks to create more stable operators.

The higher deposits did not necessarily mean it was more difficult for someone to enter the industry for the first time.

Increase

He said operators were upset at the high finance charges and large deposits and were planning to take action, but he could not disclose what form this would take.

Nagel warned that high overheads and the recent increase in bus fares meant operators were likely to increase their fees by between 20 and 25 percent within the next month.

He said operators were waiting to see whether there would be an increase in the petrol price before an increase in fees was implemented, to avoid two increases in a short period.

Cape Town's traffic department chief, Mr Wouter Smit, said the "critical issue" was the state of repair of vehicles.

He said if operators were squeezed for cash, this could affect the state of repair as well as put pressure on drivers to overload and speed.

UIF offices reminded of the law

By Claire Robertson
Pretoria Bureau

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Unemployment Insurance Fund offices countrywide have been reminded by their Pretoria head office to be less precipitous when denying claimants benefits.

After a spate of claims brought by the Pretoria Legal Resources Centre in the past 10 months, claims offices have been reminded that beneficiaries who fail to report to their claims office are entitled to a hearing before losing their benefits.

In terms of the Unemployment Insurance Act a contributor's application for benefits lapses if he or she fails to report to the claims office or designated office regularly "without good cause".

A Legal Resources spokesman explained that in at least two rural Kwa-Ndebele areas UIF beneficiaries had complained that their benefits were summarily stopped.

Numbers of those affected is not known, although the problem has reached the extent where it is to be the subject of a protest march at Siyabuswa this weekend.

Commissioner of the UIF, Jack Scheepers, confirmed yesterday that claims offices had been reminded that beneficiaries were entitled to explain their failure to report before being deprived of benefits.

Mr Scheepers said that, with 140 000 beneficiaries receiving about R65 million a month at 329 payout points, mistakes were bound to be made.

Safcor earnings buck the trend

MARCIA KLEIN

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SA FREIGHT Corporation (Safcor) posted a 26% rise to R13,5m in attributable earnings for the year-end to June, despite deceleration in the freight industry, MD Peter Desilla said yesterday. 610am 17/8/90

Safcor has interests in domestic long-distance cartage, clearing and forwarding for imports and exports, warehousing and property.

The Currie Finance Corporation (Curfin) subsidiary reported earnings a share of 61,7C (49,3c) — 25% up on last year. A dividend of 30c (25c) for the year was declared.

Despite declining import volumes, turnover rose 17% to R961m (R824m) and operating income increased 18% to R26,5m.

A 50% drop in income attributable to outside shareholders reflected a lesser contribution from non-wholly owned subsidiaries.

Desilla said the recessionary trend was noticeable in road transport-related activities, which had not recovered from escalating costs.

"In these circumstances the group feels gratified with the results."

Management was aware of the possible deceleration in economic activity, and was committed to cost savings with possible rationalisation in operations, he said. "The accent will be on service and sales, and Safcor looks at least to maintain earnings during the next year."

NEWS



Exile returns . . . Donald Woods, former Daily Dispatch editor, takes a sip of water at a press conference at Jan Smuts Airport. He arrived in South Africa yesterday.

● Picture by John Hogg.

Woods feels optimistic about the future of SA

By Kaizer Nyatumba,
Political Staff

Former Daily Dispatch editor Donald Woods, who left the country in 1976 after being banned for five years, arrived in South Africa yesterday.

Mr Woods, who will be in South Africa for six weeks, said a lot of goodwill existed abroad towards South Africa and the international community was waiting to welcome South Africa back into its fold.

He said political changes embarked upon by President de Klerk had received good publicity abroad.

"I have always felt very confident about the future of South Africa," Mr Woods said.

The former Daily Dispatch editor said that while in South Africa he would travel and do journalistic work for the BBC, the American ABC TV and the British Sunday newspaper, The Observer.

Mr Woods said that although the international community was "literally rooting for South Africa", they were also concerned about the violence taking place in the country.

He told journalists on his arrival at Jan Smuts Airport that he was not bitter that he and his family had spent 13 years living in exile.

Investigating

He told reporters that when he left the country in 1976, he had told himself that apartheid would crumble within seven years, but "it has obviously taken a little longer than that".

Mr Woods had also told himself that when he finally returned to South Africa he would continue investigating the death of Black Consciousness leader Steve Biko, to find out who his killers were.

He would no longer do so, however, in the light of conciliatory statements by African National Congress deputy president Nelson Mandela that there was no need to dig up the past.

Mr Woods shared the ANC's view on sanctions, saying it was important that these were not lifted until political change in the country had become irreversible.

An outspoken critic of apartheid and friend of the late Mr Biko, Mr Woods had been editor of the Daily Dispatch for 12 years when he was banned for five years in 1976, not long after the death in detention of Mr Biko. He fled the country to Lesotho, where he was joined by his wife, Wendy, and their five children.

Two killed in taxi battle involving grenade and AK-47

Crime Reporter

SKR 24/1/90

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Two people were killed and two wounded in Soweto last night when shots were fired with an AK-47 rifle and a grenade was thrown in a taxi battle, police said.

The mini-war erupted at the Baragwanath taxi rank at 5.40 pm. It represented a dangerous trend in criminal activity — the increased availability to criminal elements of sophisticated weaponry, said Soweto police spokesman Lieutenant

Colonel Tienie Halgryn.

He said a woman and a man were injured and admitted to Baragwanath Hospital.

The names of the victims were not available last night and no arrests have been made.

The violence was apparently linked to a dispute over route rights. It appears that a taxi driver had used a route he should not have.

The incident was not linked to the township conflict.



Nelson Mandela ... There is optimism that the ANC will suspend its armed struggle and its campaign of boycotts, strikes and stayaways.



Joe Slovo



P.W. Botha



Joe Modise



Gerrit Viljoen



Alfred Nzo



Kobie Coetsee



Thabo Mbeki



Adriaan Vlok



P.W. de Klerk ... Government seems ready to release most ANC political prisoners and allow thousands of ANC exiles to return.

Crucial talks are under way

By Peter Fabricius,
Political Correspondent

Crucial talks between the Government and the African National Congress began in Pretoria today amid wide optimism the ANC will suspend its campaign of boycotts, strikes and stayaways, in addition to the armed struggle.

In exchange, the Government seems ready to release most ANC political prisoners and to allow most of the thousands of ANC exiles to return to South Africa.

This would open the road to full negotiations on a new constitution. President de Klerk and ANC deputy president Nelson Mandela faced each other across the table at the Presidentship government guest house, each flanked by four top men. Mr Mandela was supported by SA

Our aim to end hostilities, Mandela tells BBC

LONDON — Nelson Mandela says he can see no reason why hostilities between the South African Government and the African National Congress should not be suspended following the talks between the two parties which begin today.

Speaking in an interview on the BBC World Service early this morning, Mr Mandela was in a broadly optimistic mood. But he warned that the failure to dismantle apartheid, to introduce one person one vote, and to stop attacks on the ANC by "the police, vigilantes and right-wingers" could force the ANC to revert to the armed struggle.

Mr Mandela insisted several times that the ANC's paramount aim was to achieve virtually an immediate end to hostilities. He said: "If the Government is prepared to move forward by way of removing these obstacles, we are prepared to make a declaration at this meeting that we are suspending the armed struggle."

— The Star Bureau.

Communist Party chief Joe Slovo, Umkhonto we Sizwe commander Joe Modise, ANC general secretary Alfred Nzo and head of foreign affairs Thabo Mbeki.

Mr de Klerk had at his side Foreign Minister P.W. Botha, Constitution Minister Gerrit Viljoen, Justice Minister Kobie Coetsee and Law and Order Minister Adriaan Vlok.

The talks — aimed at removing the remaining obstacles to full negotiations — are expected to last for just one day, although follow-up talks have not been ruled out.

Government sources said they were expecting a clear ANC commitment not only to stop open physical violence, but also what the Government calls "disguised violence."

By this they mean various stratagems "to make the country ungovernable", such as intimidation, rent boycotts, school defiance campaigns, strikes and stayaways.

Both sides have expressed confidence that agreement can be reached — mostly because much of the difficult work has already been done by joint official groups behind the scenes. It is known that the joint ANC/Government working group, which was asked to produce guidelines for the release of political prisoners and return of exiles, has reached basic

agreement.

The ANC and Government are expected to agree on guidelines for a definition of a political offence which would cover most prisoners and exiles, but not the most extreme cases such as those who have been responsible for indiscriminate killing or injuring civilians or damaging purely civilian property.

One concern of the ANC is the continuing state of emergency in Natal. Although some weekend reports suggest that the Government might agree today to lift it, Government sources said last night they thought this unlikely.

It seems likely that the ANC will accept that the Natal emergency cannot be lifted until the widespread violence on the ground ends.

Police allegations of an ANC campaign, code-named Operation Vula to intensify instruction efforts, especially in Natal, will also be discussed. Government expected to act on exiles

— Page 5.

Bail granted in stranded pilgrims case

Staff Reporters

A TRAVEL agent who allegedly left 190 Christian pilgrims stranded in Turkey in June, yesterday arranged bail of R20 000 cash and R80 000 in immovable property for his release after a brief appearance in Cape Town Magistrate's Court.

Mr Dawood Parker, 54, of Cecilia Court, Sussex Road, Wynberg, was not asked to plead and no charges were put to him.

The magistrate, Mr V R Gibson, ordered Mr Parker, who was represented by Mr Enver Daniels, to report to the Lansdowne police station daily.

He was further ordered to surrender his passports and not to communicate with any of the more than 200 state witnesses or his former employees.

Bail was not opposed by state prosecutor Mr P Delpont.

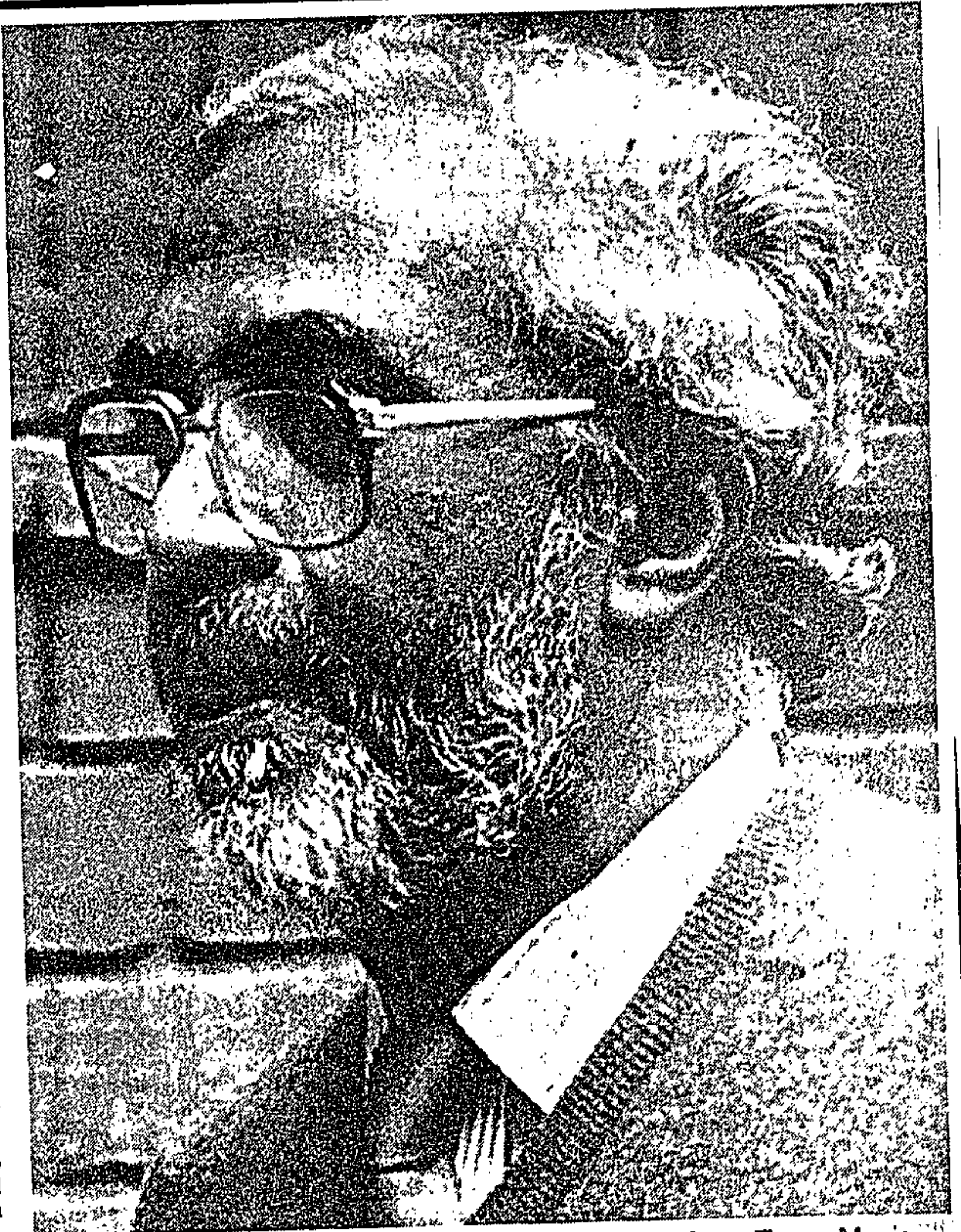
The hearing was postponed to October 20 for further investigation.

Mr Parker, sporting a beard and smartly dressed in a blue jersey, matching blue tie and flannel trousers, was arrested yesterday morning in connection with police investigations into a R500 000 fraud allegation. He had handed himself over to police at 9am.

He disappeared after the tourists — who were on a pilgrimage to North Africa, Israel and Europe — were abandoned in Istanbul when his company, New World Travel Circle, was provisionally liquidated in the Supreme Court, Cape Town, in his absence in June.

It is understood that having managed to evade Interpol for over six weeks, he arrived back in the country on Sunday by flying from Botswana to Johannesburg.

He was in Cape Town for several days before contacting the police via his lawyer, Mr Daniels.



BACK IN TOWN . . . Mr Dawood Parker outside Cape Town Magistrate's Court yesterday.

Picture: BENNY GOOL

Rescue bid as bus services face collapse

CAP Timp 23/8/90 (332)

Own Correspondent

PORT ELIZABETH. — Organised commerce and industry were moving fast yesterday to mount a lifeboat operation to rescue the city and regional bus services from total closure.

Unless they succeed, all bus services in Port Elizabeth and outlying areas will be stopped, leaving the region with virtually no form of transport at the end of September.

Mr James Kleynhans, chairman of the Algoa Regional Services Council, who is spearheading the rescue bid as a "facilitator", said the city would be brought to a halt if there was no bus service.

But, he said, the rescue would succeed.

He was backed by the Chambers of Industry and Commerce, the city council and his Regional Services Council.

A possibility is that the "community" will take over the assets of the company instead of allowing the 400 buses to be taken to other towns as planned.

PE Tramways executives said they would be prepared to continue running the operation if asked to do so.

Last night transport and bus workers' unions were scrambling to arrange meetings to discuss the issue.

PE Tramways, which runs all the bus services except mini-taxis and luxury buses, announced that it would stop them all, because of losses running into millions of rands.

Other reasons for the move include the sporadic stayaways which made it impossible to run the service efficiently, declining passenger numbers caused by rising unemployment and increased unrest.

CAPE TOWN and Johannesburg should stop talking and start building a rapid-rail system, Swiss urban planning expert Professor Ervin Galantay told the South African Property Owners' Association convention in the city yesterday.

Presenting a paper, "Changing Metropolis: Worldwide Trends with Reference to South Africa", he said a metropolis that passed a certain population threshold should have rail system.

"The threshold is 2 million in developed countries and 5 million for developing countries," said Prof Galantay.

SA 'should build rapid-rail systems'

Caracas, Rio de Janeiro, Santiago de Chile, Seoul, Hong Kong, Singapore and Cairo all built underground metro systems and could no longer function without them, he said.

Shanghai, Canton, Kuala Lumpur, Bangkok and Sydney seemed to be opting for elevated systems, he added.

"It is time for Johannesburg

and Cape Town to stop talking and start building a rapid-rail transit system.

"In addition, to provide easy access to the new sub-centres, light-rail transit loops should also be provided," he said.

"For example, a new centre in Soweto should be served by a figure-eight transit loop on the model used by the British

'new town' of Runcorn.

"It is of crucial importance that South Africa — with its high cost of petrol — should not follow the wasteful American model of low-density dispersal and total reliance on the private automobile.

"In Los Angeles, people are obliged to spend 17% of their income on transportation and a further 5% to fight air pollution," he said.

SA metropolises should strive to maintain the presently optimal model split of 70% of all trips made on public transport, and only 30% by private vehicles. — Sapa

Tollgate gets tough on buses

FRESH from his financial triumphs with Thompson T-Line in London, entrepreneur extraordinary Julian Askin is causing waves in Tollgate Group Holdings.

The emphasis at ailing Tollgate is the bottom line.

This week Tollgate told the Port Elizabeth Municipality that Tollgate's 111-year-old subsidiary, PE Tramways, would cease operations and move 400 buses to the more profitable Western Cape. Later PE Tramways extended its deadline to the end of September.

Fare subsidies were inadequate and Tollgate did not dare increase fares on its own. PE Tramways has already lost more than 100 buses to rioters.

5/11/90
Deploy

Mr Askin says Tollgate has offered to sell 240 buses, enabling the municipality to run an efficient service. But if the council does not bite, Tollgate will move the buses.

Mr Askin says: "We aim to clean up Tollgate, to make sure only profitable operations are maintained. Because the buses run longer routes, they are more profitable in the Western Cape."

"By moving the PE buses to the Western Cape, we avert having to buy new vehicles and can deploy financial reserves in other areas."

Having sold Arwa, Tollgate has its buses —

Business Times Reporter

largely Cape Tramways — Motorvia, Budget Rent-a-Car, Gants Foods and Enterco, which owns the Greyhound and Springbok Atlas companies.

All unprofitable activities are under scrutiny, which places a question mark over continued investments in Gants and Budget.

Mr Askin, with partner Hugo Biermann, formerly an investment manager at Liberty Life, bought Thompson T-Line, a moribund caravan maker in the UK, and built it into an effective Hanson-type conglomerate. Initially the company was valued at £800 000. They sold out with the company valued at £200-million and cleaned up £15-million each.

The partners were backed all the way by heavyweight City institutions. These institutions have followed the partners to SA by taking up a Tollgate rights issue.

Mr Askin says: "We intend to use the London listing to build up foreign earnings. We want to make a large foreign acquisition. We have the ideas and the contacts."

Mr Askin warns shareholders against excessive optimism. He says six months of hard work lie ahead.

Lilian Boyle to take over reins at Rennies Travel

Boyle 27/8/90
 LILIAN Boyle has been appointed MD of Safren subsidiary Rennies Travel after a four year "meteoric rise" in the company.

The Glasgow University graduate, who has a MA in economics, replaces MD David Sapseid, who will become chairman of the group.

Boyle takes up her new post on September 1.

She says she is "terribly excited" about the development, and that being in travel in these times is a huge challenge.

Boyle has been with the group for 11 years since joining the former Freight Services Group as an economist.

After completing an MBA at Wits University in 1984, she became a "full-blooded Rennies member" when Rennies and Safma-rine merged to form

MARCIA KLEIN

Safren, and held the position of corporate planning manager.

Her long-held dream of entering the travel field was fulfilled in 1986 when she was transferred to the travel division, later becoming GM of the leisure travel division (Transvaal).

Travel seemed "like a natural home" for Boyle, who did not see herself permanently in a staff position.

A board appointment as marketing director followed in June 1989.

In February 1990 she became deputy MD of Rennies Travel.

Boyle, who is to become the first female MD in the Rennies group's 137-year history, says her achievement has been through hard work.

She plans to concentrate on building up Rennies



● BOYLE ... facing the challenge.

Picture: CATHERINE ROSS

Travel from its already strong base, with the emphasis on managing the 1 000 staff members throughout SA.

The impending fuel surcharge, fare increases, proposed airport tax and a weak rand could have an adverse effect on travel volumes, says Boyle.

The travel business works on small margins,

she adds, so a shift in volumes could have a significant effect on bottom line profitability.

Rennies Travel has a travel turnover close to R500m and issues more than 500 000 domestic and international tickets each year.

Rennies is the largest foreign currency dealer in SA, says Boyle.

ruled out the possibility
in Botswana or Swaziland.

A statement by Rudolph, who has a

sought in connection with politically
motivated crimes.

Govt must give taxis more attention

Sowetan 29/8/90 (332)

THE economic problems of the black taxi industry must get more Government attention if black free enterprise were to be prominent in the new South Africa, a taxi spokesman said this week.

Speaking for the South African Black Taxi Association, Mr K Matjila said repossessions, encroachment by big white busi-

SOWETAN Correspondent

ness and higher costs threatened the industry with "a terminal decline" unless the Government offered additional attention and aid.

He was among speakers at the Natal Coordinating Traffic Committee symposium held in Pinetown.

Black South Africans already distrusted big business, suspecting it of working "hand in glove" with the Government to sustain apartheid, he said.

If the taxi industry, with its natural advantage of a ready clientele, could not survive, blacks would have little faith in the value of free enterprise in the new South Africa, he said.

Grincor income rises by 24%

JOHANNESBURG. — Grindrod Unicorn (Grincor), the Durban-based shipping and transport group reported a 24% increase in attributable income to R5,94m for the six months to June, compared with R4,76m at the same stage last year.

This translates into an increase in earnings a share to 23,5c against the previous 18,9c.

The interim dividend has been increased by 18% to 10c a share compared with last year's 8,5c.

Turnover improved by 22% to R228,16m (R187,38m).

Capital expenditure in the six months amounted to R44,2m. Included in this was a modern 26 000 deadweight ton ship which was added to the Unicorn fleet.

Chairman Murray Grindrod says much of the new investment was financed from Grincor's strong cash flow, so the net increase in interest-bearing debt was limited to R24,6m.

He adds that the rate of taxation was lower this year because of the utilisation of tax losses and an increased proportion of exempt income.

Commenting on the group's prospects for the next six months, Grindrod says the recession in the local economy and uncertainty stemming from recent international events, are unlikely to improve trading conditions in the second half of the financial year.

— Sapa

Khuzwayo slams 'reckless drivers'

Taxis warned to raise standards

332

[Handwritten signature]

Sowetan
30/8/90

THE National Black Consumer Union's former president, Mrs Ellen Khuzwayo, has warned minibus taxis to raise standards or face a boycott.

In a hard-hitting attack, she said black commuters had had enough of the fast and reckless drivers and the shabby service rendered by the industry.

"The only weapon the voteless majority of South Africa has at their disposal has been consumer boycotts, rent boycotts, bus boycotts, mass demonstrations and many other non-violent methods.

"I want to warn the taxi industry that the same may happen to them if they ignore us."

Khuzwayo asked how many operators employed

licensed and experienced drivers and attacked the "arrogant" attitude of drivers.

"They drive recklessly and at high speed, overtake on approaching a curve, play loud music and disregard traffic signs.

"Pity the poor commuter. If you dare complain, he will spit fire at you. They use the most vulgar words I have ever

heard.

"To the driver, what is important is the vehicle and the number of trips he makes. The commuter is disregarded."

The 100 000-plus minibus taxis convey an estimated five million passengers daily.

In the latest issue of the SA Black Taxi Association's official journal, she also attacked the poor hygiene of drivers and referred to the unpleasant odour of some drivers which left passengers "taking deep breaths" throughout the journey.

Sabta president Mr James Ngcoya was unavailable for comment yesterday. *Sapa*



Mini-taxis: Sabta will use the CSIR findings

Staff Reporter

The South African Black Taxi Association (Sabta) has undertaken to improve the standard of the country's minibus taxi industry by embarking on a project that would make use of the findings of recent research conducted by the Council for Scientific and Industrial Research (CSIR).

Sabta's director of public affairs, Mike Ntlatleng, said on Monday that the outcome of the project had confirmed the organisation's way of thinking and had come at the most opportune time.

Sabta, the biggest black taxi

association in the country, aims to merge membership of local taxi associations into one body and supports the formation of a taxi safety action group.

According to the research conducted by the CSIR, the major causes of accidents were speed and overloading.

Other interesting findings were that:

- Only two percent of minibus drivers wore spectacles compared to 18 percent of drivers countrywide.

- Only two percent of taxi drivers had a blood alcohol level of 0.8 mg or higher while the national average for drivers of commercial vehicles is eight percent.

- Only three percent of accidents were the result of head-on collisions while sideswipes accounted for 22 percent and rear-end collisions accounted for 21 percent.

According to the report, taxi drivers disregard red lights, travel at high speeds, weave through traffic and travel in convoy in urban areas.

The report recommends stricter law enforcement with respect to speeding, overloading and the condition of tyres.

Also recommended is a programme that would introduce control of new entrants through selection as the level of formal education of taxi drivers was relatively low.

Big backlog in black taxi payments

CMA 7/9/80
30/8/80
332

By CHRIS BATEMAN

OVER a third of black taxi operators in the Western Cape are in arrears with vehicle payments, it was learnt from the South African Black Taxi Owners' Association, (Sabta) yesterday.

A senior spokesman for Wesbank, which finances most Sabta vehicle deals, confirmed that vehicle repossessions in the Western Cape were "higher than our standard business" and "cause for concern".

However, he declined to supply figures for "business reasons".

But Mr Basil Nagel, Western Cape spokesman for Sabta, confirmed that the figure of local payment arrears was 34%.

Sabta sources in Pretoria said that the Sabta Foundation, set up four years ago to secure "reasonable" fi-

nancing for taxi operators, had been plagued with defaulters, vehicle accidents and absconders across the country. Wesbank is the custodian of the foundation.

The sources added that the foundation was being seriously abused by taxi operators who fraudulently claimed theft of vehicles or "simply disappear without paying". However, they said the foundation was in "excellent financial health".

The Wesbank spokesman said reasons for the Western Cape situation were a relatively efficient public transport system and an overtraded taxi market caused by an over-issue of permits.

In Natal and the Transvaal unrest had aggravated non-payments because of hijacking, burning and thefts of taxis, he added.

SOWETAN BUSINESS

R4-m plan to halt cabbies warfare

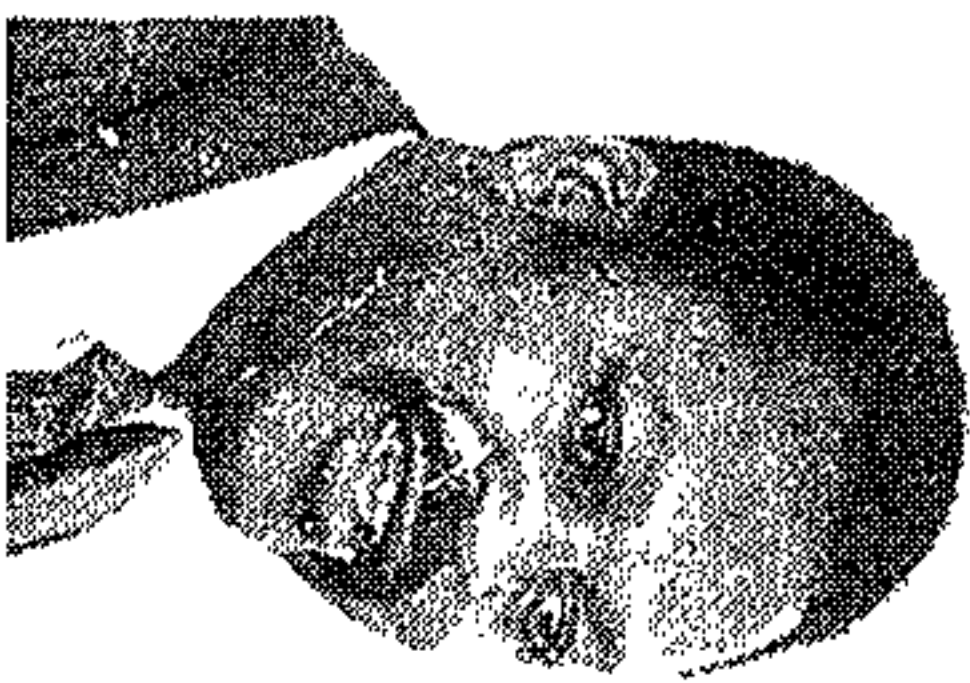
332
Soweto
30/8/90

By JOSHUA RABOROKO

The bus and taxi ranks opposite Baragwanath hospital is to be upgraded at a cost of more than R4 million in an effort to stop the fighting among taxi drivers and owners.

A number of shops near the rank will also be demolished, making way for a new shopping complex where black traders will lease or rent outlets.

At a stormy meeting in Soweto yesterday, the council's director of Protective Services, Mr Thomas Mabambe, told traders that the present, taxi and bus ranks would be demolished. Different ranks would be built for taxis going to various



Thomas Mabambe.

parts of the Greater Soweto.

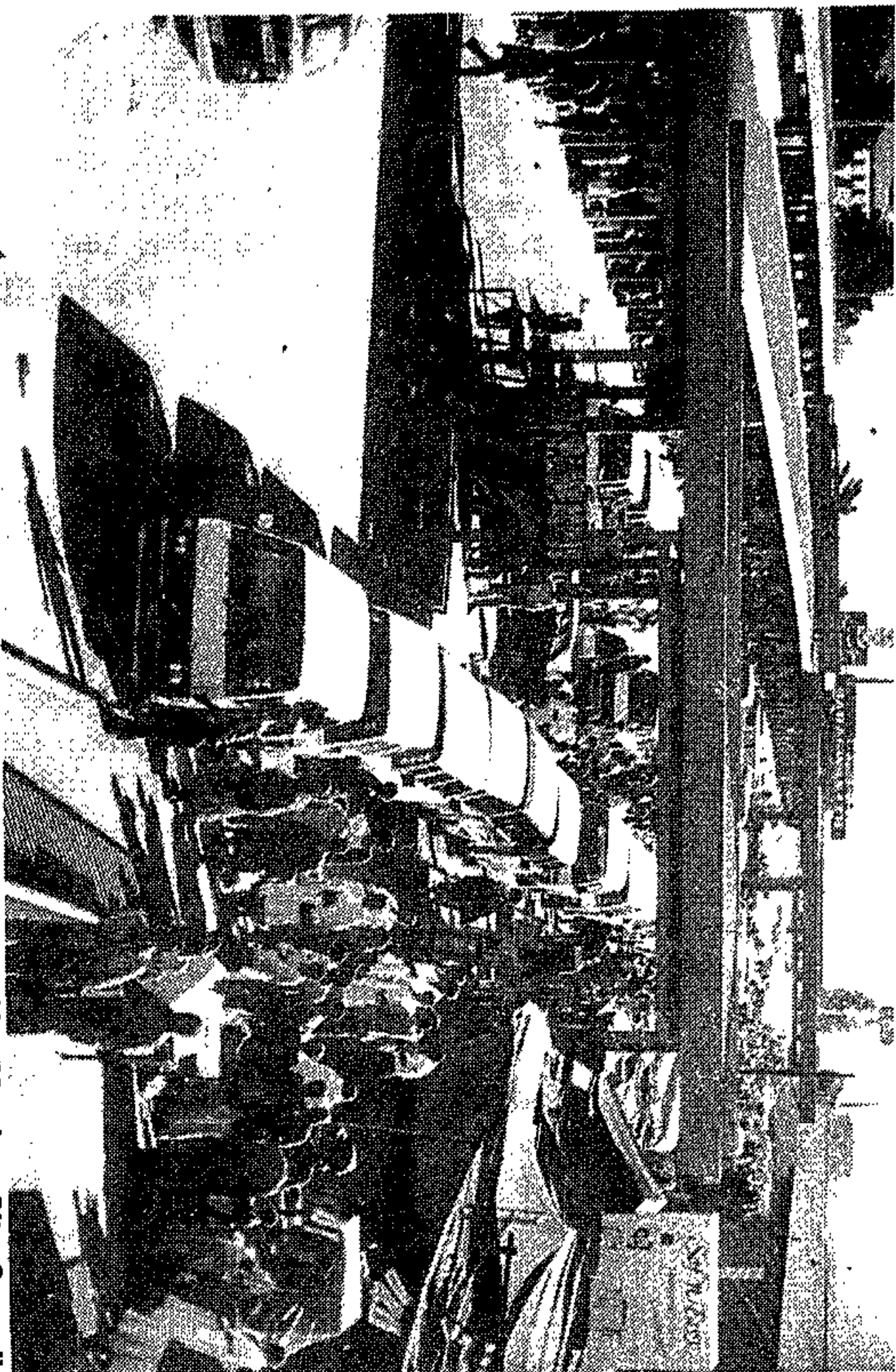
He said: "The aim is an attempt to resolve the taxi warfares and the congestion that is presently being experienced at the rank as well as to create

enough space for visitors to the hospital and commuters in the area."

"The present situation at the rank is causing concern because of violence that normally erupts among taxi operators, resulting in loss of life in some instances."

Referring to the new shopping complex, Mabambe said according to recommendations of a survey some of the shops near the rank would be demolished. A new shopping complex would be built near the area where traders could buy and lease sites.

It was important, he said, that for the sake of development the area be upgraded to enable busi-



Part of the Baragwanath taxi and bus rank to be upgraded by the Diep/Meadow City Council.

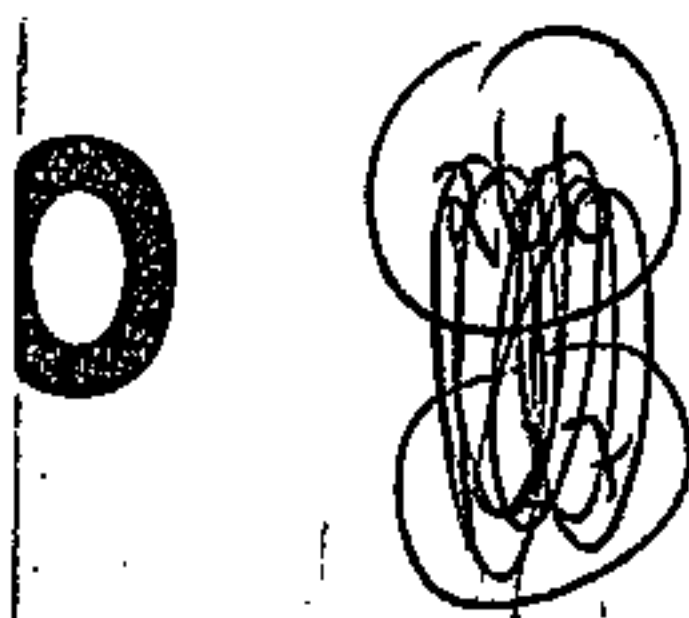
ness people to have more trading space. The informal sector in the area would also be accommodated.

Earlier the meeting was disrupted by angry

shopkeepers who expressed concern about the presence of Mr David Skinner, who is an engineer and planner for Scott and de Waal, a consulting company that conducted a survey for the upgrading of the area.

However, Mabambe explained to the traders that the council had requested the duties of the consultant with the aim to make recommendations for the upgrading of the place. Arrangements would be made to minimise any inconveniences that would be caused to traders.

The council has held a meeting with taxi associations, traders and will be meeting hawkers to discuss similar aspects with them in the future, he said.



Sowetan 31/8/90

the council viewed as the solution to the problem.

He also highlighted the misuse of council vehicles by councillors for personal use as well as the "fruitless expenditure" on expensive security equipment and the thousands of rands used for the laying out of a garden at the council offices.



MR JAMES NGCOYA

Heed criticism - Sabta boss tells taximen

Sowetan 31/8/90

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SOUTHERN Africa Black Taxi Association president Mr James Ngcoya said yesterday although he did not support a possible boycott of the minibus service, he agreed passengers and other road users had had enough of negative behaviour from taxi drivers.

He was reacting to a strongly worded statement from Mrs Ellen Khuzwayo of the National Black Consumer Union, who warned taxi drivers to raise their standards or face a boycott.

Ngcoya and Khuzwayo are respectively the founding president and vice-president of the Foundation for African Business and Consumer Services, a body that is dependent on Ngcoya's Sabta for office accommodation.

Constructive criticism

The Sabta president said Khuzwayo's criticism was constructive and should be treated as such by all taxi drivers, whether they were Sabta members or not.

He said Sabta had been hammering on taxi drivers to raise their standards and, at the same time, encouraging the community to demand a better service.

"Of course, what Khuzwayo is saying is we should stop being passive and start addressing the problem in earnest," he said.

For its part, Sabta had been working hard to improve the driving performance and personal behaviour of taxi drivers. - Sapa.

Fewer passengers means more taxi-owner friction

IT WAS inevitable that minibus taxis would have to be subsidised if they were to survive as a major transportation system, Mr Vaughan Mostert, of the Rand Afrikaans University department of transport economics, said this week.

"It's only a matter of time before they start asking for help. Subsidisation has in fact already started with local authorities

having to provide ranks."

Mostert said while subsidised bus services were cheaper to run, minibuses had become an established transport sector and passenger numbers were fairly high. *Sowetan 31/8/90*

Owners had believed that operating a minibus was like a licence to print money.

However, with the current recession, there were not enough passengers to go round

and competition was becoming increasing severe, resulting in increasing friction.

Dramatic

Ironically whites subsidised buses operating in black areas and the swing to minibuses had relieved them of this subsidy at a time when the Government was set on a path aimed at redistributing wealth.

Mostert was commenting on the

dramatic increase in the number of minibus taxi repossessions revealed at a traffic symposium in Pinetown this week.

Mr Knox Matjila, credit control manager of the SA Black Taxi Association, said that if the free enterprise system was to survive, whites would do well to ensure that the black taxi industry did not go under.

"When a black man who has put his life

savings in a taxi sees the vehicle repossessed, it is difficult for him to accept that this is just the free market at work."

Matjila said the taxi industry, with R3 billion invested in vehicles alone, was a major player in the economy and yet it could well enter a stage of terminal decline in the next year or two and make the transition to a new South Africa no easy matter.

COMPANIES

Imperial Holdings increases turnover by 22% to R544,5m

IMPERIAL Holdings (Imphold), whose interests cover transport and motor related business, achieved a 20,4% increase in attributable earnings to R16,9m (R14m) in the year to end June 25.

The result, obtained on a 22% rise in turnover to R544,5m (R446,4m), saw fully diluted earnings a share rise 21% to 30,2c (25c).

A final dividend of 6,3c (5,5c) was declared, bringing the total payout for the year to 12c (10c).

The truck systems division performed well. It contributed 33,8% or R14,4m to the group's R42,5m pre-tax profit.

6/10/90 31/8/90
ACHMED KARIEM

However, a 53,6% hike in finance costs to R7,64m (R5m) and a substantially higher tax bill of R21,2m (R16,8m) resulted in an after-tax income of R21,1m (R16,9m).

Imphold executive chairman Bill Lynch, commenting on the results, said the group's margins had widened from 8,7% in 1989 to 9,2% and all four divisions would improve profitability in the next year.

"Perhaps the most pleasing aspect of our results is the fact that notwithstanding the economic downturn,

our businesses improved their profitability."

Lynch said Imphold had added R32m to its R221,6m total assets in accordance with its turnover increase.

Although gearing had risen, at 47,3% it was still within Imphold's stated aim of interest-bearing debt not exceeding 80% of shareholders' funds.

Imperial Group, Imphold's parent company which holds 75% of Imphold as its only investment, reflected an earnings rise from 75,2c to 90,4c a share and the total dividend of 35,8c a share (1989: 30c) was comprised of a final dividend of 18,6c a share and an interim of 17,2c.

Catering for imports and exports

By Peter 31/8/90

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Analysis of shipments

THE international division of Stuttafords Van Lines, established in 1967, has become one of SA's major international removal companies, catering for imports and exports.

International operations director David Bradford, 54, has devoted over half his life to the company, with 36 years service in various positions, predominantly in the international scene.

In 1957 Stuttafords established a branch in Rhodesia, which he headed as managing director until 1973, when he returned to SA and the international division.

Overseas

He has represented the company overseas for the last 20 years and sits on the board of London-based Overseas Moving Network International (OMNI) as Africa and Middle East representative.

OMNI acts as a worldwide umbrella association for the industry. It is made up of most of the major international moving companies.

Stuttafords features frequently among the top tonnage shippers in the southern hemisphere in the OMNI ratings.

Bradford says most of the international removals are to Britain, with Australia and Europe also featuring well.

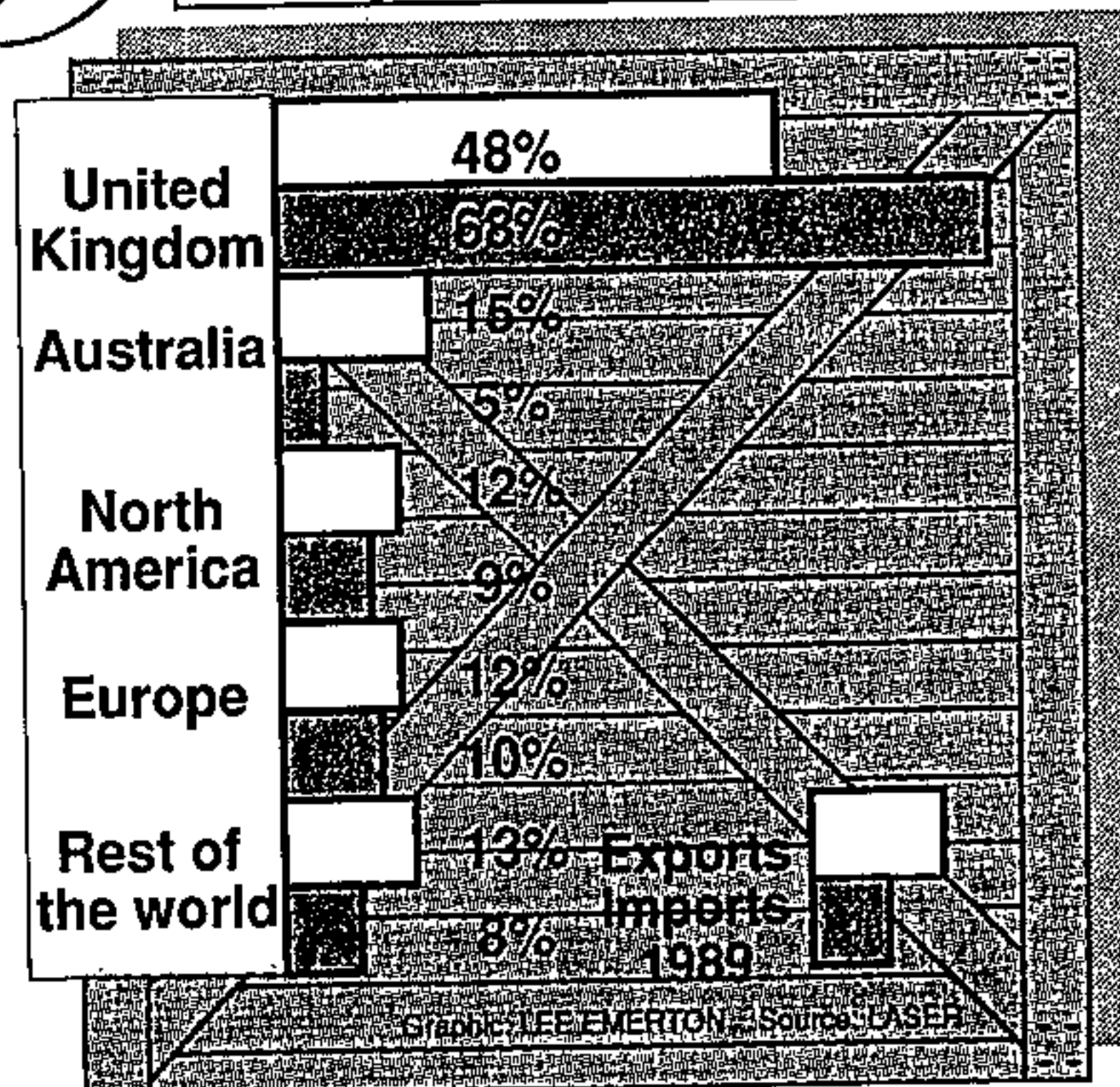
Laser group exports and imports accounted for 21% of revenue in 1989 from 24% in 1988, with exports almost three times as big as imports.

A breakdown of countries shows the UK as the biggest exporter and importer, with 48% of all exports by Laser going there and a staggering 68% of imports coming from there.

Second largest is Australasia, with 15% of exports and 5% of imports. North America, Europe and the rest of the world accounts for approximately 12% of exports and 9% of imports each.

Bradford says there have been consistently higher exports than imports over the years, but over the past six to nine months there has been a swing towards imports.

He says this bodes well for the country because ini-



tial fears that the recent political developments would cause increased emigration did not materialise.

"There is an improving situation with in-bound traffic," he says.

Stuttafords Van Lines

Personal touch is the key to success

STUTTAFORDS Van Lines is SA's largest removal company involved in both international and domestic business.

It survived from humble beginnings last century through its commitment to service excellence and the consistent personal touch.

Operating out of 12 centres around southern Africa, it is the flagship of holding company Laser Transport Holdings, which bought it in 1982 from the Stuttafords department store.

Autonomous

Each of the branches operates as an autonomous division and reports directly to the four-man Laser board.

The company also has 23 agencies in the southern African region.

The domestic market is



GEOFF HENEBREY

the largest part of the business, with vehicles crossing the country daily to deliver business and office goods.

Stuttafords controls a fleet of over 400 vehicles and has a staff of 750.

Being a large company it has the potential to become, as many larger organisations do, brash and unfriendly.

However, committed management and a dedicated workforce ensure the company remains a "customer friendly" entity.

Through decentralised management, intensive ongoing training and the back-up of a large organisation, personalised service is ensured without sacrificing the professional and efficient service expected of a removal company.

Durban regional director Geoff Henebrey says: "One advantage Stuttafords has is that it has branches in all the major centres of southern Africa and so clients are ensured they will not be left in the lurch."

Henebrey says a pro-active philosophy ensures the company's success.

"We talk to people and correct any minor problem before they come to us and it becomes a major problem."

"In times when business

is slow, we don't sit back and wait for something to come up. We intensify our training and rectify any possible problems.

"The reason we've been around so long and are so large is that we have a good reputation and get a lot of repeat business."

Crucial

The industry is a labour intensive one, Henebrey says. Things have to be moved delicately and professionalism is crucial.

Trained staff are vital for the continued success of the company. The staff turnover is low, with a large proportion being with the company for more than 10 years.

Some, such as international operations manager David Bradford and Port Elizabeth branch manager Harry Walker, have been with the company for over 35 years.

Glimmer of light in MY saga

With the benefit of hindsight the Abercom/MY story reads like a case study in how not to build an offshore arm. *Star 31/8/90*

From day one there was criticism about the price parent Malbak was prepared to pay for a company that would spearhead its international expansion and, in the process, develop some rand hedge attraction.

At a price representing an historic P/E rating of 16 times, the acquisition of MY Holdings (primarily involved in packaging) was regarded as "not cheap".

The justification was that this was in line with what was being paid for control of London-listed industrial companies — with some premium needed as control was being sought by a SA group. (This was the time the Minorco bid for Consgold had stirred up anti-SA feeling in the London community).

But if things had gone right — if there hadn't been a sharp downturn, if management hadn't undertaken a fairly ambitious relocation programme in two divisions and if interest rates hadn't been so high — maybe the market would now be talking about Malbak's strategic foresight.

However, things didn't go right and management at MY didn't have the depth and skill to cope with adverse conditions.

The result was a loss of R4,45 million for financial '89 and extraordinary write-offs of R9,68 million.

The damage didn't end there. The figures for the six months to February showed a loss of R10,5 million. The cash-flow strain caused by the heavy inter-



est charges necessitated an interest-free loan of R50 million from Malbak. This was basically a lifeline as MY's heavy debt precluded an interest-bearing bank loan.

Abercom chairman Ian Willis says an improvement is expected in the second half (to end-August), so the R10,5 million loss shouldn't be repeated.

This from an acquisition that cost Malbak (in November '88) R109,4 million for net assets plus R64,7 million for goodwill.

Mr Willis refutes the charge that thorough pre-acquisition investigations would have exposed the gaps in MY's management and its strategy.

"In reality it is not always possible to take a long time to look at a public company because of the existence of other interested parties. MY had shown a consistent upward trend in earnings

for six years.

"We wanted a friendly bid, so the 16 times P/E was not extravagant, particularly as our SA connection involved paying a premium."

That's the bad news. The good news is that Mr Willis has spent most of the past 12 months in England cleaning up the company and believes he has made good progress.

The clean-up involved changing MY's management, selling the two consumer operations and reducing staff by 20 percent.

Mr Willis notes that after eight to 10 years of good times, there was a generation of UK managers not equipped to cope with tough conditions, particularly when they hit so suddenly — as they did in the UK in 1989.

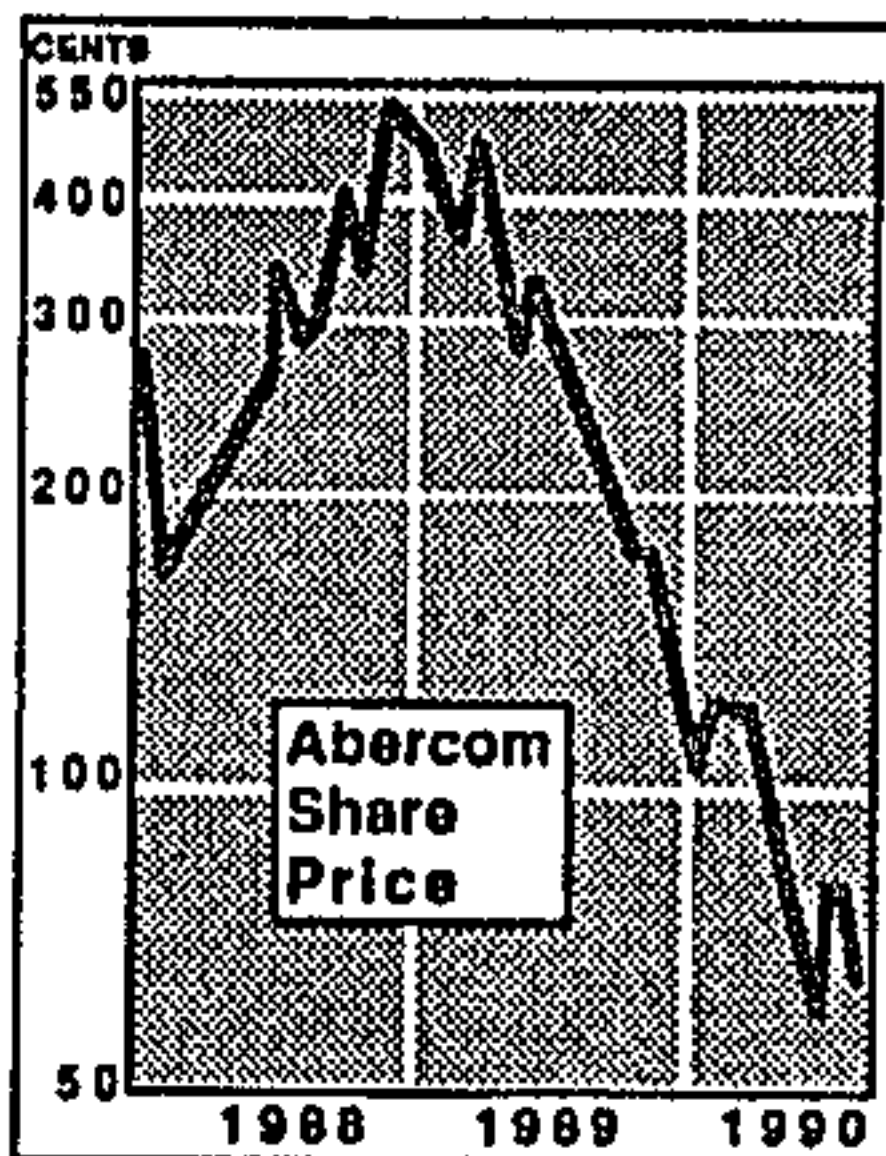
The decision to sell the bicycle and sports divisions reflected the realisation that MY had neither the financial muscle nor management depth to cope with both a consumer and an industrial arm.

Mr Willis says the group is now clean and well-structured, with gearing down to 70 percent. It has a firm technological base and there is much greater emphasis on productivity.

The four packaging divisions are well-placed in terms of target markets and have a good spread of customers.

Mr Willis is confident that if the UK economy doesn't deteriorate further, MY will be modestly profitable in financial '91.

This will be some compensation for Malbak. But it will be some time before MY squares its account with Malbak and before it has established a sound base for international growth.



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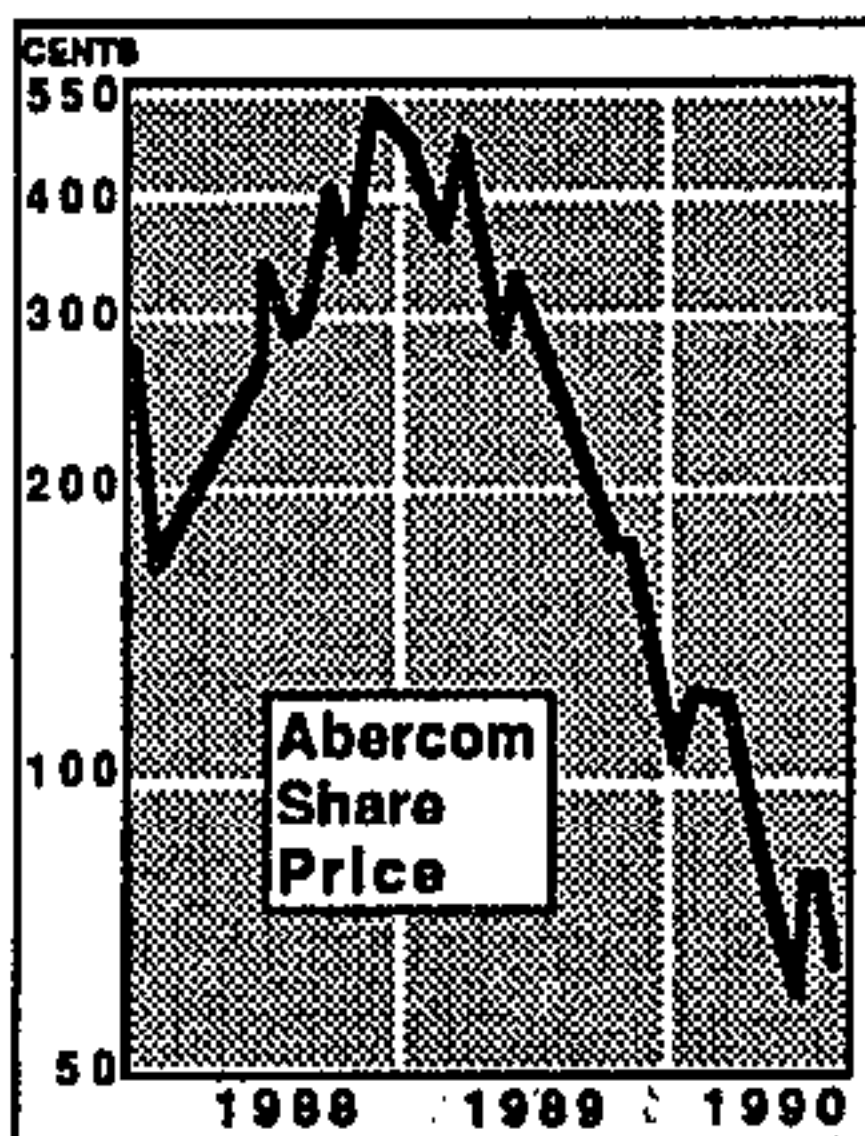
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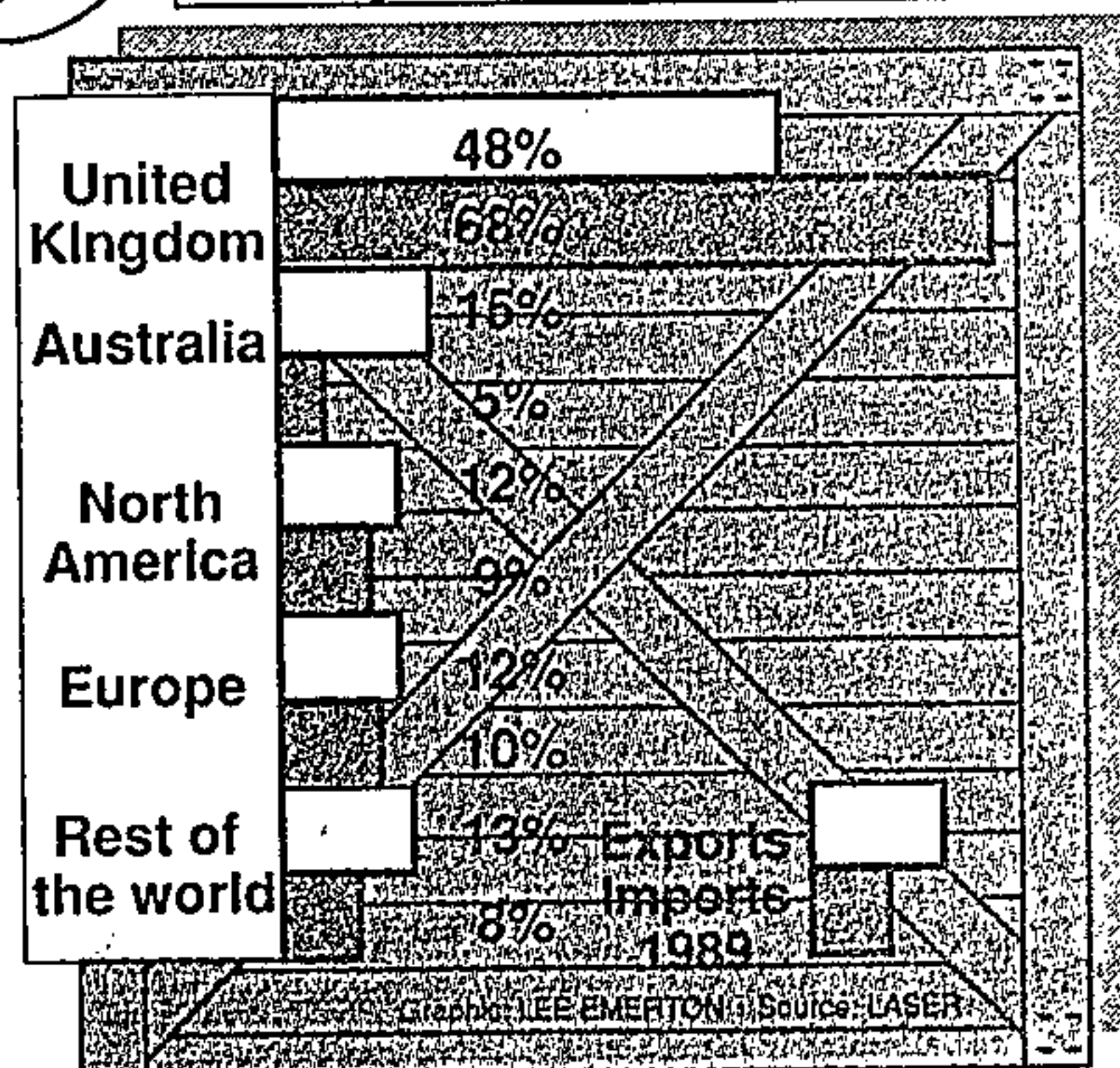
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Analysis of shipments



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A fleet of 400 and a staff of 750 people

BEGINNING as a department of a then small furniture store, Stuttafords Van Lines came into existence 133 years ago.

Today, it is the largest and one of the most respected removal companies.

By 1956 it was so large it became an autonomous division of Stuttafords.

In 1967 the company established an international division which today contributes 30% to Stuttaford's annual turnover.

By 1980 it had branches

Sun Timber

TIMBER AND HARDW

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INDUSTRI

WE HAVE FOR
YEARS HAD THE
OF SUPPLYING

PLYWOOD

HARDWARE

STUTTAFORDS

Movers feel pinch as recession makes people stay put

THE recession is hitting all spheres of the economy and, with many analysts predicting an even deeper downswing before an upswing, many businesses will continue to suffer.

One of the industries most susceptible to recession is removals.

High interest rates, escalating house prices and lower real income growth all contribute to an inclina-

tion by people to "stay put" until the squeeze ends.

Removals suffer, and this is shown in Laser Transport Holdings latest interim results.

Earnings a share were down 18% to 35,2c and income before tax and interest was down 17% to R8,5m. The dividend was lower at 6c, bringing dividend cover up to 5,9 times but Laser CE Denis Kaye said this

was a new policy of paying a smaller dividend at half year and a bigger one at year end. He said policy was still to cover dividends 2,5 to 3 times.

Kaye predicted the fall in the last annual report, saying the slowdown and contraction in the market was expected to continue throughout 1990. He said Laser was well placed to weather these conditions.

"In view of the more difficult trading conditions, the group has taken steps to consolidate and reduce costs wherever possible."

One of the areas is interest costs, which he says will be reduced this year because of the disposal of certain properties during December 1989.

As a result, a gearing of 86% — potentially disastrous in times of high inter-

est costs — was reduced to 56%.

Since the downswing, domestic removals have suffered because less people are moving through the inability to buy property and businesses have slowed their expansion, resulting in fewer office moves.

International removals have also slackened as people "wait and see" what will happen politically.

Removals leader has roots going back to turn of the century

B/Dm 31/8/90.
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STUTTAFORDS Van Lines is the flagship of holding company Laser Transport Holdings, which first traded in 1902 as a small cartage business called Jack Wellsted.

Today Laser is SA's leading removal group, with wholly owned subsidiaries such as Stuttafords Van Lines, Pickfords Removals, Frasers International Removals, Lasertrans, Jack Wellsted and Van Nieuwgen.

Expanding

It was acquired in 1952 by the Kaye family, but only started expanding in the early '70s when it bought Pickfords, P L Palm Transport and Morrels Transport.

In 1982 the family acquired Stuttafords Van Lines, and in 1985 Frasers International.

The group was called Pickfords until January 1985, when the name was changed to Laser because "the Pickfords Holding Group" had become a misnomer for the large number of companies it owned.



DENIS KAYE

Although Laser controls most of the major removal companies through Laser Removals, the group's policy is to have each company operating autonomously and competing against each other.

Overall, there are 32 branches in southern Africa, 12 with Stuttafords, seven with Pickfords, six with Frasers and five others with other subsidiaries.

It was listed on the Jo-

hannesburg Stock Exchange in 1986 and today boasts a market capitalisation of R18m. The share is trading at R1,80, which is below its net asset value (NAV) of R2,20 and well off last October's R3,35 high.

Controlling interest in the company is held by CE Denis Kaye, who together with his family trusts holds 63%, while insurance companies have a 16,4% stake and individuals 12,8%.

Because of its concentrated interests, any downturn in the removal industry will see a corresponding downturn in the group's fortunes.

Despite reporting earnings well down for the first six months of the year, the group could have been in far worse straits had it not been for quick action taken last year before the downswing.

With a debt to equity ratio of 86% last year, it was set to enter the downswing highly geared and would have suffered the brunt of persistently high interest rates.

However, the group

slashed the ratio in anticipation of higher rates and it now stands at 56%, with borrowings at R12m.

Capital expenditure was also slashed last year, falling 43%, to R5,7m from R9,99m.

Triple

In 1989, return on shareholders' interest fell to 28,2% from a high in 1988 of 37,8%, but is still well above 1984's 12%.

In five years the group has seen turnover more than triple from R30m in 1984 to R106m in 1989.

Total assets have also increased more than threefold to R56,7m last year from 1984's R17m.

The share's net asset value has shown similar gains, up to 220c last year.

In the group's annual report, the board says NAV would be around 600c a share if the fleet was valued at estimated market value.

The fleet is 900 strong with an estimated market value of over R50m, but its book value is only R11,8m and this is what is reflected in the accounts.

Taxi-rank shooting: ~~two~~ 332 Two dead, two injured ^{AKGUS 3/9/90}

JOHANNESBURG. — Two men died and two were injured in a shooting at the Baragwanath Hospital taxi rank.

Police said that according to witnesses the attack, at 6pm yesterday, was carried out by five black men travelling in a Nissan minibus. The registration of the vehicle is unknown but the first three letters are believed to be NRR.

Police said one of the men

was armed with an AK-47 and the others with pistols.

The killings were thought to be related to a taxi war, and not to the attacks in East Rand townships at the weekend which claimed 21 lives.

The two injured men were admitted to the hospital where their condition was said to be stable. Their names and those of the two dead men have not been released. — Sapa.



Minibus subsidies 'route' to survival

The Argus Correspondent

DURBAN. — Minibus taxis must inevitably be subsidised if they are to survive as a key form of transportation, says Mr Vaughan Mostert of the Rand Afrikaans University department of transport economics.

"It's only a matter of time before they start asking for help. Subsidisation has in fact already started with local authorities having to provide ranks."

Mr Mostert said that while subsidised bus services were cheaper to run, minibuses had become an established transport sector handling large numbers of passengers.

Licence to print money

He said owners likened their operations to a licence to print money. But the current recession was biting in to the trade, creating stiff competition to the fewer travellers able to pay the fares.

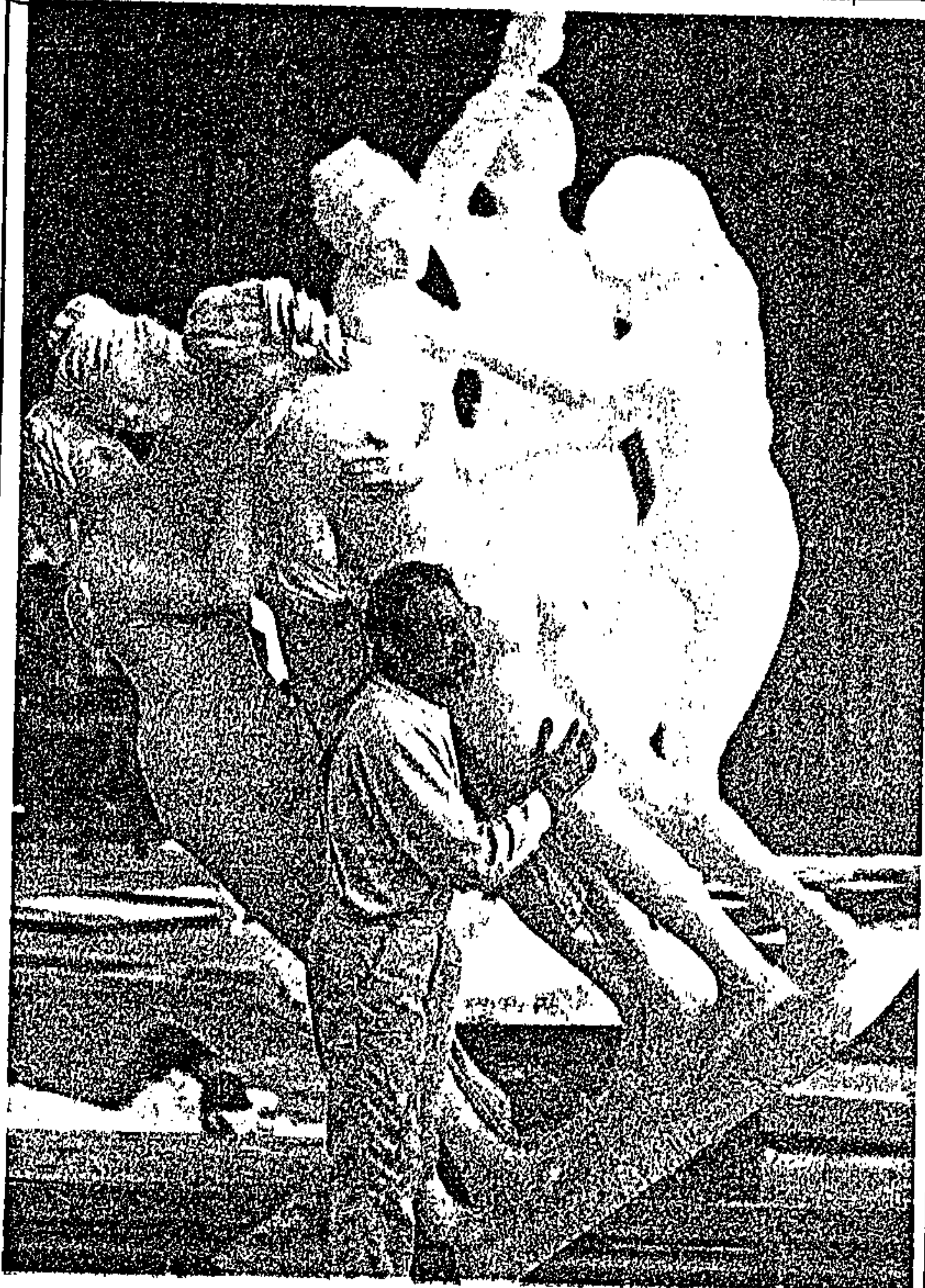
Mr Mostert was commenting on the dramatic increase in the number of minibus taxi repossessions revealed at a traffic symposium in Pinetown.

Mr Knox Mayjila, credit control manager of the SA Black Taxi Association, said that if the free enterprise system was to survive, whites would do well to ensure that the black taxi industry did not go under.

"When a black man who has put his life savings on a taxi sees the vehicle repossessed, it is difficult for him to accept that this is just the free market at work."

Mr Mayjila said the taxi industry, with R3 billion invested in vehicles alone, was a major player in the economy.

But he warned that it could enter a stage of terminal decline within the next two years.



PERFECT GRACE: Capab props maker, Mr Mike Terry, carries one of two groups of *Three Graces* he created at his Epping workshop for the staging of *Camille* at the Nico Malan Opera House. Choreographer Miss Veronica Paepers' designs call for two realistic groups of *Three Graces* as an elegant backdrop for the ballet. "I asked three ballet students to demonstrate the natural flow of movement from static classical poses, which I then photographed," Mr Terry said. *Camille*, to the music of Verdi's *La Traviata*, runs from September 14 to October 9.

Picture: PETER STANFORD.

Longmile's operating profit up 25%

DESPITE tougher trading conditions, Cape-based Longmile Group continued to improve its margins and turned a marginal 2% growth in turnover into a 25% improvement in operating profit for the year to end-June, results released yesterday disclosed.

Longmile has four main divisions. It holds an 18% stake in the merger between its tyre interests and those of Tycon (formerly Goodyear) in December 1989 and has other manufacturing interests in silencers, industrial fasteners and women's clothing.

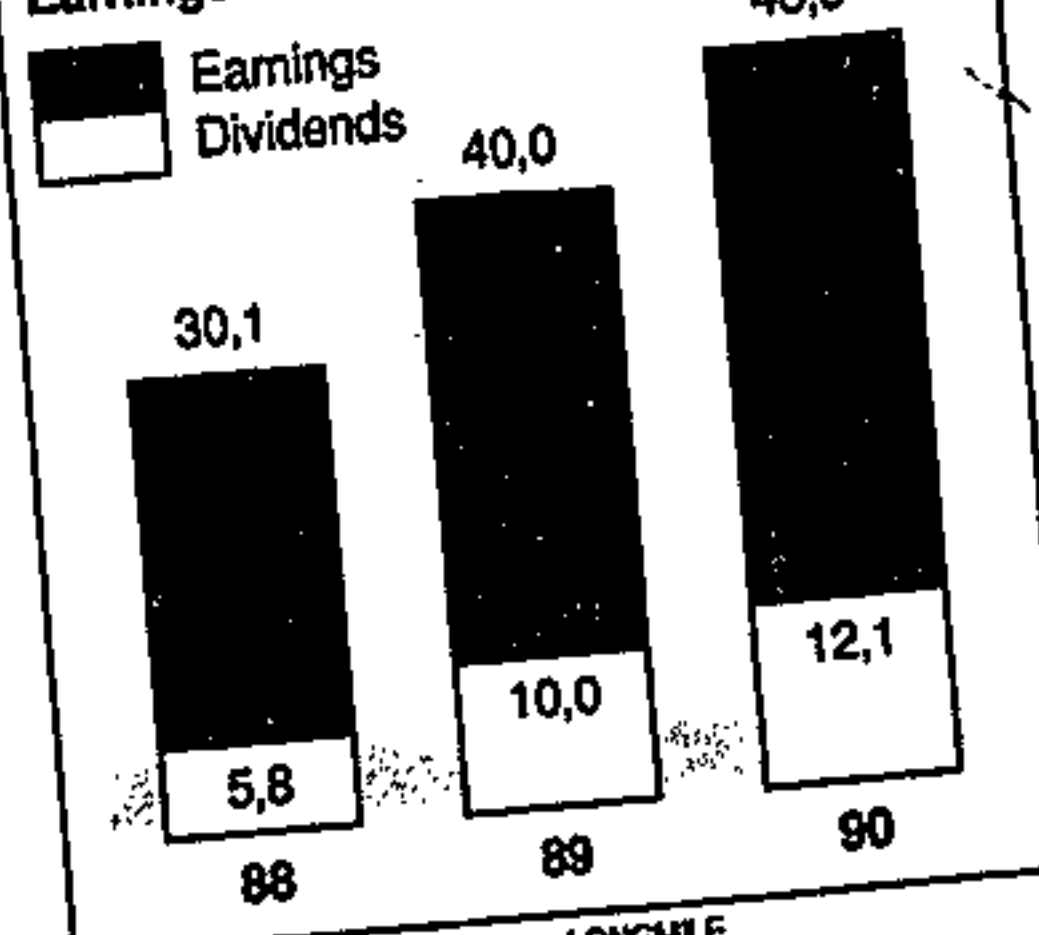
Financial director Deon Botha said the 2% rise in turnover to R402,8m (R394m), as opposed to operating income which rose sharply by 25% to R44,2m (R39,3m) was a direct result of the merger.

"This is more profitable," Botha said. "It means that we have a smaller, but better, turnover. There

is no question of our having lost market share."

Earnings have strengthened by 21% to 48,3c (40c) a share and the total dividend — covered four times

Longmile
Earnings and dividends per share (cents)



Graphic: FIONA KRISCH Source: LONGMILE

— has been pushed up by a similar percentage to 12,1c (10c).

Notwithstanding increasing pressures on margins, as well as high interest and inflation rates, chairman Hendrik Potgieter said the company's results were "in line with Longmile's mid-year projection that earnings would exceed the previous year's performance".

After-tax profits increased by 19% to R24,4m (R20,6m) and attributable earnings by 21% to R24,2m.

Potgieter said that borrowings, which have increased to R13,9m (R9,6) were mainly to cover long-term commitments and in view of the strong balance sheet, it "did not signal a pressure point".

The share price closed unchanged at 180c yesterday, translating into a dividend yield of 6%, compared with an average of 3,7% for the industrial holdings sector of the JSE.

Micor results get big boost from abroad

EDWIN UNDERWOOD

MICOR Holdings, the freight, travel and related services group, has posted a 21% increase in pre-tax profit to R5,5m (R4,5m) for the year ending June 1990 on a 16% rise in turnover to R492,3m (R425m).

The directors attribute the performance to the significant contribution (undisclosed) to earnings by offshore operations.

Attributable earnings are up 11% to R5m (R4,5m), yielding a 4% increase in comparable earnings a share to 30,7c (29,6c) on a 5% enlarged share base.

A dividend per share of 12c (9,8c) has been declared, covered 2,5 times (3 times).

A low level of gearing has been attributed to conservative policy and sound asset management.

Micor's wholly owned subsidiary, Micor Industrial Corporation, which is solely dependent on domestic earnings, traded successfully during the year and declared a maiden dividend of 5c a share on a R362m turnover.



Black taxis 'need government's aid'

1/6/90
6/9/90

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The Argus Correspondent

DURBAN. — The economic problems of the black taxi industry must get more government attention if black free enterprise is to be prominent in the new South Africa, says a taxi spokesman.

Speaking for the South African Black Taxi Association (Sabta), Mr K Matjila said repossessions, encroachment by big white business and higher costs threatened the industry with "a terminal decline" unless the government offered additional aid.

He was among speakers at the Natal Co-ordinating Traffic Committee symposium held in Pine-town.

Blacks already distrusted big business, suspecting it of working "hand in glove" with the government to sustain apartheid, he said.

Natural advantage

If the taxi industry, with its natural advantage of a ready clientele, could not survive, blacks would have little faith in the value of free enterprise in the new South Africa, he said.

Mr G Bartlett, Minister of Transport, said he recognised

many of the problems raised by Mr Matjila.

Mr Bartlett, who gave the symposium's opening address, said later that taxi operators faced two main problems — higher costs during a "slight recession" and stiffer competition as the industry expanded.

He said taxis "are providing a very essential service to the economy and therefore people of good sense should stop and listen to what they've got to say".

He said he did not know to what degree white-owned businesses were entering the taxi market.

Unitrans firing on all cylinders

Unitrans has a fine profit history and even the current downturn is not set to bring profit growth to a standstill this year.

Over the past five years, earnings per share have grown at a compound rate of 50 percent a year.

Although this year's rate is unlikely to be anywhere near this, real growth is expected.

In the annual report, chairman KE Secrett projects good results from most subsidiaries and says the reduction in borrowings at the end of financial 1990 will lower finance costs.

Unitrans is in the business of road freight transport. Related services include storage, packaging, warehousing and distribution, forestry harvesting, materials and container handling, and stock management.

A significant development in the past year has been the acquisition of a freight company in Malawi, which Mr Secrett says will provide a platform for an exciting expansion project.

The group hopes to increase its share of cross-border business.

In the year to March, group turnover climbed 17 percent from R185,3 million to R216,2 million.

Operating profit increased 24

Diagonal Street
Sto 6/9/90 332
LYNNE PEACH

percent from R28,6 million to R35,6 million.

Despite increasing competition, margins were maintained thanks to improved quality and efficiency and to the operation of a fleet of modern vehicles.

Profit before interest and tax showed growth of 31 percent from R32,4 million to R42,3 million.

However, a sharp increase in interest expense from R2,3 million to R7,8 million limited the rise in pre-tax profit to 15 percent from R30,1 million to R34,6 million.

A notable decline in the effective tax rate from 33,2 percent to 15,0 percent resulted in taxed profit rising 45 percent from R20,1 million to R29,1 million.

After deducting outside shareholders' interest, attributable profit grew 43 percent from R19,8 million to R28,3 million.

Based on issued share capital of 36,4 million, earnings per share increased from 54,4c to 78c.

The dividend for the year was

19,5c a share — 39 percent higher than the previous year's 14c.

A feature in the balance sheet is a sharp reduction in borrowings from R25,8 million to R15,8 million. This, together with increased permanent capital, resulted in a significant reduction in gearing from 34,7 to 9,9 percent.

This is attributable to the rights issue just prior to year-end, which involved the issue of 20 million convertible debentures at a price of 400c.

Unitrans, priced at 430c, is trading on a P/E ratio of 5,5 and provides a dividend yield of 4,5 percent.

In view of the strong management team, excellent track record and satisfactory outlook for the current year, the share appears to offer good value at its current price level.

COMMENT: Unitrans performed particularly well in 1990 when its share price climbed dramatically from 200c to 410c.

This year, however, the price has moved sideways and will have to rise and maintain a level above 440c before further increases can be expected.

If the price falls below 420c, the trend will turn negative.

UNITRANS

City taxi war over new fares

CMT 13/9/90

By PETER DENNEHY
Municipal Reporter

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A TAXI war broke out near the Nyanga main terminus yesterday when two groups of owners, both affiliated to the SA Black Taxi Association (Sabta), clashed over increased fares.

Major Jan Calitz, a police liaison officer, confirmed that police had fired rubber bullets and "tearsmoke" at the Nyanga bus terminus — which also serves as a minibus taxi rank — at 12.20pm to disperse a crowd throwing stones at the police.

He said police had earlier arrested a man suspected of possessing an unlicensed firearm and ammunition at the scene, but bystanders had freed him.

He was rearrested after rubber bullets were fired, and police took possession of a 7,65mm pistol and ammunition, Major Calitz said.

Sabta's Western Province secretary, Mr Bill Daniels, confirmed yesterday that the dispute was related to increased taxi fares.

A new fare structure had been proposed in the light of the recent petrol price increase, but this had not yet been agreed upon, he said.

Mr Daniels said he understood that the two organisations involved were Wecta and Wepta, the Western Cape and the Western Province Taxi Associations.

"I am under the impression that the taxi affairs crisis committee approached one group (he did not know which one) and asked them why they had increased their fares, and the one group blamed the other," Mr Daniels said.

However, a taxi driver who declined to be named said the dispute was between Wepta, to which he belonged, and another group called the Lagunya association. It was the Lagunya group which had refused to raise its fares, he claimed, apparently despite an agreement by both parties that they would raise them on Monday.

Mr Daniels said the proposed prices were roughly 10% higher than the present ones.

Online system for cargo

EDWIN UNDERWOOD

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SA CARGO-forwarding agencies are developing an on-line information system to facilitate control and track the movement of goods, an industry spokesman said yesterday.

The system will be based on the Irish Community Air cargo Realtime Users System (Icarus) which provides forwarders with access to shipment information and worldwide tracking, cargo reservations and airway bills.

Renfreight Forwarding SA strategic planning executive Peter Hollard said yesterday that a system of this nature would streamline the flow of documentation between the parties in the freight management chain and improve services to importers and exporters.



City taxi war delays thousands

Disagreement over fare increases causes friction

By EDWARD MOLOINYANE
and VUSI KAMA
Staff Reporters

THOUSANDS of township commuters were late for work today and taxi ranks were deserted after a war between two taxi associations.

There were no signs of mini-bus taxis in Langa, Nyanga and Guguletu and by 9am hundreds of people had queued for buses.

The war in which two people are believed to have been injured yesterday is between the Western Province Black Taxi Association and Langunya Taxi Association.

INVADED RANK

According to Lagunya members who stood in groups next to Eyona taxi terminus in Guguletu, the conflict began about 9am yesterday in Cape Town when members of the WPBTA invaded a Langunya rank with 22 vehicles.

He said WPBTA members who had increased their fares accused Langunya members of not also increasing fares.

He said an argument followed and within minutes violence started.

He said that in Nyanga WPBTA members attacked Langunya members with pangas and guns and at least two of his members were injured.

● Future problems between taxi organisations should be referred to a monitoring group of representative community organisations, a meeting in Nyanga resolved yesterday.

According to one of the mediators, Mr Christmas Tinto of the African National Congress, representatives of WPBTA and Lagunya agreed to meet community representatives tomorrow to elect members of a monitoring group and to discuss the fares increase.

COMMUTERS ANGRY

Many township commuters were angry over the increase as they had not been consulted in advance.

Mr Tinto said the two parties also admitted having "made a mistake" by not consulting the civic association before the increase, as had been agreed.

The Nyanga Civic Association was asked to monitor the situation.

Mr Tinto said they decided to mediate because the ANC had given them orders to do their best to end conflict in black communities.

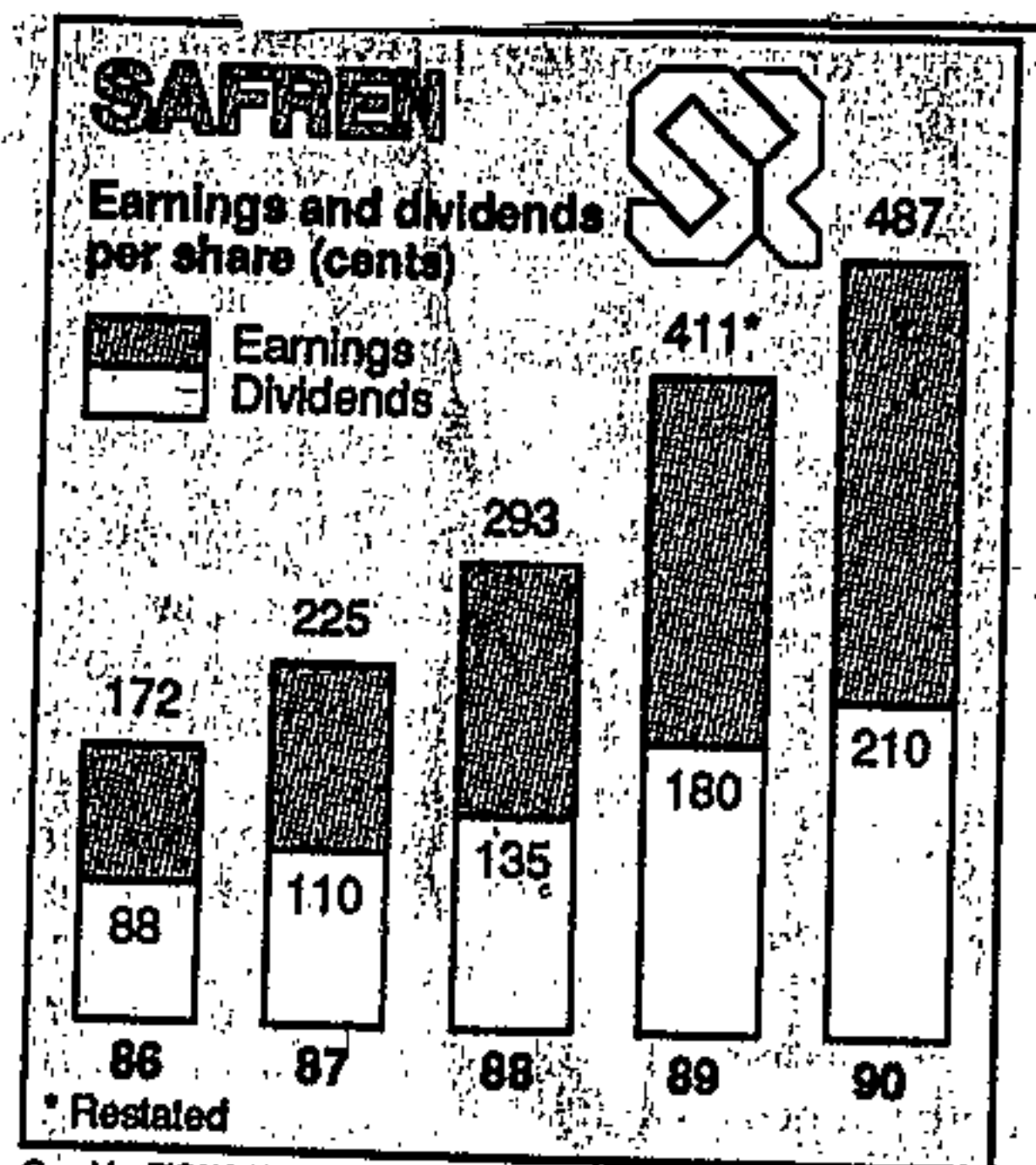


Pictures: LEON MUKLEDR, The Argus

POLICE INTERVENE: Police keep a watchful presence in Nyanga after a taxi "war" erupted between two township taxi associations yesterday.



WARLIKE GATHERING: Taxi drivers gather at the Nyanga terminus during negotiations to end yesterday's war.



Graphic: FIONA KRISCH Source: SAFREN

Safren's growth slowed by shipping

LESLEY LAMBERT

CAPE TOWN — Safren, the parent company of Safmarine, Rennies and Kersaf, has reported a 19,5% increase in attributable earnings to R259,1m for the year to June, indicating a slowdown in the performance of its shipping activities.

Coming off the high base established last year, the leisure and shipping group reported a substantial slowdown in its turnover growth of 9% to just over R4bn.

Operating profit before depreciation increased by 10,4% to R885,7m. But attributable earnings before extraordinary items grew by 19,5% to R259,1m, boosted by an R8,7m decline in depreciation to R150,7m and an interest income of R4,9m reflecting a significant reduction of borrowings.

The directors pointed out that the 1989 figures had been restated as a result of a change in the accounting basis from the deferral to the comprehensive liabilities method, which had increased the 1989 attributable earnings by R3,8m.

□ To Page 2

Safren ^{Bloom} 13/9/90

CE Buddy Hawton attributed the decline in depreciation to last year's R25m acceleration in the depreciation of some of Safmarine's large container vessels.

The tax commitment, which increased by 19,8% to R239,3m, was also more favourable compared with last year's increase of 76% to R203,4m.

Earnings a share, calculated on a slightly enlarged number of shares in issue, increased by 18,5% to 487c. A dividend of 155c a share has been declared, bringing the total payout for the year to 210c, an increase of 16,7%.

A breakdown of the three trading operations shows that while Safmarine contin-

ued to contribute the lion's share (R112,5m) to bottom-line profits, the pace at which its profits grew (15,8%) lagged behind that of Kersaf and Rennies.

Safren's 76% stake in Kersaf played a fairly significant part in cushioning the group from the effect of trade and economic conditions on its shipping interests.

But it was the 75% interest in Rennies, the relatively small earnings contribution of which grew by 31% to R34,8m, which provided the fillip.

The group maintained its return on shareholders' funds fairly constant at 31,1%, compared with last year's 32%.

332 □ From Page 1

Fears rise as Vaal taxi men strand commuters

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Sowetan
14/9/90

THOUSANDS of commuters in the Vaal Triangle townships have been left without transport to work and other destinations after hundreds of taxi operators withdrew their services following a residents' protest against increased fares.

The situation is daily becoming worse and commuters are forced to walk long distances to points outside Evaton and

By JOSHUA
RABOROKO

Sebokeng to seek alternative transport.

It is feared that the situation will explode into violence if civic leaders and taxi owners, currently involved in negotiations over the new fares, do not reach a settlement soon.

The chairman of Sabta's region 8, Mr Elijah Phali, yesterday said that more than 700 taxi operators withdrew their services on Tuesday when civic leaders demanded that they reduce fares which were increased on August 31.

He said the taxi association and independent owners resolved to in-

crease the fares from R1 to R1.60 because of the increase in the price of petrol, rising costs in maintaining their vehicles and other services.

"The negotiations are continuing and it is regrettable that most operators are not prepared to service the commuters in the meantime," Phadi said.

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RACY COSTLY CHASE

F1M 14/9/90

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Activities: Holding company of Hendler's Industrial Carriers and Diesel City.

Control: Directors 46%.

Chairman: I J Jacobson; MD: A C Jacobson

Capital structure: 25,7m ords. Market capitalisation: R7,71m.

Share market: Price: 30c. Yields: 6,7% on dividend; 25% on earnings; p:e ratio, 4; cover 3,7. 12-month high, 75c; low, 30c. Trading volume last quarter, 955 800 shares.

Year to Mar 31	'88	'89	'90
ST debt (Rm)	1,9	4,7	6,7
LT debt (Rm)	0,7	5,2	6,2
Debt:equity ratio	0,18	0,56	0,64
Shareholders' interest	0,54	0,48	0,43
Int & leasing cover	24,9	10,2	3,6
Return on cap (%)	14,1	17,4	12,6
Turnover (Rm)	32,2	46,2	55,9
Pre-int profit (Rm)	3,8	6,1	5,4
Pre-int margin (%)	11,7	13,3	9,6
Earnings (c)	11,5	14,2	7,5
Dividends (c)	5,5	6,5	2,0
Net worth (c)	58	65,9	71,5

Racy's chase for market share has ended in a 75% drop in EPS, after turnover rose by 21% and finance costs by 21%. But management seems to be satisfied with the expansion policy and capital spending of R1m is budgeted for this year.

Income is derived from the national transport carrier, Hendler's, and the diesel engine rebuilder, Diesel City.

Chairman Ivor Jacobson expects gearing will return to 50% this year, "if nothing unforeseen happens." He also hopes to see an 8% return on assets managed and a 20% return on shareholders' funds. These targets look some way off, given the 1990 year's return on equity of only 10,5%.

When the recent expansion will benefit earnings is unclear. Market share was boosted at the expense of operating margins, though management is seeking an improvement in these this year. The market share gains encouraged the group to enlarge its transport fleet, which was funded by borrowings.

It has now become necessary to conserve cash. Cover has been lifted to four times and

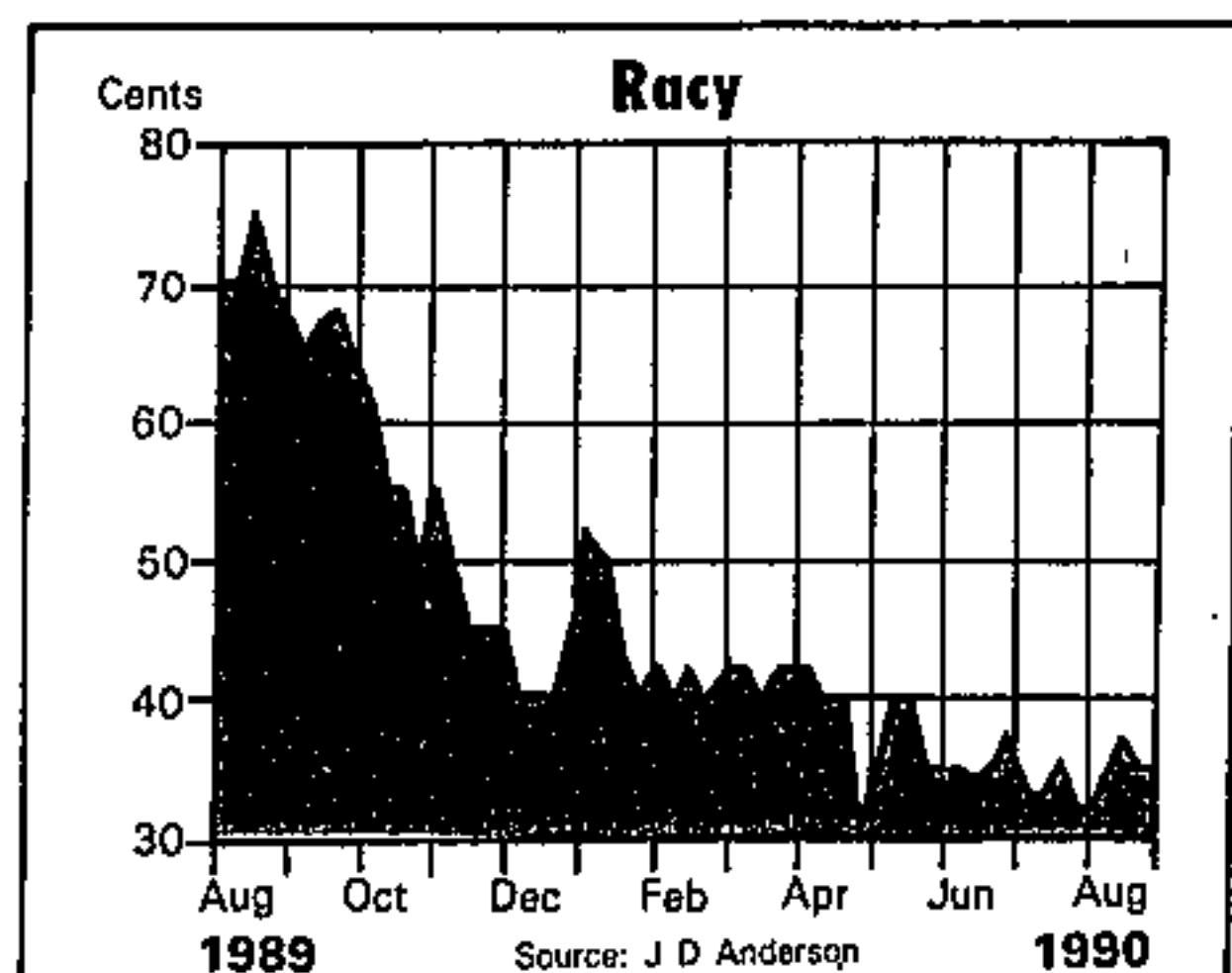
dividends will in future be declared once a year.

Earnings were also affected by an increase in the effective tax rate, which has now risen to the full rate.

The Diesel City subsidiary is performing satisfactorily and should do better as the cost of buying new engines continues to escalate. Management is looking for 30% turnover growth this year, though that looks optimistic.

Near-term prospects will depend on the economy and fuel prices, neither of which look favourable. The share has slumped to 35c from the 75c high a year ago.

Gerhard Slabber



September 14 1990



WORLD

Workers stranded as taxi war rages

14/9/90
332

Staff Reporters

TOWNSHIP taxi ranks were deserted again today and hundreds of commuters used buses and trains as the taxi "war" between two township taxi associations continues.

Trains from Khayelitsha were overflowing and people fought to enter coaches at Nyanga station.

A City Tramways spokesman said there had been a "huge demand" for buses.

"Misunderstanding"

There were tense moments at Nyanga terminus yesterday afternoon as men armed with an assortment of weapons from opposing factions sang war songs within 50 metres of each other under the watchful eye of police.

Shots were heard about 3pm and police had to intervene when the two factions, each about 100 men, threatened to attack each other.

Western Cape Black Taxi Association chairman, who is Sabta's deputy regional chairman, Mr Clement Ramatlakane,

spent hours at the terminus trying to cool tempers.

He said the cause of the taxi war, in which three people are reported to have been injured, was a "misunderstanding" about fares between the two parties.

They had both agreed to increase their fares, especially to Cape Town, Wynberg and Claremont after the petrol price increase.

But the other party later "reneged".

A meeting, called by the Western Cape Civic Association, will be held with the two factions at Zolani Centre in Nyanga at 10am today.

Boycott

But meanwhile representatives of community organisations decided at a meeting yesterday to boycott taxis following the outbreak of violence.

They also decided to the warring taxi factions should form a single body.

Speakers attacked the taxi factions for the violence which caused problems for commuters.

The organisations represented in the yesterday's meeting included the Western Cape Civic Dwellers Association, Pan Africanist Congress, African National Congress and South African Youth Congress.

Licences

The representatives said a representation would be sent to City Tramways to negotiate an increase in the bus services to the townships.

Speakers said residents should be asked to protect the buses from attacks.

It was also decided the residents should approach Transportation Board in connection with issuing of the taxis licences.

This would be a step for the people to try and have a say in the "transport system which affects them". Another meeting would be held today.

Taxi violence erupts

By CHRIS BATEMAN

GUN battles between feuding taxi factions erupted at the Nyanga bus terminus yesterday for the second time in 48 hours. Three people are known to have been seriously injured so far.

The dispute is over Monday's SA Black Taxi Association (Sabta)-brokered agreement to raise all Nyanga/Cape Town taxi fees from R1,70 to R2.

Members of the Langa, Guguletu, Nyanga Taxi Association (Lagunya) are allegedly keeping fees at original levels in spite of being party to Monday's fee-hike agreement with the rival Western Cape Black Taxi Association, (Webta).

Regional deputy chairman of Sabta (the controlling body), Mr Clement Ramatlakane, yesterday apologised profusely to the tens of thousands of Peninsula township residents forced to use alternative transport as violence continued.

Taxi sources said Lagunya members were perceived by their Webta rivals as

Factions in gun battles

having entered the fee-hike agreement in bad faith to win over customers with their lower rates.

Yesterday there were several identical reports of taxi drivers exchanging gunfire from the shelter of their parked minibuses at the terminus. No injuries were reported.

Drama erupted at the terminus on Tuesday when the Webta driver of a luxury German car was shot in the back and seriously wounded and his car torched.

Eyewitness Mrs Yoliswa Sogaxa, 27, said her brother, Mr Mbeko Ntshiliza, 32, was shot as he and four others fled their shot-up car at the terminus about 7pm.

"We were trying to push the car back to our house when they fired at us again. We

abandoned the car which they set alight and wrecked," she said.

Her brother underwent an operation in Groote Schuur Hospital yesterday to remove a bullet from his lower back and was in a "serious" condition.

Police sources said two other taxi drivers were also seriously wounded in Tuesday's battles. A second driver also underwent an emergency operation in Groote Schuur Hospital.

Four taxi drivers were arrested and two handguns confiscated. Attempted murder and possession of firearms dockets have been opened.

Mr Ramatlakane praised progressive community organisations for "timely intervention" which he said had "prevented much greater bloodshed".

● A Sabta "Taxi Driver of the Year" competition, due to be held at the Green Point Stadium yesterday was cancelled because of the violence. A Sabta spokesman said last year's local finalists would go forward to the national finals at Sun City next month.

Crowd frees arrested man

A CROWD freed a man arrested by police at the Nyanga bus terminus on Wednesday, according to police yesterday.

The man had been arrested for being in possession of an unlicensed firearm and ammunition.

Police fired teargas and birdshot and rearrested the man. He is expected to appear in court soon.

In another incident in Nyanga, police found a BMW in flames on Wednesday evening.

The car had been stoned and set alight. There was no sign of occupants. — Sapa



TAXI WAR ... Police intervene at a tense taxi rank in Nyanga yesterday. Gun battles between rival factions erupted for the second time in 24 hours.

Picture: OBED ZILWA

Reef township war is costing Putco millions

15/9/90 SHAREEN SINGH

PUTCO services in war-torn townships are being severely affected and the company is losing millions, says the company's managing director, Jack Visser.

Putco had not yet pulled out of the affected townships but if the situation continued and became "highly dangerous and intolerable", the company would have to reconsider its business strategy, Dr Visser said.

Losses in July amounted to R2 million and figures for August are expected to be much higher as the violence escalates.

The hardest hit area is Vosloorus, where Putco has reduced its services by pulling out 35 buses. Services in other townships have been disrupted.

Inconvenience

When major attacks take place, passengers are picked up outside the township. This is a major inconvenience for commuters.

In Vosloorus, Tokoza and Katlehong, buses have been operating outside the townships since last week.

Passenger intake during the past three weeks has dropped by 50 percent in Vosloorus, 30 percent in the Evaton and Orange Farm region and 20 percent in Soweto.

Three buses have been completely burnt out in the Soweto-Dobsonville area in the past three weeks and one in Vosloorus. Forty have been damaged since violence started.

Although one driver was recovering after being shot while driving a company car, drivers had not yet complained about servicing the townships, Dr Visser said.

C/rev 16/9/90 332

Five gunned down as taxi war looms

FIVE people died in two dawn attacks on taxi ranks in Soweto on Friday and police are investigating a link between the two incidents.

Four men have been arrested in connection with a 5.30am attack on the Orlando East taxi rank which killed two and injured two, police said.

Three taxis were totally gutted outside a Diepkloof hostel where unknown attackers shot three people dead at about 5.45am.

Also, two drivers and a passenger were admitted to Baragwanath Hospital for treatment.

Residents of a nearby hostel said a red kombi was involved in the attack. These witnesses said they were scared to give more information.

One of the victims, bleeding heavily from both hands and with a bullet wound in a leg, said one attacker tried to shoot him and then told another to finish him off with an axe. His hands were severely cut fending off the blows.

He said he was sitting in a taxi on his way to work when he heard shooting. People started running away.

He heard a man say: "Let's burn them inside." He managed to get out of the taxi and saw four attackers in front

of him. He pretended to be dead while he lay outside the taxi.

Another victim, a taxi driver, was sitting in his vehicle when he saw someone pointing a gun at him. He was shot in the head.

Police said the five attackers, who fled, were armed with 9mm and 7.65mm handguns.

The attacks may have been triggered by rivalry between opposing Pretoria and Baragwanath taxi organisations.

As the result of the killings, many commuters were stranded at taxi ranks late on Friday as scores of taxi drivers

were reluctant to work late into the night for fear of more attacks.

Commuters at the main taxi rank in Commissioner Street queued for more than two hours waiting for taxis.

Sabta president James Ngcoya called for calm and peace on the eve of the organisation's annual conference starting at Sun City on Tuesday.

In Cape Town townships, taxi ranks were deserted again on Friday as a taxi war continued.

Trains from Khayelisha were overflowing and people fought to enter coaches at Nyanga station. - Sapa



Death of the innocents . . . In the aftermath of two dawn attacks on Diepkloof and Orlando East taxi ranks with guns and axes this week, bodies lie in crumpled heaps next to gutted taxis.

Putco to put up bus fares by 5c

PUTCO is to increase all its fares on the Reef and in Pretoria by five cents a trip across the board from the beginning of October ~~332~~ ~~2100~~

Putco MD Jack Visser said in a statement the recent increase in the price of fuel had had a direct impact on running costs and that the increase in fares could not be avoided. *C/Press 16/9/90*

Sabta focus on killings, road safety

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Sowetan
19/9/90

By JOSHUA RABOROKO

THE violence that has beleaguered the taxi industry in the past few months, as well as safety on the South African roads, will come under focus at the three-day annual conference of the Southern Africa Black Taxi Association (Sabta) to be held at Sun City starting tomorrow.

The conference, whose theme is "Safety, Peace and Unity", comes at the time when violence has increased dramatically in the burgeoning industry, putting the lives of many commuters at risk.

About six drivers were fatally shot and three injured when a group of youths allegedly attacked commuters at a Soweto taxi rank last week, and many - no official statistics are available - have been slain in other parts of the country over the past few days.

Sabta, an affiliate of the Foundation of African Business and Consumer Services (Fabcos), has decided to put the continuing violence on the top of its agenda at the conference, according to Fabcos public affairs manager Mr Fanyana Shiburi, who said: "We must stop this carnage."

He said that Sabta had urged taxi drivers to stop senseless killings, as well as to drive carefully to avert accidents that had claimed the lives of hundreds of people.

"We want unity among operators under all costs," Shiburi said.

He said the association was concerned about the carnage and with the necessary backing and unity among drivers. Sabta will be in a position to provide business opportunities for hundreds of black entrepreneurs and bring them into the mainstream of the economy.

One of the highlights of tomorrow's events is the winner of the "Taxi Driver of the Year Competition" which is aimed at instilling the spirit of safety among the more than 100 000 members throughout the country.

The deputy editor of the *Sowetan*, Joe Thlolo, is to open the conference with emphasis on unity. Sabta president Mr James Ngcoya will talk on safety and an unnamed speaker will address the question of peace.

Taxi drivers with an eye for beauty, will be entertained when 10 beautiful girls parade during a Miss Sabta Beauty Contest.



Township taxi men back in business

By VUSI KAMA
Staff Reporter

TOWNSHIP taxis are back in business and most have reverted to the old fares following a meeting between community organisations and taxi associations.

The meeting followed clashes last week between the Western Province Black Taxis Association and the rival Lagunya association over a fare increase.

Violence, including shootings, left at least two people injured and thousands of commuters stranded.

CONFUSION

Hostilities began on Wednesday when WPBTA drivers confronted Lagunya drivers at the city rank and accused them of not raising fares "in spite of a mutual agreement to do so".

Although business was back to normal, there was still confusion among commuters over fares, as some drivers were believed to be charging new higher tariffs.

Meanwhile thousands of township workers were late for work today because no trains ran from Khayelitsha.

Spoornet public relations officer Mrs Yvette Olwage said a train had been damaged near Nonkqubela station.

"We arranged 20 buses to take people to Mandalay while our workers are sorting out the problem," she said.

FW's US visit a whirlwind of engagements

From DAVID BRAUN
The Argus Foreign Service

WASHINGTON. — President De Klerk's three-day visit to the capital city of the United States will be a whirlwind of meetings, speeches and engagements designed to take maximum advantage of the historic opportunities it presents.

From the moment his aircraft touches down at the VIP section of Andrews Air Force Base outside Washington next Sunday, Mr De Klerk will be engaged in a hectic series of appointments.

Details of the programme have not yet been finalised and released, but it is understood Mr De Klerk will have little spare time to enjoy the sights of Washington.

Meeting with Bush

He will hold separate meetings with President Bush, Vice-President Dan Quayle and US Secretary of State Mr James Baker. He will also have a series of discussions with leading senators and members of congress.

There will be television and print media interviews and what could be an important address to the influential National Press Club.

Mr De Klerk will also be the main attraction at three lavish receptions in his honour, including an intimate dinner with about three dozen important politicians, industrialists, publishers and others at the residence of the ambassador, Dr Piet Koornhof.

Plans are also being considered for him to place a wreath at the tomb of the unknown soldier at Arlington Cemetery in Virginia, burial site of President John Kennedy and other American heroes.

Two of the unknown soldiers buried in the tomb were killed in wars in which South Africans fought alongside Americans — World War 2 and the Korean War.

City group s on open sch

Education Reporter

THE thorny issue of open schools will be discussed at a meeting of the Civic Association of Rondebosch East (Care) tonight.

Speakers include representatives from the Open Schools Association, the National Education Co-ordinating Committee and the National Teacher Unity Forum.

Natrawl operating at a loss

610 am
19/7/90 MARIETTE DU PLESSIS

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FAILURE to meet expectations following the takeover of the Quintas Group in 1988 saw Natal Ocean Trawling (Natrawl) post an operating loss of R17 000 (R1,5m profit) for the six months to end June 1990.

Results published today show a net taxed loss of R642 000 before the write-off of R1,7m as an extraordinary item, following the sale of two vessels to West African interests which, due to serious political problems, did not realise the full sale price.

Chairman Jack Walsh attributed Natrawl's losses to complications experienced with the Quintas takeover, and to the simultaneous takeover of two additional costly vessels in anticipation of the rationalisation of Durban fishing interests and expansion into Mozambique.

As a result, most assets required through the takeover were disposed of, resulting in a loss of R111 000. This was reflected in a 3,29c loss a share.

However, Natrawl's long-term debt burden and operating costs could now be significantly reduced, enabling the company to return to profitability this year.

Soweto taxi: no fare increase

By SY MAKARINGE

THE Soweto Taxi Association has decided not to increase its fares in spite of the petrol hike announced by the Government about two weeks ago.

Mr Emmanuel Makoa, public relations officer of the STA, yesterday said the decision to absorb the 10-cent-a-litre increase was taken at a regional meeting in Soweto last Thursday.

He said the association would hold the present fares and review its position only when a second price hike was announced.

He said: "Besides, it would not be in the best interest of the community to increase fares at this stage in the light of the violence that is taking place."

"Many Soweto people work short hours as a result of this violence and do not have money to pay higher taxi fares".

The STA's decision affected 11 branches of the association representing more than 1 800 taxis.

Makoa emphasised that the decision did not affect other regions.

Putco gets set to increase fares on Reef

By DON SEOKANE

PUTCO commuters on the Reef should brace themselves for a fare increase from October 1.

A Putco spokesman said the hike was unavoidable because of the recent increase in the fuel price. (332)

Mr Michael Oldham said the company had absorbed the immediate costs of the fuel price increase to give commuters a chance to re-adjust their expenses in the face of the impending hike.

He said the fare increase was not related to losses the company had incurred during the violence which has swept Reef townships over the past two months.

However, Oldham confirmed that some of Putco's operations were affected during the violence and in other townships services had been withdrawn.

"We were compelled to close down the Edenvale operation and to withdraw services on the East Rand and in Sebokeng where violence was rife.

"Soweto operations were not withdrawn and although the company has incurred damages through buses being stoned and some burnt, the decision to withdraw the services has not yet been made.

"We hope that the situation in Soweto will not degenerate to the extent where the company is compelled to withdraw its services."

Oldham said although Putco incurred substantial losses amounting to a "few million rands" in the recent violence, the situation was better than during the 1986-87 violence when the company's losses were higher.

THE Southern Africa Black Taxi Association has made several recommendations to the Government, including a proposal to suspend payment of Income Tax amounting to millions of rands owed by taxi operators to the Receiver of Revenue.

This was contained in a report by Sabta's marketing director, Mr Jabu Mabuza, who said they had been forced to make the proposals because their members were ignorant of the Income Tax system.

Sabta seeks tax relief for taximen

By JOSHUA RABOROKO

The report was read to more than 1 000 delegates at Sabta's annual general meeting which ended at Sun City yesterday.

Mabuza said that until 1984 blacks were taxed separately from

whites and three years ago the "own affairs" taxation system was abolished.

Sabta had agreed with the Commissioner of Inland Revenue to appoint a joint committee which would investigate the problems encountered by taxi owners relating to payment of tax.

Sabta president Mr James Ngcoya said political groups were bringing too much pressure to bear on Sabta members by trying to "politicise the taxi industry".

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"Boycotts, stay-aways and other activities serving political purposes are seriously interfering with our right to make a living and with the burning and stoning of our vehicles, involving us in huge and unnecessary costs," he said.

FIM 21/9/90 (332)

SAFREN FIM 21/9/90

PROFITS SPIN

(332)

Safren's results for financial 1990 were buoyed by the strong earnings growth of subsidiaries Rennie's and Kersaf and a sharp positive swing in net interest charges. And though this year is likely to be more difficult, the board expects an increase in earnings.

Operating profit rose 14,3% on a modest 9,5% rise in turnover and an increase in the operating margin to 18,4% (17,5%).

Safmarine remains the largest component of the group and contributed R112,5m of the

year's attributable income, an increase of 16% on fiscal 1989. Chairman Alistair Macmillan says the combination of economic conditions which were not conducive to imports, a more stable rand and increased operating costs limited profit growth.

Rennie's boosted attributable income to R34,8m, a 31% improvement. During the year, Fidelity Guards was sold and the concentration on core businesses led to improved efficiencies, reflected in higher operating margins.

Kersaf's operating profit was restrained by declining consumer expenditure and a fall-off in day-trippers to resorts like Sun City but still contributed R106,4m, 21,6% more than the previous year, to Safren's earnings.

Kersaf's earnings were boosted by interest earned on its cash pool. And this cash, together with another pile in Safmarine led to Safren earning R4,9m interest — a R34m turnaround from R29,1m net interest paid in financial 1989. Net borrowings also fell and gearing at the year-end was only 0,03 (0,23).

Earnings at the attributable level were lifted by interest earned and increased 19,5% to R241,5m.

Macmillan expects cash balances to be reduced this year as a result of R700m planned capital expenditure, mostly for the expansion of Kersaf's resorts and new facilities for Safmarine. The loss of interest income combined with difficult trading conditions affecting all three subsidiaries will put pressure on Safren's performance. But management is budgeting for growth in earnings.

The share is now trading at R39,50, well below its R51 high, but at an earnings multiple and dividend yield close to the average for the industrial holdings sector.

Pam Baskind

Sabta calls for safety and an end to violence

By CHARLES MOGALE

SAFETY was the password as the taxi industry took a look at itself during the Southern African Black Taxi Association (Sabta) annual general meeting at Sun City this week.

The safety ratings of minibus taxis reached rock-bottom last Christmas season when they were blamed for a large percentage of the road deaths. Taxi owners have also been criticised for mindless violence against rival operators, and for ignoring pleas to negotiate their differences in a civilised manner.

"We have been told by researchers and respected commentators – most recently Dr Ellen Khuzwayo – that the overall image of black taxi drivers leaves much to be desired," said Sabta president James Ngcoya.

"These adverse perceptions are serious ones which will have to be addressed as a matter of urgency – especially those relating to safety. As people responsible for the lives of the passengers in our care, safety must be our top priority at all times."

Ngcoya called for the elevation of standards to those of airline pilots. Drivers, he said, must be well-trained, efficient, responsible and respected.

He also appealed for peace, saying it was the responsibility of all South Africans to work for it.

"Without peace, everything we do, everything we plan for, is worth nothing. I do not have to be a politician and Sabta does not have to be a political party to recognise that.

"How can we condone killings and maimings by mindless mobs – let alone by members of our association on fellow taximen?" Ngcoya asked.

Keynote speaker, journalist Joe Thloloe, called for unity among oppressed people, and said this did not mean belonging to one organisation.

"Unity does not mean that we should all wear the same uniforms and recite the same grey slogans. It means we all need to be committed to liberation and the good of the South African nation and humanity," Thloloe said.

1990

WORLD



NATIONAL

Plan to curb minibus taxi accidents in city

ARGUS
24/9/90
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By VUSI KAMA
Staff Reporter

THE Cape Town traffic department is to employ more officers to deal specifically with the minibus taxi problem in the Peninsula.

Traffic manager Mr Wouter Smit said the move was part of a bid to limit taxi accidents.

He said his department had offered to train traffic officers for the Ikapa Town Council, but had not had any response.

"We are willing to help the Ikapa council but have not

heard from them since we contacted them.

"My department is obviously concerned about the situation with black taxis," Mr Smit said.

The traffic department had "numerous calls" from passengers and other road users complaining about the behaviour of taxi-drivers, mostly their behaviour on Settlers Way and Wetton Road.

"This is where taxi-drivers do the most unthinkable things on the road. It is disgusting," Mr Smit said.

Traffic officers also faced the problem of taxi-drivers acting in concert to protect colleagues from prosecution.

"Taxi-drivers often intimidate traffic officers when one of them gets arrested for an offence that makes our job very difficult."

On the issue of overloading, Mr Smit called on commuters to avoid full taxis.

Mr Smit said the problems could best be solved by addressing the economics of the taxi business and teaching drivers better driving skills.

"Drivers are trying the easiest ways to make money quickly and that causes accidents.

"They take short cuts and pose serious danger to other road users.

"Drivers and owners need to be taught the most efficient methods of making money without endangering the lives of other road users.

"A better management method has to be devised.

"On the training side, the traffic department is planning a small-scale driver-training programme, but there is a lot more to be done."



Bid for peace in taxi rivalry

By VUYO BAVUMA
Staff Reporter

ALL minibus taxis operating in Cape Town should be registered, and rival factions within the industry should form one body, it was decided at a recent meeting in Nyanga.

The weekend meeting in the Nyanga Stadium was attended by about 700 people including representatives of community organisations and taxi owners.

The meeting took place as a result of violence between rivals Western Province Black Taxis Association and Western Cape Black Taxis Association over increased fares.

Speakers at the meeting on Sunday said it was important to know the number and the owners of the taxis serving the people. The owners should register with a new 15-member committee comprising community organisation members and taxi owners chosen at the meeting.

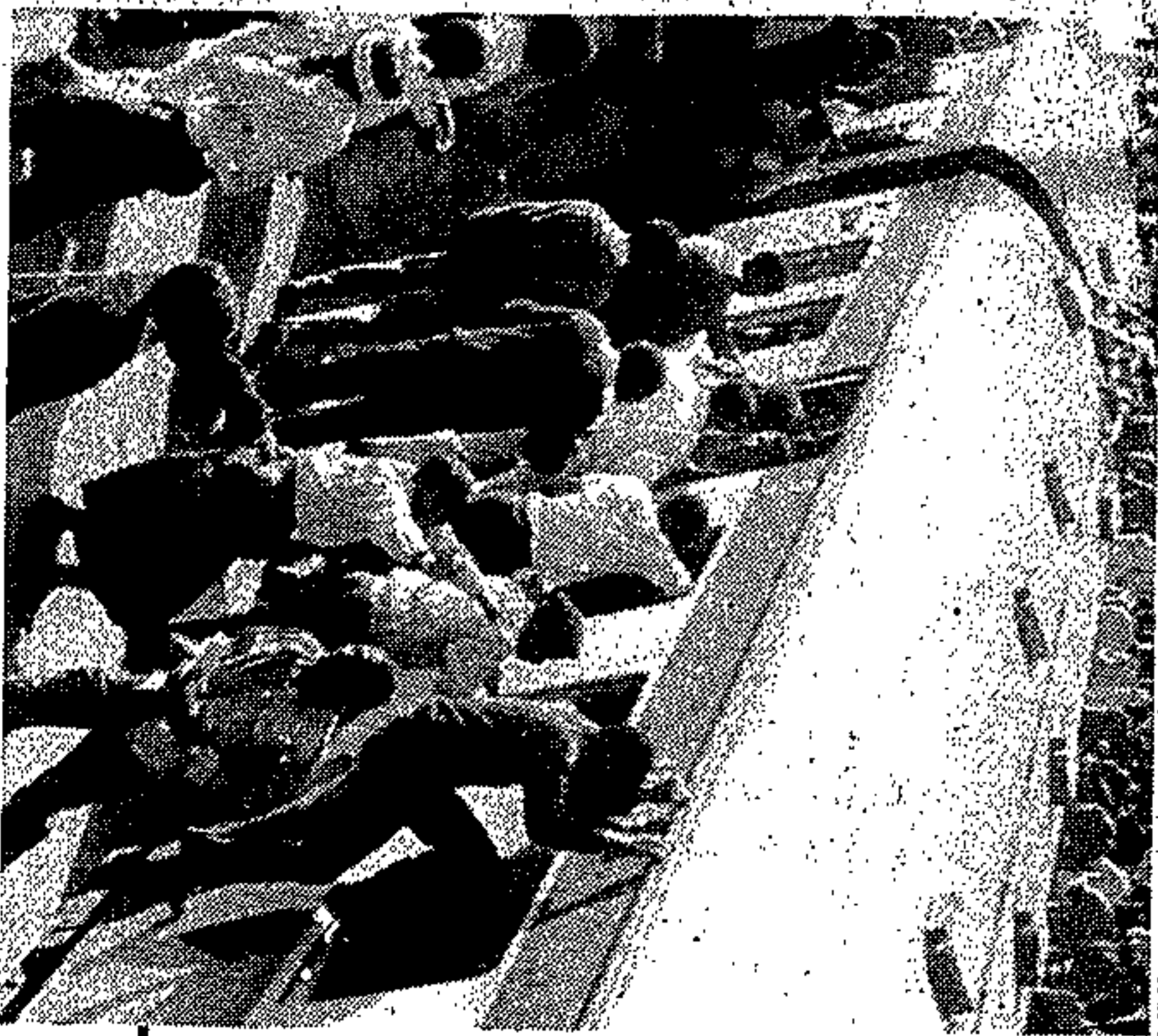
The committee would ask the Transportation Board to stop issuing licences until the residents have achieved their aims of ensuring peace among the taxi owners.

It was also decided to encourage all drivers to form one union to represent their interests. This union would screen drivers to ensure they had valid licences and that all taxis were safe.

"When we talk of taxis we are talking about reliable licensed vehicles which are up to standard. This means that all taxis should be scrutinised."

"All those taxis which are not suitable should be taken off the road," one speaker said.

It was also decided that the taxi drivers should charge the old fares while the matter was being considered by the community.



Sowetan Reporter

The greater Johannesburg transport problems are being carefully scrutinised and fall within the ambit of brief given to a consortium called Masstran, to look into opportunities of solving the congestion.

Appointed by the Department of Transport to look into alternative

Overcrowded trains will be a thing of the past.

Transport problems: Officials act

Sowetan
27/9/90

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means of transport and improving the existing modes, Masstran say they are on top of the situation.

The most important factor the organisation has engaged is an active public opinion programme where commuters and residents in metropolitan Johannesburg and Soweto can submit ideas, indicate prob-

lem areas and provide environmental and occupational advice.

"The transport problems are not going unnoticed and affect the whole of the greater Johannesburg area. They are receiving urgent attention from us," said Masstran's Mr Ian Clements this week.

He said Masstran's

feasibility study is expected to be concluded by the end of March 1991 and that its main objective was to involve the public.

"It is necessary to involve the public - both in the private and public sectors - so that any recommendations made are based on opinions and feedback from the commuters themselves.

"One way in which the public is being involved is through citizen liaison committees, which have been set up by Masstran to draw together groups of people from all interested parties, including civic associations," Clements said.

Masstran has held a series of meetings with Citizen Liaison Committees (CLC) over the past six months from various parts of the greater Johannesburg area.

The main task of each CLC was to identify key issues of concern regarding public transport in its particular region or within its industry or interest field.

Members were asked to list these issues for evaluation of transport alternatives in the categories of:

- * An efficient transport system

- * A public transport system that is financially and economically viable

- * A public transport system which benefits the quality of the urban environment

- * A public system that satisfies all the needs and requirements of the community

Information is collected for analysis and projections made for up to the year 2005. The various types of transport under consideration include private vehicles; buses, mini-buses, heavy, rail (trains) and light rail (as used abroad).

CAPE TOWN — Leisure and shipping group Safren expects to spend about R600m on existing operations this financial year, chairman George Macmillan says in the latest annual report.

The expenditure will be funded out of the group's internal resources together with short to medium borrowings, and will not affect the maintenance of conser-

Safren has plans to spend R600m

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LESLEY LAMBERT

manufactured, with further orders to be placed during the coming months.

Major expansion plans include those already announced by Ker-

saf. The leisure group, in which Safren has a 76% stake, will be involved in developments in Botswana and Transkei.

Shipping subsidiary Safmarine

will continue to pursue joint ventures with international partners.

Safair has applied for a licence for scheduled air freight services between major SA cities.

Subject to the granting of the appropriate licences, the services should be operational from October.

The container replacement programme, announced last year, is now in progress and a number of containers are currently being

The directors say Safmarine's major income earner, imports, has been affected by the authorities' stringent economic measures and declining international trade has placed downward pressure on shipping sale and purchase values and charter rates.

FM 28/9/90

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radically, with much progress made towards reducing gearing.

TGH and its holding company, Duros, were acquired in March by a consortium controlled by the family trusts of Askin and Hugo Biermann, though effective control was taken only in June. Askin tells me a rights issue and disposal of a number of under-performing divisions have brought debt down sharply and cash flow has turned positive.

He says the rights issue raised R45m, while the sale of Arwa realised another R42m cash, which has been received. The operating divisions of Norths Industries were sold for R12m through a management buy-out. Payment for this is to be made over three years but the immediate benefit is that Norths' debt is eliminated from the TGH balance sheet. TGH has retained the Norths cash shell.

In the tourism, sport and leisure subsidiary, Enterco, Deale & Huth was disposed of for R6m. The less significant advertising and PR divisions have also been sold.

Rigorous bargaining over bus transport with certain local authorities is expected to have cash-flow effects for TGH. Its Port Elizabeth and Empangeni commuter transport companies have been making losses for the past 24 months, and TGH has given notice that these operations are to close. Both are to continue until December but on terms acceptable to TGH. About 700 vehicles are involved, each with a replacement cost of R300 000. Some are to be sold to the local authorities while the rest will be moved to supplement the 1 000-vehicle western Cape operation. This, says Askin, will avoid the need for annual capital spending of about R25m.

Also sold is TGH's Transvaal commuter transport division, which has also been running at a large loss for the past two years. TGH will retain 150 of the former 650-vehicle fleet there. Management expects the closure of these loss-makers will completely staunch the cash drain in the transport division.

Askin reports that Enterco's transport divisions — Motorvia, Greyhound and Springbok-Atlas — are performing well. The 56% holding in Gants continues to depress group earnings, but Gants is seen by the group as a "major recovery situation." Restructuring is planned.

All this has reduced interest-bearing debt to R170m from R374m at December 31. By our calculations, this still gives an excessive debt:equity ratio of about 1,05. Gants accounts for about R100m of the group's debt, so action to rectify this company cannot be taken soon enough.

DUROS/TOLLGATE FM 28/9/90

DEBT SLASHED

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Six months after reporting disastrous results for the 1989 financial period, Tollgate Holdings (TGH) is preparing to release interim figures for the current year. Julian Askin, appointed chairman earlier this year, admits that these results will not be good. But the structure of the group has been changed

FOX FM 28/9/90

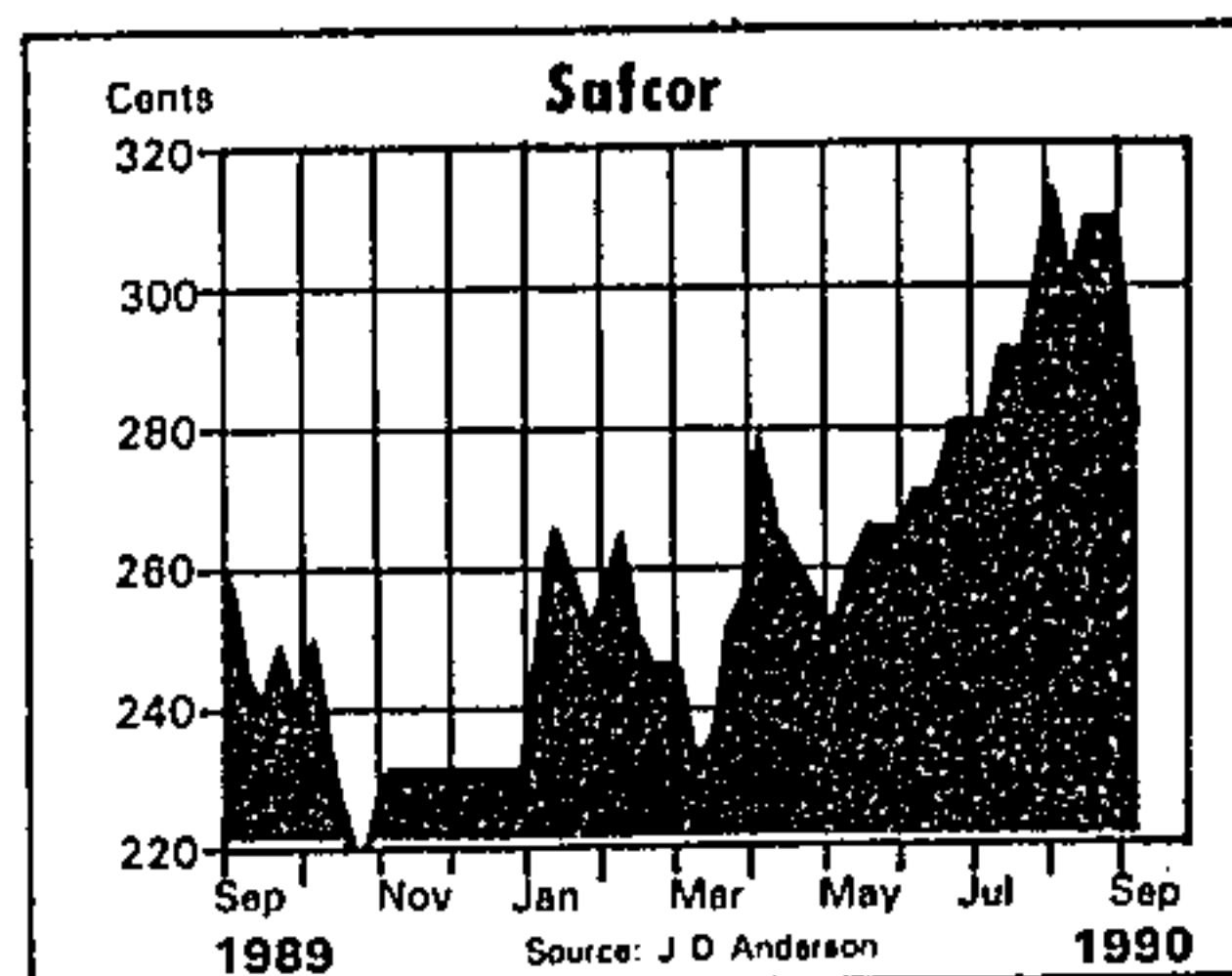
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The large overheads incurred by TGH's previous regime, which operated from a central head office, have been slashed. This is expected to save at least R10m/year. These cuts involved writing off one-off expenses in the interim figures, which partly accounts for the expected poor results.

With all loss-making divisions except Gants out of the picture, a small, motivated management team in place and with debt greatly reduced, a return to profitability is the next step. Askin talks about EPS of not less than 40c for the 1991 year — though that is looking more than 15 months ahead. It does not take account of an overseas acquisition targeted for this year provided London's stock exchange does not fall too far.

At 250c, TGH's price stands at its lowest point since the consortium announced plans to acquire the group. Much action has been taken since then. But, given the bear markets locally and overseas, the net worth of about 100c, and an uncertain economic and political outlook, it is a matter of opinion whether the price offers value.

Gerald Hirshon



1990. A decline in the volume of imports curbed clearing and forwarding activity, while the transportation and storage operations were restrained by reduced tonnages and cargo.

Turnover increased 16,7%, and the operating margin held firm at about 2,8%. Chairman Max Brodie says escalating costs in road transport operations could not be fully recovered in the prevailing trading climate.

The slowdown in import volumes reduced working capital requirements, and led to a build-up of cash. At year-end Safcor was holding R37,5m (R22,4m) cash against debt of R3,3m.

No acquisitions are expected — the cash pool will diminish as activity rises or if regulations require the funding of VAT by clearing agents.

A slightly lower effective tax rate helped to boost earnings which rose 25%, and with a small rise in cover the dividend was a fifth higher than in financial 1989.

MD Peter Desilla says imports have held up quite well since year-end but a decline in trucking activity has been experienced. Earnings this year are not expected to fall below the 1990 level.

The share price firmed from its October 1989 low of 200c, but recently fell back from a high of 320c on limited trade. Pam Baskind

SAFCOR FM 28/9/90

TRUCKING SLACKENS

Activities: Freight forwarding, clearing, road transport and allied activities.

Control: Currie Finance 51,5%.

Chairman: M Brodie; MD: J P Desilla.

Capital structure: 22,1m ords. Market capitalisation: R59,7m.

Share market: Price: 270c. Yields: 11,1% on dividend; 22,8% on earnings; p/e ratio, 4,4; cover, 2,1. 12-month high, 320c; low, 220c.

Trading volume last quarter, 143 000 shares.

Year to Jun 30	'87	'88	'89	'90
ST debt (Rm)	—	0,4	0,9	1,2
LT debt (Rm)	0,1	1,1	2,4	2,1
Debt:equity ratio	n/a	n/a	n/a	n/a
Shareholders' interest	0,37	0,31	0,27	0,31
Int & leasing cover	38,5	46,3	18,2	26,6
Return on cap (%)	18,6	17,2	19,3	21,3
Turnover (Rm)	395	583	824	961
Pre-int profit (Rm)	12,0	14,5	23,2	27,1
Pre-int margin (%)	3,0	2,5	2,8	2,8
Earnings (c)	30,5	33,9	49,3	61,7
Dividends (c)	15	16	25	30
Net worth (c)	102	116	140	171

Safcor's strong growth trend established over the past few years slowed in financial 1990 in line with general economic trends. Freight forwarding and clearing is holding up well this year but road transport activity is slack.

The buoyant trading conditions of 1989 slowed, particularly in the latter half of fiscal

Scharrig on target to beat forecast

By Derek Tommley 332

Earth-moving and open-cast mining operator Scharrighuisen, reports earnings of 17,9c for the six months to June and 34,8c for the 12 months to June, and ex-

pects to beat its profit forecast of 45,3c for the 18 months ending December, its directors report. A 5c dividend has been declared making 10c for the 12 months ended June.

Multi-million rand losses from Duros

By AUDREY D'ANGELO
Business Editor

MULTI-MILLION rand losses reported by the Duros Group — now in the process of being renamed the Tollgate Holdings Group — for the six months to June 30 stem from decisions taken before the change of control in midyear, new joint chairman Julian Askin said yesterday.

"We have stopped all losses and now have a very positive cash flow. The company has been turned around and is a very different creature."

Holding company the Duros Group reported a pre-tax loss of R17,8m compared with a profit of R22,7m in the first half of last year. The after-tax loss was R15,3m compared with a profit of R16m. Losses to ordinary shareholders were R10,1m compared with losses of R7,5m.

Non-recurring losses on discontinued operations and the termination of long term contracts were R15,8m. Nett losses from the disposal of assets and shares in subsidiaries, discontinued operations, retrenchment costs and assets written down totalled R38,8m.

Turnover was R285,1m (R388,6m) and operating income R16,1m (R44,1m). The interest bill was R18,1m (R21,4m). The loss before abnormal items — the disposal of nonperforming assets — was R1,9m.

● Tollgate Holdings (TGH), holding company for the operating companies, reported an after-tax loss of R14,8m compared with a profit of R23,4m, and a loss to ordinary shareholders of R10,3m compared

'A very different creature' emerges

with earnings of R13,5m in the first half of last year.

● Entercor Holdings which, under a scheme of arrangement, will be de-listed and become a wholly owned subsidiary of TGH, reported earnings per share of 15,6c (14,6c).

Operating income rose to R4,4m (R3,9m) on a turnover of R44,2m (R59,9m). But an interest bill of R1,3m (R69 000) reduced income to R3,1m (R3,9m).

Chairman Mervyn Key and director G C O'Leary say that although the operating results are "pleasing and in line with expectations" the disposal of "the nonperforming cycling, public relations and advertising divisions" has resulted in an extraordinary loss of R6,1m.

● Gants Holdings report an operating profit of R738 000 (R14,8m) on a turnover of

R67, (R129,2m). The interest bill was R4,1m (R9,2m).

The loss to ordinary shareholders was R3,4m compared with attributable earnings of R5,5m. This translates to a loss of 5,7c a share compared with a profit of 9,2c.

However, comparisons are misleading because results for the first half of last year included those of the agricultural machinery division, subsequently sold to North's Industries.

The directors say that unfavourable local trading conditions affected results. The effect was exacerbated by aggressive discounting and dumping of excess stock by competitors, and industrial action against major retail customers.

They expect the market "and, in particular, price levels" to improve in the last quarter.

"Management has now addressed the area of operating efficiency, which will also give rise to improved financial performance in the future, and greater emphasis will be directed to those products which are able to be exported.

"In addition, certain other strategies are being considered to increase performance."

● Crendell Investment Corporation — formerly Arwa — is now a cash shell with R42m. It is about to acquire Duros' insurance interests.

● The assets of North's Industries have been sold to Chmarnic (Pty) in a management buy-out for R12m. Under a scheme of arrangement the cash shell will become a wholly owned subsidiary of TGH.

Business Editor

THE new controlling shareholders of the Tollgate Group (TGH) have had to be "absolutely ruthless" in disposing of non-performing assets and reducing debt, joint chairman Julian Askin said in an interview yesterday.

He said that by Christmas they would have had six months in which to "tidy up the mess. At the beginning of the year we hope to have a company that is extremely profitable."

The "tidying up" has included the disposal of all the bus companies except that in Cape Town, which is profitable.

Askin said this could

Ruthless disposal of company 'dogs'

result in improvements in the local transport services since management would now be free to give all their attention to these "instead of having to deal with all the 'dogs' they had in the company."

Some of the buses from the companies which had been disposed of had been kept for use in Cape Town.

The loss-making bus-building company had

been closed down. The group's employees had been reduced from 19 000 people to 12 000.

Other companies disposed of, including Entercor's cycle division, had been sold to their managements.

Askin, who is based in London, said he intended to spend a large part of the year in Cape Town attending to the group. The results for the first half of the year "do not

present a happy picture, but those days are gone."

He said he intended to build up a strong base in SA before expanding operations in the UK.

He hoped to make an acquisition in the UK within the next six months. "But I don't want to start on overseas activities until we have straightened things out here."

"I do not want people to regard this as a rand

hedge share to be bought for speculative reasons. The group is a very good base. I don't intend to sit on our SA assets and not make them work."

He was optimistic about the future for SA. This was why he had bought his stake in the group.

"You have to buy at the right time. If I had waited for things in this country to improve it would have been too late."

Askin said the disposals and a R45m rights issue had reduced group debt by 53% from R374m to R176m. "Of these borrowings, some R120m reflects the group's investment in, and the consolidated borrowings of, Gant's."

JOHANNESBURG. — Three people were killed and three were seriously injured in a hail of gunfire at the Orlando taxi rank yesterday morning.

Lieutenant Govinsamy Mariemuthoo said it was not clear who the attackers were, but police were investigating. "We can't say it's part of the taxi war," he said.

Lieutenant-Colonel Tienie Halgryn, liaison officer for the Soweto police, said earlier that five taxis were waiting for passengers at the Baragwanath-Johannesburg taxi rank when, without warning, armed men started shooting at taxis and passengers. People were caught in a hail of bullets, including AK-47 rifle fire.

Police arrived within minutes and cordoned off the area. The body of one person was discovered at the scene, while two people were certified dead on arrival at Baragwanath Hospital.

Two women and one man were also admitted to the hospital with serious

3 die in hail of gunfire at taxi rank

injuries. They are apparently fighting for their lives.

Colonel Halgryn noted that there was a continuing feud between the Baragwanath-Johannesburg and Baragwanath-Pretoria taxi groups.

The Baragwanath-Johannesburg group apparently wants the Baragwanath-Pretoria taxis to operate from Johannesburg and not from Soweto.

"These people have often resorted to violence in the past. There is obviously a lot of money involved here," Colonel Halgryn said.

No arrests have yet been made. — Sapa

CAPT Tintis
29/9/90

Star 1/10/90 332

Putco fares up 5 percent today

Staff Reporter

Putco bus fares on the Reef rise by 5 percent today.

Putco spokesman Mike Oldham said the increase was unavoidable because of the recent fuel price increase.

Mr Oldham said the company had absorbed the immediate costs of the fuel price increase to give commuters a chance to readjust their expenses.

He said the fare increase was not related to losses the company had incurred during the violence which swept through the Reef townships in the past two months.

However, Mr Oldham confirmed that some of Putco's operations had been affected by the violence and some township services had been withdrawn.

"We were compelled to close down the Edenvale operation and to withdraw services on the East Rand and in Sebokeng where violence was rife."

The Soweto Taxi Association has decided not to increase its fares in spite of the increase.

Sta 3/10/90

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Taxi war leaves family in trauma

Priscilla Zwane (32) sits on the mattress she shared with her husband until he was shot dead last Tuesday.

Half a dozen women are comforting her.

She ponders the prospect of having to bring up her five young children who have been left fatherless by the continuing feud between the Baragwanath-Johannesburg and the Baragwanath-Pretoria taxi associations.

Priscilla, of Soweto, is one of several young mothers who have been widowed by the bloody taxi feud, which has already claimed about 30 lives.

Her taxi-owner husband, Sydney Zwane, who was affiliated to the Witwatersrand African Taxi Association, died in a hail of gunfire unleashed by unidentified men last week. His cousin, Thulani Mbatha, a Bara-Pretoria taxi operator from Natal, was also killed in the attack.

Travellers

The chairman of the Bara-City Taxi Association, Joe Simelane, said the trouble began when the Baragwanath-Pretoria route was established in November 1988. He said his association was surprised when the taxis started operating near their rank unannounced.

Before their arrival, people travelling to Pretoria used his association's taxis to get to Johannesburg's Noord Street rank, from where the Johannesburg-Pretoria taxis operate.

"Our members complained they were losing business as a result of the new service. Also, the Pretoria-Johannesburg taxi operators said they were losing business because of the Baragwanath-Pretoria service."

As the taxi feuding goes on, with bloody attacks and counter-attacks, women are left without husbands, children without fathers, reports
THABO LESHILO.

Mr Simelane said the new arrivals had been informed that there was a standing agreement with taxi owners in the Soweto area, whereby taxi operators did not "poach" passengers.

Several meetings were organised to try to include the new arrivals in this arrangement but they would not co-operate.

He said the Bara-Pretoria people were approached in April and told to leave the area and return with their officials to discuss the situation.

They left but returned in six minibuses two hours later and parked their taxis at the disputed rank.

"While our men were watching what the combis were up to, unknown men who had apparently been dropped off by the combis at nearby Toby's Ford opened fire on our men. Nine of our members were injured," Mr Simelane said.

Another meeting was held between the warring factions and attended by the Johannesburg-Pretoria group. They agreed to launch a joint committee on November 7.

However, the BPA allegedly reneged, saying that as members of the Federation of International Transport Organisations (Fito), an affiliate of the National African Federated Transport Organisations (Nafto), they could not amalgamate with Bara-City and the Johannesburg-Pretoria groups,

which are affiliated to the Southern African Black Taxi Association (Sabta).

Since then there have been attacks and counter-attacks with AK-47s and R1 rifles, and the Bara-Pretoria taximen recently stopped operating from the rank.

Mr Simelane said 30 taximen and passengers, 13 from his side, had already died in the violence. He sees an amalgamation of the Baragwanath taxi bodies as the only solution to the problem.

"Only the coming together of the parties involved can end the killings. We must all forget about what happened in the past and end this unnecessary killing."

"Guns cannot solve anything. They only create more widows and orphans," he said.

Frantic meetings

Attempts to get comment from the BPTA drew a blank. Fito director Evelyn Moepi could not be reached.

Nafto spokesman Peter Rabali refused to comment. However, another Nafto official said as far as he was concerned, Fito no longer existed.

Sabta public affairs director Mike Ntlaleng could not comment until he had received a mandate from the Soweto region.

Now, frantic behind-the-scenes meetings are being held by Sabta's Soweto region and Soweto police to end the killings.

Diepmeadow council's acting town clerk Tom Mabambe said Fito had been given the go-ahead to use the rank by the former mayor, Johannes Mathala. They, however, had no permit to operate in the municipality.

Bloody taxi feud leaves widows and orphans

The Argus Correspondent

JOHANNESBURG. — Mrs Priscilla Zwane, 32, of Soweto sits on the bed she used to share with her husband before he was shot dead in a taxi war last week.

She ponders the prospect of having to bring up her five young children who have been left fatherless by the continuing feud between rival taxi associations.

Mrs Zwane is one of several young mothers who have been widowed by the bloody taxi feud which has already claimed about 30 lives.

Hail of gunfire

Her taxi-owner husband, Mr Sydney Zwane, died in a hail of gunfire unleashed by unidentified men last week. His cousin, Mr Thulani Mbatha, a taxi operator from Natal, was also killed in the attack.

Chairman of the Bara-City Taxi Association, Mr Joe Simelane, said trouble began when the Baragwanath-Pretoria route was established in November 1988.

He said his association was surprised when the taxis started operating near its rank unannounced.

Before their arrival, people travelling to Pretoria used his association's taxis to get to a Johannesburg rank, from where the Johannesburg-Pretoria taxis operate.

"Our members complained that they were losing business as a result of the new service because passengers no longer boarded our taxis to town. Also, the Pretoria-Johannesburg taxi operators complained that they were losing business because of the Baragwanath-Pretoria service."

Mr Simelane said the new arrivals were informed that there was a standing agreement with taxi owners in the Soweto area whereby taxi operators did not "poach" passengers.

'End killings'

Several meetings were organised to try to include the new arrivals in this arrangement but they refused to co-operate.

"Only the coming together of the parties involved can end the killings. We must all forget about what happened in the past and end this unnecessary killing."

"Guns cannot solve anything. They only create more widows and orphans," said Mr Simelani.

It is so that he could
The suspect lunged at
German and grabbed his
ensuing struggle two
were fired and Constable
ran inside the room. As
gun at him. Before the
could shoot him, Con-
tower fired at him. The
as fatally wounded and
the ground still holding
German's pistol.
Jel Halgryn said the first
happened shortly after

way out of the cemetery. Three of us got out and started running. They shot my best friend first. I saw him fall. Jack was running next to me but said he was tired. He said he would wait for them to arrest him. I saw them shoot him as he stood there. I managed to run to Tshiawelo station. I caught a train and escaped."

"Then they took my uncle and told me to wait side. They also chased Is girlfriend out of the house. policeman, James Bou went in alone. I heard 3 shots.

Louise Burgers

A new policy of placing tolls on existing freeways — reversing the policy of tolling only new roads — is being drawn up the Department of Transport.

Today deputy director-general of transport Malcolm Mitchell said that, although no decision had been made about the Ben Schoeman, it was "quite conceivable" this would be one of the main roads considered.

Poorer people

Yet, if the policy of tolling only new roads was followed, the toll on this road would probably be in the order of R8 or R9 — while motorists on the existing western bypass road paid no tolls.

The major expenses were incurred in maintenance.

Highway robbery, they scream - again

A new policy of tolling existing freeways — reversing the policy of tolling only new roads — is being drawn up by the Department of Transport. **SHIRLEY WOODGATE** looks at one of the most emotive issues in the history of South African road transportation.

The privatisation of roads in South Africa ranks as one of the greatest transportation disasters of all time, second only to the maiden voyage of the Titanic, Johannesburg city engineer George Grant once said.

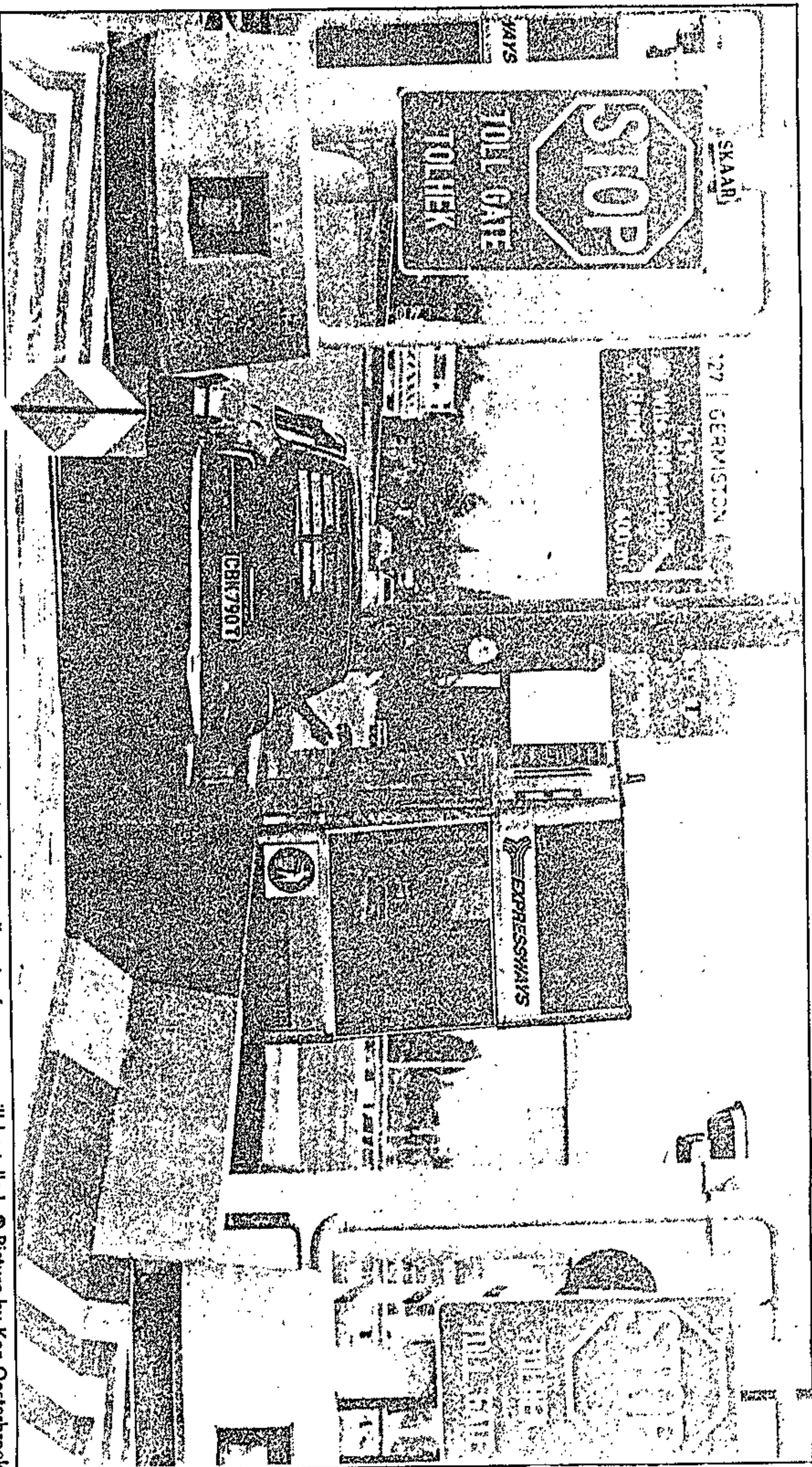
He was discussing the financing of parts of the N3 toll road linking the Reef to Durban.

The history of road tolling in South Africa has been a sorry tale of poor public relations, public outrage leading to toll concessions, and court action both threatened and actual.

It was court action which finally plunged the toll road concept to an all-time low when the Johannesburg City Council was forced to take the Government to court to have the Winchester Hills Plaza on Tollways' Springs/Krugerdsdorp highway thrown out.

From day one, when the system of obtaining funds to finance new roads was mooted before 1980, the glaring omission was communication with the very people who would deliver the money at the toll plazas: the motoring public.

It was, therefore, hardly surprising that this sector reacted with outright anger when they were forced to foot the bill at the plazas after paying for years the so-called dedicated fuel tax for the construction of new roads.



Paying the price... If the Government's

'network' toll road policy is approved by the Cabinet, all major freeways will be tolled. Picture by Ken Oosterbroek.

The Government left it largely to the two major toll companies, Tolcon and Tollway, to sell the concept. But the toll companies were hindered in that they were in no position to speak on behalf of the State.

By the time the toll companies were freed to launch into public relations campaigns, it was a case of "too little, too late".

In July 1988 the then Johannesburg management committee head Danie van Zyl claimed

that former Transport Minister Hendrik Schoeman had undertaken not to toll existing roads — but the Department of Transport denied this.

At that stage the question of alternative routes was high on the agenda, and Minister Eli Louw said of the N13 toll plaza: "If the alternative route does not comply with acceptable standards, the department will sympathetically reconsider the matter to ensure that the alternative routes comply with the

requirements."

Latest announcements have excluded reference to alternative routes.

Until yesterday — with the announcement that existing freeways could be "tolled" to pay for their maintenance — the uproar over toll roads had largely died down.

For as the toll road question came in for public debate in the late 1980s, the concept of tolls gained wider acceptance. It was a fact that the State

could not afford to build new roads, so privatisation in the form of toll companies appeared the only answer.

But now, "highway robbery" is again the cry.

Johannesburg Metropolitan Action Group secretary Conrad Berge said yesterday: "Previous categorical denials that existing freeways would be tolled on this massive scale had always been positive proof it would happen, as this has been the style of those involved."

The apparent about-turn in policy announced yesterday — from charging tolls for new freeway construction roads to imposing tolls on highways long in existence — is highlighted by a previous statement reported by made by Transport Minister George Bartlett.

The Minister commented that one of the major problems which had to be resolved was the "understandable concern" of the public about high tolls, "particularly of existing

roads".

That motorists are unwilling to accept that roads, which taxpayers have already paid for, should be tolled is highlighted by a recent Automobile Association study.

Some 73 percent of motorists canvassed were not prepared to pay toll fees on existing roads.

AA spokesman Robin Scholtz said the AA's policy was that it accepted tolls on condition that only new roads were developed as toll projects.

"Only the inclusion of small sections of existing roads in a tolled scheme may be considered in exceptional circumstances," he said.

A major consideration which the AA insisted on was that alternative roads must be maintained in good condition for the duration of the competing toll road.

Mr Scholtz yesterday said the organisation would be reviewing this policy at the earliest opportunity.

Asked to comment on the new plan, Road Freight Association chairman Deon Blignaut yesterday said tolling a new network of freeways and existing freeways would inevitably push up the cost of road transport.

However, he expressed "reluctant" acceptance of the new policy.

"We were informed of the move on Monday at a meeting in Pretoria with Transport Minister George Bartlett, Malcolm Mitchell and Ronnie Meyer, and after hearing the reasons, we are reasonably happy to accept the new policy. We have previously favoured the addition of levies to fuel or licences as a more efficient way of collecting money.

Welcoming the move, Tolcon chief executive Ron McLennan said tolls were the only solution if the country's road system were to be maintained.

PICTURE: RUBYN HYAN

Letters of dismissal sent to Spareco's 683 staff members

8/10/90
SPARECO staff were told in a letter at the weekend that their services had been summarily terminated, former Spareco GM Oscar Taub said at the weekend.

Many of the dismissed workers protested outside TrustBank last Friday against the non-payment by the bank of their salary cheques. (335) (24) (25)

Taub estimated that provisionally liquidated Spareco had lost R500 000 a day in September. However, Spareco's staff managed to collect R1,5m in outstanding debt during the period.

But while Spareco's 683 staff members had conducted themselves loyally and honestly under extremely difficult circumstances in September, none had been paid for that month, he said.

Meanwhile, offers for Spareco's business as a going concern, its individual branches or its investment in Eddies Motor Spares

ZILLA EFRAIT

have been called for by the joint provisional liquidators.

Offers for Spareco's business have to be submitted to the liquidators by Friday and should be based on an offer for the stock in trade of respective branches. Fixed assets are to be negotiated separately at a later stage, say the liquidators.

An announcement published today details the estimated stock at cost of 25 branches of Spareco. The total cost of this stock is about R25m and the liquidators warn that some of it may be subject to Reservation of Ownership.

Last week Spareco staff had meetings with motor group Vaaltrucar (Valcar) in an attempt to save the group. The rescue package proposed by Lakewood Corporation has reportedly lapsed in terms of the scheme of arrangement.

Imphold owes success to diversification ³³² Lynch ^{01/09/90}

Business Day Reporter

TRANSPORT company Imphold has shown excellent results over the last six years because of diversification in the transport industry, says executive chairman William Lynch in the annual report for the year to June 25.

Turnover nearly quadrupled over the past six years from R147m to R544.5m, while after-tax income has steadily increased from R1.5m to R21.5m.

The company's focus is on transport, car and truck rental, motor trading (through Toyota dealers Imperial Motors), and financial services (short term motor insurer Regents Insurance Company).

"The group's operating profit margin increased to 9.2% from 8.7%, confirming the wisdom of our diversifying into those products and services which generate greater added value," Lynch said.

He said the slowdown in the eco-



● LYNCH

nomy which became evident towards the end of 1989 and the high cost of money reduced individuals' capacity to buy durables such as cars.

"We are fortunate that the bulk of our trade is with the corporate sector and that most of our products and services are regarded as necessities and not luxuries.

"The spread and contra-cyclical nature of these products and services and their appeal to a broad spectrum of businesses are also important," he said.

Turning to the outlook for the current financial year he said car rental division, Imperial Car Rental, was planning for real growth in turnover this year.

The motors division, though not anticipating an increase in new vehicle unit sales, expected an improvement in its used car sales and a continuation of the growth in profits in parts and services.

The truck systems division had the advantage of a solid order book as well as a conservatively structured rental and casual transport operation, and should ensure another year of profit growth, he said.

DIVIDENDS

Last day to register Friday

Oct 12:

Bearman 15c; CFC 8c; Con-

fram 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; Sun-

crush 254c; Tafelberg 1,6c;

Toyota 170c; Tradegro 86c;

Tradhld 3c.

8/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 (Randfon-

tein); Pleasure; Pricefurn (S);

Village (Ord & S); Zandpan.

Thursday Oct 11: Foschini (S)

(Parow East); Lefic. (S)

(Parow East); Siltek (Rand-

burg).

Friday Oct 12: Deelkraal;

Doornfontein; Drie Cons;

Grintek; Kloof; Libanon;

Northam; Venterspost; Vlak-

fontein.

All meetings are in Johan-

nesburg unless otherwise

stated.

S = Special meeting.

Pretoria taxi fares up

80 welan 7/10/70 332
THE Atteridgeville/Saulsville Taxi Association yesterday announced fare increases to be implemented from next Monday.

Mr Joseph Chauke, public relations officer of the association, said single trips to town will be now R1.50 daily including weekends. Residents use to pay R1.30 for a single trip to the city from Tuesday to Thursday and R1.50 from Monday to Friday.

Local trips from the Atteridgeville and Saulsville railway stations into the township have been increased from 70c to 80c daily.



Sabta's Tebello Radebe addressing a group of people during a seminar for the disabled held at the Takalani Centre in Soweto.

Clamp on drivers who abuse the disabled

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Sowetan 11/10/90

IN future if the South African Black Taxi Association receives a complaint from a disabled person who has been abused by a driver, Sabta has arranged with the Department of Transport that the offending driver's permit be withdrawn.

This was revealed by Mr Tebello Radebe of Sabta at a seminar at Takalani centre in Soweto which was organised by the Greater Soweto

By PEARL MAJOLA

Liaison Committee for Disabled People.

The objective of the seminar was to launch the establishment of a working relationship between Sabta and the committee regarding the transport needs of disabled people. Its theme was *Transportation as the key need for the rehabilitation of the disabled people.*

"We realise that our drivers need to be trained on how to deal with the

public, especially the disabled, and we would like to train them but we do not have the money to do it and the Government won't give it to us.

"However, we are addressing the problem and at the moment we have Project Spear which is a training programme we have started with the hope that it will help limit complaints against our drivers," Radebe said.

"It is time people realised that laws are not

going to change the abuse and lack of understanding towards the disabled people - it is the attitudes of taxi drivers and passengers that have to change.

"Sometimes it is the passengers who, when drivers stop for slow, disabled people, complain that they are in a hurry and their time is being wasted. In this regard attitudes have to change and there has to be co-operation between the passengers and the drivers."

Also at the seminar was Sandy Heyman of the People for Awareness on Disability Issues who said that the public should be responsible and responsive to people with disabilities and they should rather empathise than sympathise with them.

Heyman emphasised that organisations with projects aimed at helping people with disabilities should consult them about projects.

Taxi crisis looms as accidents soar

By VUSI KAMA
Staff Reporter

A CRISIS is looming in the township taxi industry as traffic authorities report a soaring accident rate.

Taxi association officials say they are powerless to control members' driving habits.

Cape Town traffic manager Mr Wouter Smit said the number of accidents involving minibuses rose 28 percent from 2 541 in 1988 to 3 256 in 1989 while the government's Central Statistical Service found that in June 1990 accidents increased by 27 percent compared with June 1989.

More traffic officers

Mr Smit said many taxi drivers showed a total disregard for traffic laws and the basic rules of the road necessary for the general safety of road users.

The traffic department would have to employ more traffic officers to deal with the minibus taxi problem.

Mr Basil Nagel, SA Black Taxi Association (Sabta) regional chairman, admitted that his organisation was "toothless" in enforcing better driving methods among members.

"My organisation is committed to safety, but it is difficult for us to ensure that the drivers stick to the traffic regulations. That the traffic department should look into."

Cape Town traffic department statistics of offences for 1989 show driving violations, 3 185; overloading, 1 656; vehicle defects, 5 093; unroadworthy vehicles, 313; no public driving permit, 4 236; no certificate of vehicle

fitness, 908 and other offences 1 108 — a total of 16 499.

Save for those that ply the township-city route, many township taxis are not roadworthy and continue to overload, in spite of an agreement with residents in meetings last month not to do so.

Drivers, particularly those on the Nyanga-Bellville and Bellville-Khayelitsha routes, often tell commuters who refuse to board a full taxi that the next one will not move before theirs is "full".

Mr Smit said the number of minibus taxis awarded permits to operate from ranks within the Cape Town municipal area had escalated from 435 in 1986 to 1 944 in 1989.

Pirate taxis

"In addition, the number of taxis operating from the townships and areas such as Atlantis, Malmesbury and Grassy Park to the Cape Town municipal area increased from 300 in 1986 to 1 392 in 1989."

Mr Smit said a further 400 pirate taxis still operated in the area, bringing the number of taxis operating in Cape Town to about 3 700.

● Township taxis are running normally this morning after a disruption yesterday afternoon involving 60 Lagunya drivers who besieged Guguletu police station demanding the release of an arrested colleague.

Mr Desmond Gunuza, arrested at a hospital after he had been shot by police during a clash on Wednesday between Lagunya and Western Cape Black Taxis Association, was released after negotiations between his lawyers and the police.

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'Tuk tuk' taxis to change city transport scene?

By VUYO BAVUMA, Staff Reporter

TRAFFIC authorities are considering 75 applications to operate "tuk tuk" motorcycle taxis in Cape Town, said a distributor for the colourful little vehicles.

The motorcycles would operate from December between the central business district and Sea Point, said Mr Brian Tredder, a Johannesburg-based distributor of the motorcycles.

He was speaking at a demonstration of a 350cc two-stroke version at the Cape Town Traffic Department yesterday.

Mr Tredder said they would be used to transport people from parking areas to the waterfront.

The motorcycles are a popular form of public transport in Durban and some parts of Johannesburg.

"We know the machines are a tourist attraction but we will try to accommodate everybody," Mr Tredder said. "We won't interfere with the conventional taxis."

"In most instances they will act as feeders for the taxis within short distances. This will be ideally suitable in the inner-city," he said.

Mr Tredder said he hoped the service would ease parking problems in the city. The taxis would form a complimentary service.

The Victoria and Alfred Waterfront Company hoped to buy about 10 "tuk tuk" taxis, said spokeswoman Mrs Maureen Thompson.



Picture: HANNES THIART, The Argus.

TRIAL RUN: Traffic manager Mr Wouter Smit waves from the passenger seat of a "tuk tuk" motorcycle taxi. He and Mr Ivan Speed, director of Metropolitan Transport, took a ride from Green Point to Sea Point.



TAXI BLOCKADE ... Irate taxi drivers surrounded Guguletu police station yesterday and negotiated the release of a colleague, Mr Desmond Gunuza.

Capl Times 12/10/90 332

Picture: RICHARD BELL

Police station besieged after taximan arrested

By DALE GRANGER

SIXTY taxi drivers laid siege to the Guguletu police station for two hours yesterday afternoon, demanding the release of a taxi driver who had been shot and arrested by police.

After almost two hours of negotiating with a delegation of taxi drivers, police released the man, Mr Desmond Gunuza, but warned him to appear in Athlone Magistrate's Court on Monday. He will face a charge of pointing a firearm.

Before Mr Gunuza's release, police vehicles were prevented from leaving or entering the police station as taxis blockaded the entrances.

Police deployed a Casspir near the police station and warned the taxi drivers to disperse. The crowd refused and about five minutes later police fired teargas and rubber bullets at the group.

After this action four taxi drivers

went into the police station and negotiated with police, who agreed to release Mr Gunuza provided the taxi drivers dispersed.

About 5.30pm the negotiators emerged from the police station, and minutes later Mr Gunuza was released. He was surrounded by taxi drivers, who sang and danced.

● On Wednesday police went to a Nyanga taxi terminus about 10.30am to investigate reports that armed men were attacking a taxi driver.

As police approached, the taxi drivers fled. A man pointing a firearm at police was shot. However, a crowd prevented the man from being arrested, police liaison officer Captain Denise Brand said.

Police later arrested a man at a city hospital, after he had admitted himself for treatment for a gunshot wound in the leg.



RELEASED ... Taxi driver Mr Desmond Gunuza is triumphantly raised by colleagues, who blockaded the Guguletu police station to obtain his release.

Picture: RICHARD BELL

Move over you taxi men

THE involvement of women in the taxi business might help reduce the war that has for years plagued the industry.

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c/pres
14/10/90

This was said by Potchefstroom United Taxi Association president Sam Seekane this week at the launching of Puta Women's Society.

Seekane said taxi wars and misunderstanding in this predominantly male business had prompted his association to involve mothers in a bid to bring peace and stability.

He said his association realised that in the event of the taxi owner's death the business normally perished because the widow did not know how to run the business.

Seekane said Puta - an affiliate of the South African Black Taxi Association (Sapta) - had a membership of more than 150 taxi owners and 350 vehicles and was gradually growing into a giant organisation.



Convoy plan to thwart hijackings

AKG
15/10/90

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The Argus Correspondent
DURBAN. — Hijackings and attacks on heavy vehicles have escalated so alarmingly that the Transport Security Association wants all vehicles carrying valuables to travel in convoy.

At the same time the South African Chamber of Business has called for identification numbers to be painted on vehicle roofs so that they can be instantly recognised from the air.

Special glass

And in a third development, Putco managing director Dr Jack Visser said that steps were under consideration to protect the occupants of buses after six people were killed and 27 were injured when several shots were fired at a Putco bus near Durban on Tuesday.

Special glass to protect the driver was a possible option, but it was thought little else could be done to protect the driver and passengers.

The Chamber, which represents industry and commerce, also wants an urgent meeting

between senior police representatives and all interested parties to discuss ways to combat "this very serious problem".

The Chamber believes that the hijacking of commercial vehicles is fast becoming one of the transport industry's most serious problems.

On the Reef alone four heavy vehicles — which can each be worth R500 000 without their loads — are hijacked daily on average, according to police statistics.

The situation is considered so serious that the Chamber has also drawn up a memorandum of measures which could assist in countering the situation.

These include encouraging individual drivers to own their own vehicles which could then be contracted to companies on a trip or wage basis. This would dramatically cut driver involvement in hijacking.

It is believed that "own employees" are involved in 80 per cent of all commercial vehicle hijacks and the Chamber has urged that all prospective employees be properly screened

and subjected to a police security check. References and driver's licences should also be checked.

"Even the most loyal and reliable employees have been outwitted and lured into carefully planned traps set by hijackers," a spokesman for the Durban Metropolitan Chamber of Commerce said.

"It is essential, therefore, that drivers be made aware of the risks on the road and how to deal with them.

The basic safety rules include:

- Always travel with doors locked and windows partly closed.
- Attract attention if you are in danger.
- Do not stop at accident scenes unless you are convinced that they are genuine.
- Be alert when approaching your vehicle.
- Never pick up unauthorised passengers.
- Do not tell others your business.
- Be alert for cars following you and note details for possible description of criminals.

Taximen unite in Katlehong

Sowetan 18/10/90 (332)

A SINGLE taxi organisation has been formed in Katlehong after negotiations between the two bodies who earlier this year were engaged in fierce fighting that killed more than 50 people in the township.

Mr Sehlotji Malepe, chairman of the new organisation - KAPTA, said the two bodies were united as a result of the

community's demand that a single body be formed.

Malepe said negotiations to unite the two bodies began after SABTA initiated the talks and the demand from the community that the two organisations should be disbanded to prepare for unification.

He said Katlehong People Taxi Association (KAPTA) was a result of

the unity and demands of the community and appealed to taxi drivers to give its executive members a supportive role to reach its goals of satisfying the community.

KAPTA, however, has not yet made a decision of choosing a national body to affiliate to. Malepe said the decision would be made when the need arose.

willmer 19/10 - 25/10/90

Axe for 1 200 as canning giant closes factory

By GLENDA DANIELS: Cape Town

THE closure of giant fruit canning factory Gants Holdings, at the Strand near Somerset West, means about 1 200 workers will be left jobless, exacerbating the serious unemployment problem in the Cape.

The canning factory will be closed next June but major retrenchments have already taken place.

The managing director of Gants Holding, Ralph Robinson has refuted rumours that the company is negotiating to sell its Somerset West plant to the Heinz group.

The canning company, which has been in operation since 1955, last year closed its factory in kwaZulu because of financial problems. Next month the Gants factory in Transkei is due to close.

Robinson blames sanctions, inflation, fewer exports, high interest rates, the slow turnaround of fruit and tough conditions in the trade for the closure of the company, which has been running at a loss for the past six months.

He adds that the company will honour its contracts with farmers.

The plant will be taken apart and used at other factories in the Transvaal.

Last year the company was taken over by Tollgate Holdings.

The Food and Allied Workers' Union said the closure of the factory would increase poverty levels and social problems in the Cape.

Munro Deyssel, GM Europ Assistance

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Star 19/10/90

DC LOUW

SHE was a 21-year old vivacious blonde with the promise of a life full of opportunities ahead of her. Like so many youngsters her age, she wanted to travel overseas to see and experience more while she was still free of commitments.

But it was not to be, for Tanya Priest landed up in a hospital in far away Athens, critically injured and in a coma after a nearly fatal accident.

Her return to South Africa made headline news. And this is the man who cared enough to bring her home.

PROFILE

Munro Deyssel

Born: Port Elizabeth on January 12 1953.

Education: Jan Cillier (Parktown) and Helpme-kaar (Johannesburg).

Marital Status: Married to Antoinette with a boy (10) and a girl (5).

Hobbies: Bass and trout fishing, mini hockey and gardening (reluctantly).

Interests: History of Art (Painting), travel.

Qualifications: BA(Hons) RAU and MBA (Stellenbosch).

Career Moves: Willards Foods — Product Manager.

Drucker Personal — Founding and Managing Director.

Paul Tingly Selection — Executive Director.

Europ Assistance — GM

Car: Datsun Nissan
Favourite Food: Seafood, but preference for peri-peri baked beans on toast if he has to cook for himself!

Book choice: Paul Erdman.

Munro Deyssel, MD of Europ Assistance was basically responsible for every move made in the real life drama of Tanya Priest — the South African girl seriously injured and stranded in Greece.

But why? Europ Assistance is a world-wide travel insurance company whose job it is to do these sort of mercy missions across the oceans all the time; that is what their clients pay for.

But Tanya Priest was not insured with his firm. A huge publicity stunt? Munro Deyssel smiles. "R70 000 later and you call it a publicity stunt?"

"Look, Tanya is one of us. She was lying critically ill in a foreign country under appalling conditions fighting for her life. Her family couldn't afford to fly her back. Somebody had to do it. We couldn't just leave her there. So what if we have to foot the bill. That's what it's all about. To help someone in need. That is what makes it worthwhile."

An old school and varsity friend says of him: "He's got guts. Has always been very positive."

Worked hard

Munro is more self-effacing: "That's nice to know but I think you should also know I am not bright, I mean like really bright. I had to work hard and burn the midnight oil to get through the whole school and varsity scene."

He used to be in the recruitment business then Europ Assistance approached him to compile a job description for the person they were looking for. "I asked them what is this person supposed to do and they said everything."

"I went and spent a day with management and asked a couple of questions trying to find a job description for the poor guy who was supposed to do everything. They then said to me: 'Now that you know what the job involves, why don't you take it?'"

He did. "It complied with all my criteria: I have always maintained that a man should make his last move before the age of 35."

At the age of 37 Munro sees

himself as a very lucky man indeed: he had a magic childhood, has a good and stable family life and a fulfilling and challenging job.

Only when he tells you about his son's — he calls him MJ — school projects and his own involvement in coaching mini hockey (MJ gained his North Transvaal colours for under 10), you realise how strongly he feels about the importance of total involvement with his family.

Typical day

So how does the typical day look like in the life of Munro Deyssel? "Well, it depends on whether it is gym-day or a non-gym day. (Gym is three days a week in summer. He admits to being a bit lazy in winter). "If it's gym-day, I usually get up at dawn and get back from gym by quarter-past seven. That means no breakfast, only some yoghurt and coffee later at the office."

"I usually have these business lunches, which are unfortunately unavoidable. I'm not as fit as I would like to be; too many lunches!"

At the office there is a mini-gym upstairs, so whenever he feels the need for a work-out, he goes there. On the non-gym days, Munro tries to first take the kids to school before leaving for the office. His day is usually a bit more flexible then.

"A standing rule in my household is that I'm at home at seven in the evenings. Then the children need my attention."

He doesn't read the newspapers because he hasn't the time in the morning, but does listen to the news on the radio.

Munro lives in Verwoerdburg, Pretoria, and has been travelling on the Ben Schoeman Highway for the past 11 years. No, he will never move to Johannesburg. "We live just around the corner from Centurion Park and can walk there in five minutes" — and I don't mind the travelling at all. "I love the time I spend on the road. That is the only time that belongs exclusi-



MUNRO DEYSEL: "Tanya was one of us".

vely to myself.

"When at the office, I belong to the company, when at home, I belong to my family."

Walking around in the offices of Europ Assistance is like walking into a total different world.

It's all about the problems of people traveling abroad getting mugged, injured and falling ill.

Assistance

There are also more serious cases like that of Tanya and tragically, of the 17 year old boy brought home in a coffin.

"Statistics show that the incidence of death abroad is most prevalent amongst the age group of between 17 and 22. Young people think they are healthy and strong and that nothing can happen to them".

Europ Assistance world wide has handled 4 500 assistance cases so far this year. There are

trained medical people on the staff as well as medical equipment worth many millions of rands.

A 24 hour operating room is manned by trained people who answers incoming calls from all over the world. "We have 22 agents and 18 24-hour control centres all over the world. Europ Assistance is doing well. We have pride in what we do and I think we deliver a fantastic service says Munro.

He is however, realistic about the recession tightening its grip on South Africa and the rest of the world.

"Of course it is going to affect us. The company will have to undergo major strategic changes. Our profile will have to change within the next three years. I can't say anything more about that, but we will still keep on delivering the goods."

The recession is hitting home

8/21 10/10/90 332

MYLES is becoming decidedly edgy. He reckons that somehow the recession didn't seem quite so serious when it involved the dismissal of thousands of miners. But it's an entirely different thing when colleagues at Diagonal Street start getting the chop.

And it's not limited to the Diagonal St brokers — Standard Merchant Bank has stripped its gilt department down to the bone. If an institution that size can't or doesn't want to carry overheads during tough times, what hope is there for broking firms?

Myles hears that the figure of 100-150 retrenchments expected following the merger between Frankel, Kruger, Vinderine and Max, Pollack, Freemantle is a bit on the extreme side. But things are grim.

The other week Kaplan Stuart retrenched almost 30 people, Balderson's have retrenched and Myles has heard disquietening talk about more casualties being on the cards if things don't pick up within the next two or three months.

Not even in the best of times do things pick up in November, December and January.

On a brighter note it seems that prospects for Spareco employees are much improved following the acquisition by the Vaaltrucar consortium of the businesses of Spareco. The banks, creditors and shareholders are probably not too happy with the outcome of the liquidation proceedings.

Other bidders in the Spareco auction included Midas which stopped at R15.25 million. Myles thought it was fairly brave of Midas to be thinking of spending this sort of money given that on the same day it reported a 78 percent drop in earnings.

Of course if Midas had managed to pick up Spareco it would have created a formidable operation that would be

Inside Out

ANN CROTTY



very well placed if and when the economy picks up.

And of course FSI was there. But Myles reports that the FSI guys weren't that keen and dropped out of the bidding at a fairly early stage.

Eddies' share price is moving ahead on expectations that the Vaaltrucar consortium will make another bid. Myles hears that the consortium is quite keen to take Eddies into the deal.

By the end of the week Gant's had slipped down to 54c — a new low for the share. At this level it seems to be in line with the price that one or two parties were putting on the group's nrv per share.

No news about the Choice deal. No news about the Furntech deal. And no news about the Fedford deal.

Myles was unable to establish the identity of the investor that sold around 1.5 million Rusfurn shares. But given the volume involved it can only be one of 6 or 7 institutional shareholders — with the shares moving into another institutions' hands. Myles hears the seller was under some cash flow pressure.

The non-event of the week was the briefly rumoured merger between Da Gama and Romatex. Myles says he heard something about it from a fairly reliable source. At the time he couldn't imagine SAB and Barlows getting together — remember when they tried it back in the 1970s? Anyway it seems that the only thing behind the trade in the two shares was some institution thinking they were attractively priced.

CHL-Trans 22/10/90

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Bus fares to go up this week

By DALE GRANGER

NEW bus fare increases to be announced this week could make train travel more attractive to commuters.

Saturday's shock 32 cents a litre petrol price increase has prompted City Tramways to increase bus fares — while commuter train tariffs look set to remain the same for the time being.

A spokesman for City Tramways announced on Saturday that the new bus fare increases will come into affect from next Sunday.

The new tariffs will be announced on Thursday.

Spoornet public relations manager Mr Johan Hugo said yesterday rail tariffs on mainline trains and commuter trains would remain unchanged.

"We have no plans to increase tariffs just because of the new fuel increase," he said.

The new bus fare increases are like-

ly to make travelling by bus more expensive than rail transport.

Current City Tramways weekly bus tariffs are R22,50 (R90 per month) for a 10-ride clip card from Mitchells Plain to the city. The same amount of trips from Claremont to the city costs R13,10 for 10 weekly trips (R52,40 a month).

Monthly return rail tickets from Mitchells Plain to the city cost R102. From Claremont the return fare is R47 and from Fish Hoek R98.

Commuters using their cars and consuming a litre of fuel every 10km will pay about R217 each month for return trips between Mitchells Plain and the city.

Twenty-kilometre return trips from Claremont to the city will cost about R62 a month and 30-km monthly return journeys from Fish Hoek will cost about R186.

● All fuel calculations are based on the R1,55 per litre price of 97 octane fuel.

Bus, taxi fares going up, up, up

By DON HOLLIDAY
and VIVIEN HORLER
Staff Reporters

HARD-PRESSED commuters face higher costs with City Tramways' announcement that its fares will rise about 10 percent and taxi companies considering applications for increases.

Following last week's 32c petrol price increase, Mr Nic Cronje, managing director of Tramway Holdings, said the bus fare increase would be announced on Thursday and would come into effect at the end of the week.

One taxi company increased fares by 60c a kilometre last week, and others said they would decide today whether to apply to the Local Road Transportation Board for a fare increase. Star Taxis, which has a rank at Cape Town station, now charges about R19 for a trip from the station to Sea Point pavilion.

Mr Cronje said the company could not absorb the latest petrol price increase.

"We were able to absorb the last increase but this time we have no alternative but to push up our fares," he said.

Mr Cronje said he hoped the

fuel price increase would give momentum to the essential and inevitable swing from use of private cars to use of public transport.

"Changing from private to public transport will save not only money but also fuel," he said.

Mr Cronje also called for a change of attitude by the city council regarding priority treatment of buses.

"We need bus lanes on our freeways and city streets to increase the efficiency of our service. At the moment buses get stuck in the traffic like any private car. A 30km bus trip from Mitchell's Plain to the city takes about 70 minutes. This is unacceptable.

"To be successful, a bus service must be seen to offer advantages over the use of private cars. Providing lanes for buses only will give buses an advantage.

"If Johannesburg can do it, why can't Cape Town?" he asked.

He said bus lanes would cut 40 percent off the time of a journey. This time could be used to make more trips, improving the service and reducing fares.

job as well as her new position.

Boycott after bloody taxi war

CP Correspondent

BLACK taxi associations in Port Elizabeth face an economic crisis caused by a commuter boycott after two rival taxi groups engaged in bloody battles over taxi ranks this week.

Scores of people were injured and several taxis damaged when fighting broke out on Wednesday between members of the Uncedo Service Taxi Association and the Port Elizabeth Black Taxi Association.

The Port Elizabeth People's Organisation had to intervene and it was decided to boycott taxi services.

Eastern Cape police liaison officer Major

Bill Dennis said fighting broke out at Njoli Square in KwaZakhele when the rival associations attacked each other.

Fighting spread to the nearby Daku rank and later to the city, where rival groups fought over a new rank.

Police said: "A policeman who tried to intervene in the Njoli fight was robbed of his service pistol."

Police could not confirm the number injured but said several taxis and minibuses were damaged during the strife.

When *City Press* visited the Strand Street taxi rank, there was pandemonium with community leader Henry Fazzie trying to restrain some taximen armed with knives,

pangas and other weapons.

Several reporters at the scene were threatened with death.

Although there was a large police contingent present, the SAP kept a low profile.

Korsten driver Harold Mokononyana was with his conductor when he stopped at an intersection.

"I saw two taxis coming up and more than 15 people armed with pangas and knives came out," he said.

The attackers smashed at the windows, said Mokononyana.

Several attempts to contact spokesmen for both taxi groups were unsuccessful.

23/10/90

Bus, taxi fares set to rise this week

By Shirley Woodgate

Bus and taxi fares are due for a steep increase this week after the second fuel price rise in two months.

Putco will push up fares by between 5 and 20c a trip after the latest 25c-a-litre increase in the cost of diesel.

Putco last increased fares in mid-September when the Government announced the previous fuel increase.

A Southern African Black Taxi Association spokesman said: "We absorbed the September price increase as a gesture of goodwill, but now

the industry will be forced to pass on increases of between 20c and 50c a trip."

Fares on Johannesburg municipal buses are also likely to increase after the September price hike was absorbed by the council.

● Fuel crisis — Pages 9, 21

Sta 24/10/90

Jo'burg bus fares to go up

Johannesburg municipal bus fares will go up by about 10 percent on January 1 — the second rise in six months.

Transport chairman Paul Asherson said the management committee had no choice, as the two recent fuel price increases had pushed the transport department's operating bill up by R2.5 million.

Fares will go up by between 10c and 20c. — Staff Reporter.

Fuel price hike hits taxis

The petrol price hike has put minibus taxi owners in a difficult position. Caught between soaring operating costs and community resistance to fare increases, they face boycotts of their services, reports **MONDLI MAKHANYA**

MINIBUS taxi owners, hard-pressed by the soaring fuel price, are increasingly finding their attempts at raising fares resisted by community organisations.

A commuter boycott is looming in the Vaal — where fares rose from R1 to R1,50 at the end of August, with a further 20c hike proposed for December — if agreement is not reached between the local civic organisation and the Southern African Black Taxi Association (Sabta).

Earlier this year similar conflicts arose in Rotanda, near Heidelberg, and in the Pretoria township of Atteridgeville.

Sabta says the fare increases are essential for the viability of the taxis.

The first Vaal fare hike was from R1 to R1,60 for taxis operating between the townships of Sebokeng and Evaton and the neighbouring towns of Vanderbijlpark and Vereeniging. Smaller increases were also implemented in other areas.

The Vaal Civic Association and other community organisations rejected the increase, which they described as exorbitant, on the grounds that it was implemented without consultation.

Sabta said the increase was in line with higher vehicle running costs caused by the hike in the petrol price.

After various meetings between Sabta and the Mass Democratic Movement's Vaal Transport Committee (VTC) the taxi fare was dropped to R1,50.

However, this figure was rejected by the community organisation. Said MDM representative Swayi Mokoena: "We initially proposed a R1,30 flat fare, which Sabta rejected. They then lowered the fare to R1,50. They refuse to budge and say they would rather kill or die than go any lower."

Sabta said this week that after the most recent petrol price hike fares would rise a further 20c at the beginning of December.

The VTC said if this took place commuters would embark on a total boycott.

"What we most object to is the manner in which they simply advertised the increase without having consulted the community," said VTC member Ernest



A problem industry ... soaring operating costs have forced taxi-owners to increase fares

Picture: AFP

Sotsu.

This was denied by Sabta representative M Phadi, who said the first increase had been decided on after a research committee discovered fares were not corresponding to operating costs.

The running cost for a single taxi is about R58 000 a year, including the driver's monthly pay of R935. Often owners are left with about R2 000 at month-end.

Fares was last raised two years ago and in the interim the petrol price had risen three times, Phadi added. "We absorbed the increases into our running costs."

Earlier this year taxi drivers went on strike, demanding higher pay. This also increased running costs, he said.

"We were losing money and we could no longer keep our fares down, especially since we expected a hike in the petrol price — which materialised."

Mokoena said "it is not our fault" that Sabta had kept fares down for so long.

"If they had increased the fares slightly last year, there would have been no resistance from the people. Now they come to us with this huge hike and expect us to

simply adjust," he said of the first fare increase.

Sotsu said the VTC was holding discussions on whether to embark on a taxi boycott. Negotiations are already underway with the Vaal Transport Corporation bus company to increase the frequency of buses in case of a boycott.

Phadi dismissed this threat, saying the community understood the taxi owners' position and had continued using taxis regardless of the price rise.

"Commuters and the rest of the community have accepted the hikes and it is only a few individuals who want to create friction for their own ends that are behind this," he said.

Sabta public relations director Mike Nthlatleng said there were indications that disputes between taxi associations and community organisations would become more prevalent in the near future. For this reason the organisation was setting up permanent communication channels between itself and communities.

He said this phenomenon was part of the birth pangs of a growing sector.

"Taxi owners are faced with enormous

problems. On the one hand they are competing with buses and trains, both of which are subsidised by the government. On the other hand, as community-based services, they have to consult with the community each time they want to raise fares.

"In many townships fares have not gone up in years because owners put the community before profits," he said.

He added that taxis were often cheaper than buses despite being financed solely by the owners.

Tax was also a major problem and Sabta was negotiating with the Department of Inland Revenue to relax the taxing mechanism on the industry.

These sentiments were echoed by the rival National Federated Taxi Organisation's Simon Mathysen, who said while consultation was necessary, communities should dispense with the notion that the taxi industry was a money spinner.

"In the first year of ownership a taxi owner spends R3 000 a month on instalment, making no profit at all. If I wasn't a taxi owner already I wouldn't bother getting into the industry," he said.

Blacks get major shareholding in Sabta

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Sowetan
26/10/90

IN a significant move aimed at economically empowering blacks in the burgeoning taxi industry, the originally white-dominated marketing wing of the giant Southern Africa Black Taxi Association (Sabta), will now be controlled by blacks.

Taxi South Africa Pty Ltd, which was under the directorship of Sabta's doyen Mr James Chapman, has decided to increase the number of black shareholders to 68 percent and 32 percent whites in major changes made in Pretoria this week.

The important move is likely to remove speculations from critics that Sabta's membership of 65 000 is infiltrated by whites whose major aim is to control and make a quick buck from the rapidly growing taxi industry.

It also confirms what Chapman said at Sabta's conference in Sun City's year.

He said it was his main aim that blacks sub-

Sabta

By JOSHUA RABOROKO

sequently took over the control of the company, adding, whites were only there to help blacks.

The announcement was made by Sabta's public affairs manager Mr Mike Ntlatleng, who said that for the first time in the company the majority of shares would be held by blacks.

Transfer

He said a percentage of shares had been transferred into a trust where it would be held for the benefit of staff, including directors who will vote on behalf of all shareholders.

New top board of directors include Mr Gaby Magomola (chairman), Mr Jabu Mabuza (managing director), Mr Ashley Mabogoane (marketing director) and Mr Ntlatleng (managing director of public affairs).

Sabta, often regarded as the midwife to the birth

of the Foundation of African Business and Consumer Services (Fabcos), was a "classical example of a success story" involving people at grass-roots levels, an attempt to unify similar interests, to provide political clout and give black business "economic muscle", Ntlatleng said.

He said the shift in shareholding was a major breakthrough to the industry because it would empower employees economically.

The association had been under extreme scrutiny from people who regarded it as "a front for white entrepreneurs".

The shift meant that blacks would control major decisions in the



Ashley Mabogoane

company regarding issuing of loans to buy new vehicles by members; to lobby the Government for changes in legislation affecting each market segment and black business in general; to create opportunities for more enterprises; record and improve membership; educate and train one another and negotiate with the private sector for discounts and help.

He said massive economic and management

resource intervention was needed from the private sector if black business was to be strengthened and contributed to the economy.

"Black business has no credible involvement in any major sectors of



Jabu Mabuza

the South African economy. Major obstacles to the growth of black advancement, politics aside, are the numerous constraints under which the



Gaby Magomola

black entrepreneur has to operate."

These obstacles included lack of access to legislature, bureaucratic hamhandedness, over-



Mike Ntlatleng

regulation, the Group Areas Act and no, or poor access to finance. He said the new changes would enable Sabta to challenge these issues.

SOWETAN Friday October 26 1990

Sabta set to increase fares

FARE increases can soon be expected by commuters using minibus taxis operated by the Southern Africa Black Taxi Association.

Sabta's media manager Mr Fanyana Shiburi said yesterday that its executive committee was consulting with its regional and provincial branches to work out ways and means of phasing in fare increases, which can be expected "soon".

"Without fare increases, thousands of taxi operators would face the

grim prospect of going under. The fuel price increase had been the last straw," he said.

Commuters had over the past 10 years been openly subsidised by taxi operators, who kept fares far below the economic operating costs, he noted.

"It has become imperative to increase fares on all routes to meet ever-increasing operating costs." (332)

"We want to draw the attention of the public, especially our commuters, that fuel is a minute expense in the huge running costs of a taxi.

"Other prohibitive costs include tyres, spares and the general wear and tear of the vehicle. The replacement value of a minibus has shot up from R20 000 five years ago to the present R45 000.

"If this was used as a yardstick, fares between Soweto and Johannesburg would be about R7 or more per passenger each trip. But the fare is still a give-away R2,20."

Sapa.

Sowetan 26/10/90

Boat firm sails calmly into foreign waters

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8/10/90 24/10/90

LESLEY LAMBERT

T-CRAFT, a leading Cape Town boat manufacturing company, has found foreign markets for 80% of its current production of leisure and military craft and has plans to move into the lucrative £200m international passenger ferry market.

The company has concluded licensing agreements for the sale of its double-hull fibreglass boats in the US, the UK, Australia and the Far East, according to MD Peter Tinker.

Having built its first boat in the corner of a subleased workshop, T-Craft has grown into one of the largest manufacturers in SA with growth in turnover projected to increase from R17,5m to R50m over the next three years.

It builds the hulls, decks and bulkheads at its newly expanded factory in Cape Town's harbour and will complete its export craft at distribution points overseas.

A worldwide network of special licensees has been set up to import the moulded T-Craft hulls and bulk heads from SA, fit the engines and provide other finishes.

Outlets have already been set up in Australia and Malaysia for export to the Middle East and Japan, and in Mexico and Madeira, free trade areas which will be used as bases for sales into North and South America.

T-Craft also has a licensee in the UK for distribution to North Africa, the Middle East and Europe.

Tinker says the company will soon be ready to start meeting demand for ferries in Europe and the Far East. It plans to build two ferries a year for about R30m and carry up to 350 passengers each.

The company's entry into the passenger ferry market began when it won a R14m contract to build a 36m luxury cruiser for British industrialist and founder of the Aston Martin sports car empire Sir David Brown.

Tinker says the appeal of T-Craft's boats is their speed and stability in rough seas.

were still alive. ... the plane

Star 24/10/90

Jo'burg bus

332

fares to go up

Johannesburg municipal bus fares will go up by about 10 percent on January 1 — the second rise in six months.

Transport chairman Paul Asherson said the management committee had no choice, as the two recent fuel price increases had pushed the transport department's operating bill up by R2,5 million.

Fares will go up by between 10c and 20c. — Staff Reporter.

2 shot in taxi war

Taxi warfare broke out in Port Elizabeth yesterday with large-scale fighting between two rival taxi associations, leaving at least three people wounded. Fighting followed the alleged death of one of Sabta's drivers on Tuesday night. There was widespread panic as the two groups advanced on each other in Strand Street in the city centre with some of the drivers reported to be brandishing guns.

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25/10/90

Bus fares up, taxis to follow

City Trams 26/10/90

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Staff Reporter

CITY TRAMWAYS bus fares are to increase by almost 10% from Sunday, and minibus taxis are to put their prices up soon.

Pupils and pensioners are also affected by the increase, which was widely expected following the recent 27c-a-litre hike in the diesel price.

City Tramways managing director Mr B W Gie said that although the company had agreed to carry the increase of 7c a litre that came into effect on September 4, the size of the most recent price rise made it impossible to absorb the additional cost of fuel.

Pupils in uniform under 13 will now pay R6.60 for their clipcards and those under 17 R9.90.

Go-as-you-please and homeward-bound term passes are not affected for the remainder of this term but will be adjusted for the first term of 1991.

The pensioners' clipcard of 12 rides increases to R5.50. Those issued before October 28 will remain valid until November 10. Commuter clipcards bought up to and including tomorrow will be valid for two weeks from the day of purchase.

Mr Gie said City Tramways was "acutely aware of the additional burden this places on regular bus users and deeply regrets the increase".

"It is a great pity that specific recommendations made by the company,

such as bus lanes and priorities at traffic lights and stop streets, have not received the necessary attention."

Meanwhile in Pretoria the Southern Africa Black Taxi Association (Sabta) has warned that fare increases can soon be expected for the millions of commuters using minibus taxis.

Sabta media manager Mr Fanyana Shiburi said its executive committee was consulting with all its regional and provincial branches to work out ways and means of phasing in fare increases, which can be expected "soon".

"Without fare increases, thousands of taxi operators throughout Southern Africa would be facing the grim prospect of going under.

"It has now become imperative for our members to increase their fares on local and long-distance routes to meet their ever-increasing operating costs.

"We want to draw to the attention of the public, especially minibus taxi commuters, that fuel is but a minute expense in the huge running costs of a taxi. Other prohibitive costs include tyres, spares and general wear and tear. The replacement value of a minibus shot up from a R20 000 five years ago to the present R45 000."

He said taxi operators had for the past 10 years been keeping fares far below the economic operating costs.

The fare between Soweto and Johannesburg is still a "give-away" R2.20, he noted.

Latest fuel hike forces up taxi fares

THEO RAWANA

THE 85 000-member National African Federated Transport Organisation (Nafto) is to increase taxi fares by 12% next week because of the latest fuel price rise.

And the SA Black Taxi Association (Sabta) said yesterday fare increases could be expected soon.

Nafto vice-president Simon Mathysen said yesterday the organisation, which has more than 10 taxi, truck and bus organisations as affiliates nationally, would raise fares from November 1.

Fares will rise from R2 to R2,24 between Soweto and Johannesburg.

Sapa quoted Nafto president Peter Rabali as saying members had been hit hard by this year's two petrol price increases.

Sabta media manager Fanyana Shiburi said his organisation's executive committee was consulting all its regional and

provincial branches to work out ways and means of phasing in fare increases, which could be expected "soon".

Commuters had, over the past 10 years, been subsidised by taxi operators who had kept fares far below operating costs, he said.

"We want to draw the attention of the public, especially mini-bus taxi commuters, that fuel is but a minute-expense in the huge running costs of a taxi. Other prohibitive costs include tyres, spares and the general wear and tear of the vehicle.

He said the replacement value of a mini-bus had gone up from R20 000 to R45 000 in five years. Given this alone, fares between Soweto and Johannesburg should be about R7, he said.

Better margins for Longrail 332

By 26/10/90

MARIEtte DU PLESSIS

ROAD and rail transport specialist Longrail has managed to improve margins and turn a 12,4% growth in turnover into a 16% improvement in operating income for the six months to end-August.

However, results published today show an attributable loss of R362 000 following Longrail's disposal of its interests in Railit and Priapus Property in August last year, as reflected by an extraordinary loss of R1,8m.

Directors said that, despite high interest rates and increased market pressure from competitors, earnings were up 50% to 4,5c a share compared with 3c during the same period last year.

On the balance sheet, cash in the bank increased to R1,8m from last year's R1,1 000 and assets less liabilities gave a negative figure of R2,3m against last year's negative R5,3m.

An interim dividend of 2,5c a share has been declared.

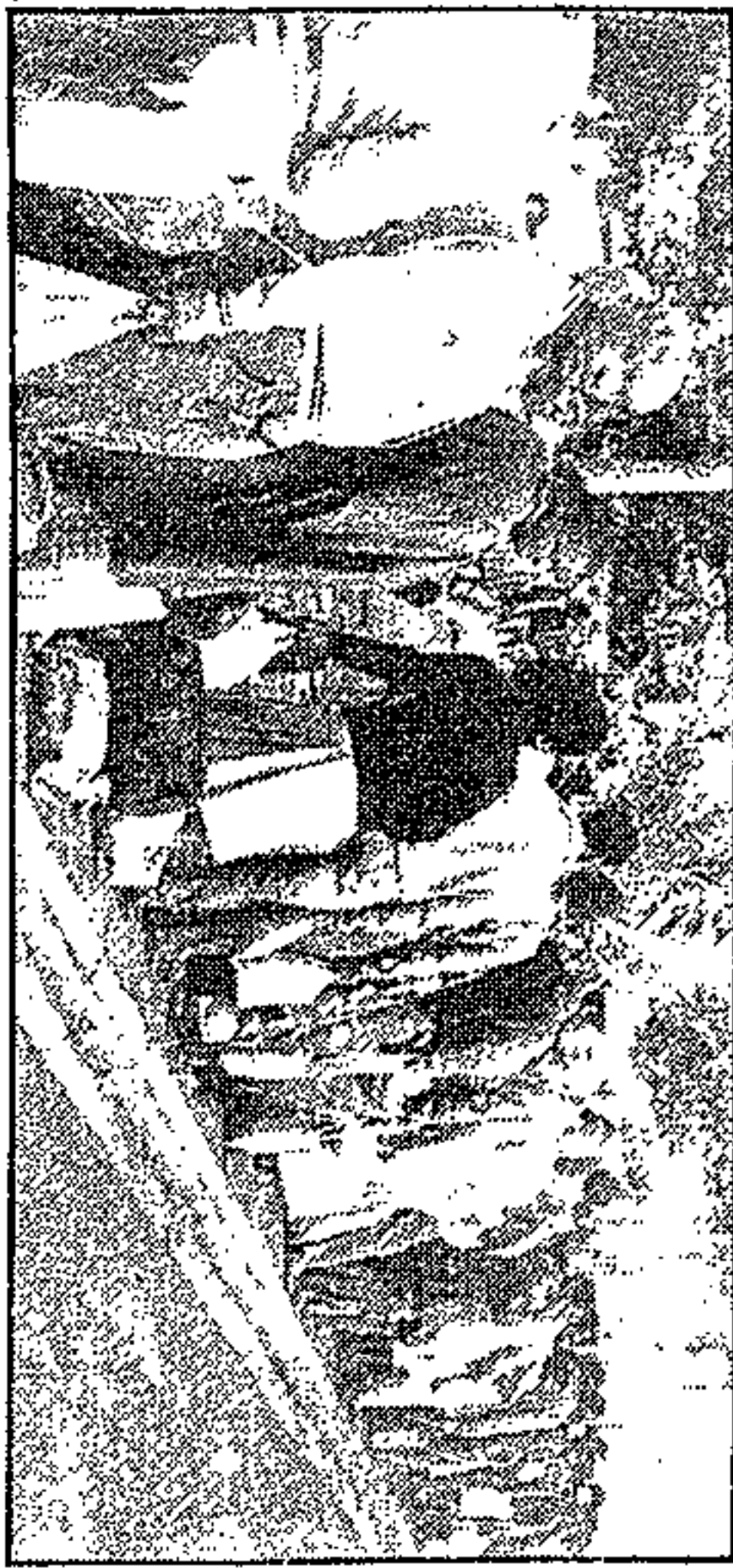
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332 Shs 22/11/90

Industry

The wheels are about to come off this

Government threatens to cut subsidies in the bus industry have alarmed both bus operators and transport unions, reports SHAREEN SINGH.



Join the queue . . . but a subsidy crisis threatens bus services, and taxis may not be able to fill the gap.

managing director, said he believed this type of local option was a possible solution to transport problems, if Government subsidies were allocated at

local, rather than industry level. Municipal bus operators are in the same trouble. They are not subsidised by the central

Government, but by municipal ratepayers.

With rising costs and inflation, municipalities are feeling the pinch. The Benoni and Nigel town councils have already closed their bus services and some other councils are heading in the same direction.

A spokesman for the Passenger Transport Association of South Africa, Johan Vlok, said the Government must either grant subsidies or see the bus industry collapse.

A spokesman for the TGWU, Kally Forrest, said it was clear that mass transport could not run as a profitable industry.

Privatisation and deregulation in the transport industry was not a viable solution to the country's transport needs and would cause more problems than improving the transport system, she said. Bus operators argue that

panies to operate profitably without Government aid.

Rail transport of commuters is currently being subsidised by 72 percent.

This contrasts sharply with the Government's subsidy policy for the bus industry, in which mainly peak-hour commuters and only certain routes are subsidised.

In the 1989/90 financial year, the Government subsidy amounted to about R540 million, and for the current financial year it was increased to R626 million. This was a 16 percent increase in an industry in which inflation is running at 20 percent.

One of the country's biggest bus companies, Putco, said it would be forced to close if the Government did not increase its subsidy in the next financial year.

In the past five years, State subsidies for bus services have not kept up with inflation, forcing operators to close down depots and rationalise operations. More than 2 000 workers lost their jobs and commuters were faced with major problems.

A 5 percent subsidy cut on top of this would mean death to the bus industry.

The emergence of a rapidly developing and unrestricted taxi industry, which is running in competition with, rather than complementing, bus operations, increases the likelihood of closures in the bus industry.

Cutting back on subsidies is seen as part of the Government's privatisation drive, by deregulating certain industries.

In order to cut spending, the Government is placing the responsibility on private enterprises to provide public services. Hence, the deregulation of the taxi industry.

But in bus and rail transport, it is impossible for private com-

P.T.O

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blanket privatisation is an easy way for the Government to escape its responsibility to see to the transport needs of the public.

A spokesman for the South African Black Taxi Association (Sabta), Fanyana Shiburi, said several attempts by the association to get Government subsidies had been futile.

Taxi operators were able to absorb the impact of recession more than bus companies, which were used to higher profits, he said. But, in the long run, taxis would also become dependent on Government aid.

The industry was facing other problems as a direct consequence of deregulation.

Pirate taxis, unroadworthy vehicles, unqualified drivers and bitter competition were leading to violent clashes.

"Deregulation in the taxi industry is just not on," Mr Shi-

buri said. There was a strong need for control of who qualified to run taxis, how they should be run, which areas and routes operators should be restricted to, and minimum conditions of operating, he said.

Bus operators believe the Government is looking at gradually replacing buses with taxis, and relying on trains and taxis to meet the public transport needs.

This raises major practical problems about road and parking space for taxis in already crowded CBD areas.

Bus operators believe effective transport depends on co-ordination, with train, taxi and bus services complementing each other rather than competing.

This could only be achieved if the Government restructured the industry to make it effective and ensured "a cut-throat situation... is avoided", Putco said.

But first, the Government had to accept that the public transport industry could not survive without adequate subsidies. □

Commuters angry at bus services

FRUSTRATED commuters in Western Cape townships are rallying against private bus companies on the Cape-Transkei route which, they charge, are under-serviced and over-priced.

A six-member delegation, representing more than 500 signatories to a petition complaining about services on the route, met Transkei consul-general Mr Jerry Mqibibi in Cape Town yesterday.

Their major grievance, said Mr Mqibibi, was that the local road transportation board had recently turned down an application for transport permits by the Transkei Road Transportation Corporation (TRTC).

"They claim up to 50% of bus operators with permits to be on the Cape-Transkei route have abandoned this service, moving their buses elsewhere in the country while retaining local permits," he said.

There were more than 30 000 Transkei nationals in the region, thousands of whom relied on public transport to commute between the homeland and the Western Cape, he added.

"The companies in question are wasting their permits when they purport to be on the Cape-Transkei route when, in fact, they are not," said Mr Mqibibi.

The commuters had been referred back to the road transportation board, but the Transkei authorities would "most definitely" keep track of developments, he added.

A Bellville attorney who represented objectors to the TRTC application, said more than 100 buses were authorised to operate on the highly contested route.

The TRTC's application had been turned down on a legal technicality which would have to be altered by Parliament, he said.

"The TRTC applied for a temporary permit when the law states that such permission cannot be granted on the basis of a permanent need."

According to the petitioners, the TRTC buses — formerly run by the Transkei Development Corporation — were "much cheaper and more flexible" than the present privately owned bus and taxi services.

Dissatisfied commuters who attended a meeting in Guguletu on Saturday resolved to "take whatever action to avoid any form of intimidation from any one who wants to do away" with Transkei buses "at the expense of the people".

They demanded that the TRTC buses arrive in the Western Cape by Friday. — Sapa

Cough up more for that ride

By SOPHIE TEMA

TAXI, bus and train fares will increase throughout South Africa this week as a result of tension in the Middle East and its effect on the oil price.

Putco says Reef bus fares currently at R2.25 will rise on Thursday by 10c, fares between R2.25 and R4.45 by 15c, up to R7.55 by 20c, up to R10.05 by 25c, up to R12.05 by 35c, up to R15.05 by 45c and fares above R15.55 will rise by R1.

Taxi fares in most areas are expected to rise by 15 percent.

The Soweto region of the Southern African Black Taxi Association (Sabta) says it will increase fares on all routes this Thursday.

■ All fares for taxis operating within Soweto townships will increase by 20c.

■ Fares for routes between Soweto and Johannesburg will be increased by 40c.

■ Fares from Emdeni (the most distant point in the Soweto/Johannesburg run) to Johannesburg will increase by 50c.

■ The National African Federated Transport Organisation (Nafto) — which includes many long-distance and independent taxi organisations — announced a 12 percent hike from Thursday.

■ Bophuthatswana Transport Holdings announced an increase in bus fares of between five and 20 cents a trip, depending on the distance, reports Sapa.

■ Train fares will go up by an average of nine percent on Thursday. Leaflets issued on Metro trains said children less than seven years old will still travel free when accompanied by adults.

Transport Minister George Bartlett gave the reason for the rail hike as the low level of cost coverage on rail commuter services, inflation at 14 percent and the destruction of coaches in recent unrest, which resulted in a "severe decline in income".

■ The new weekly rail fare from Naledi (Soweto) to Johannesburg will be R25 for first class and R7,10 for third class trips.

■ The Pretoria-Johannesburg weekly fare will be R45,50 (first class) and R10 (third class).

■ Cape Town-Mitchell's Plain R26,50 (first class) and R7,30 (third class).

■ PE-Uitenhage R28 (first class) and R7,70 (third class).

■ East London-Mdandane R20 (first class) and R6,10 (third class).

Atlantic ³³² rates show firm upward movement

A STRONG upward movement was seen in the Atlantic freight market last week, led especially by demand from grain charterers, Afromar reports.

This resulted in the rate of \$26,75 being paid for a prompt cargo of 52 000 tons of grain from the US Gulf to Japan, and \$26 for a middle November position.

Just under \$13 was paid for a US north Pacific to Japan grain cargo, but the Pacific market was not really showing the same strength as the Atlantic.

However, while this gave owners much encouragement it has already become apparent that this better tone is possibly going to be short-lived.

Conditions in the SA market are fairly similar to last week with a stronger tone being seen for the larger vessels. *Blom 29/10/90*

Premium

In the coal trades, Cape-sized vessels are probably now worth in the region of \$7,75 for the Richards Bay to Rotterdam run, with Panamax-sized vessels on the same run being worth in the region of \$8,50 per ton.

On the other hand, however, handy sized vessels are still much quieter.

While the market is fairly weak, the better type handy vessels with good gear are still able to obtain a premium for trips to the Far East. This situation is also emphasised by demand for that type of vessel out of the east coast of South America.

A 30 000-ton cargo of coal was arranged from Durban to Iskenderun in Turkey at a rate thought to be just under \$13,50 per ton. A trading house came into the market with a cargo of up to 65 000 tons of iron ore from Saldanha Bay to the Far East for loading during the first half of January.

Tweendeck tonnage is seeing slightly better conditions.

Disposal of GaRa and Tay (co

DMB Securities Limited agreement has been concluded with Merhold Limited ("MNT") for the shareholders' claims on 1 July 1990. The disposal

The consideration payable and will be satisfied as follows:

– R1 673 000,00 will be paid which will commence on 1 July 1990.

– R6 475 626,00 will be paid of R1 618 906,50 is received.

Interest at the rate of 15% per annum on the consideration.

Rationale for the disposal

The disposal of the distressed assets of the group will:

- focus the group's activities on its core business;
- reduce Trabild's borrowing and improve its profitability.

EFFECTS

Earnings

On the assumption that the group's earnings for 31 December 1989, and at normal rates, the disposal of Trabild for the year the

Net tangible asset value

On the assumption that the asset value per ordinary share is of 2,1 cents per share.

Circular

A circular which is submitted to the shareholders contains details of the disposal course.

Johannesburg
29 October 1990

Corporate consultant

DME

DMB Securities Limited
(Registration number 89/02377)

MERHOLD LIMITED

(Registration number 89/03501)
Subsidiary of Merhold Limited
Member of the SA Bias Group

State should extend subsidy in transport

Sowetan 29/10/90

332

THE transport subsidy offered to bus companies should be extended to all public transport, including Sabta, the chairman of the Soweto Daily Passengers Committee, Mr Steven Sangweni, said at the weekend.

Sangweni said that the petrol price increase would have a negative impact on black commuters who were already reeling under the escalating cost of living and depressed economy.

Subsidies

"We believe the Government should take the responsibility for public transport.

"This can be done effectively by increasing Government subsidies to private concerns like Putco and Sabta."

The Soweto Daily Passengers Committee - formed last August - has made representations to the Government to discuss the possibility of subsidising public transport.

Sangweni said the problems faced by commuters were a direct creation of the apartheid philosophy, just like the housing

By WALTER
LUKHULENI

problems.

The State's attempt to remedy the situation through privatisation was bound to backfire because it would make transport and housing inaccessible to the low-income group.

"We also believe that the business fraternity should make a serious effort to address the matter. We have called on it to join hands with us, he said, adding, "however, no response has been forthcoming from this important element of society."

Sangweni said the efforts by trade unions, especially Cosatu and Nactu, to address these issues during their annual wage negotiations with employers, were welcomed.

His organisation was in the process of formulating strategies to work jointly with the federations on the issue of transport.

TTI wastes not and wants not

TRANSPORT Technical Industries Limited has had continued success during 1990, which places it once again among the finalists for this award.

The transport and waste management company formerly held within the Darling & Hodgson Group was acquired by management in a buyout in July 1986.

The company is 60% owned by management, 51% of that held within the original six-manager consortium and 9% among 80 other managers.

At the time of the buyout, TTI comprised a tanker services operation and waste-disposal company Waste-Tech.

It is now the country's largest operator of tank trucks and leader in waste management.

MD Phil Erasmus says the company was purchased at a discount on net asset value for R65m.

Its current turnover is over R300m a year.

In 1987 and 1988, TTI

shed marginal product lines and surplus properties worth R3m.

Depots that did not meet profitability standards were closed. A mini-MBO was organised to sell half of Waste-Tech's recycling division to employees, as well as its transport operations in Piet Retief.

Under its new owner/managers, carrier utilisation and productivity improvements were made to improve profitability.

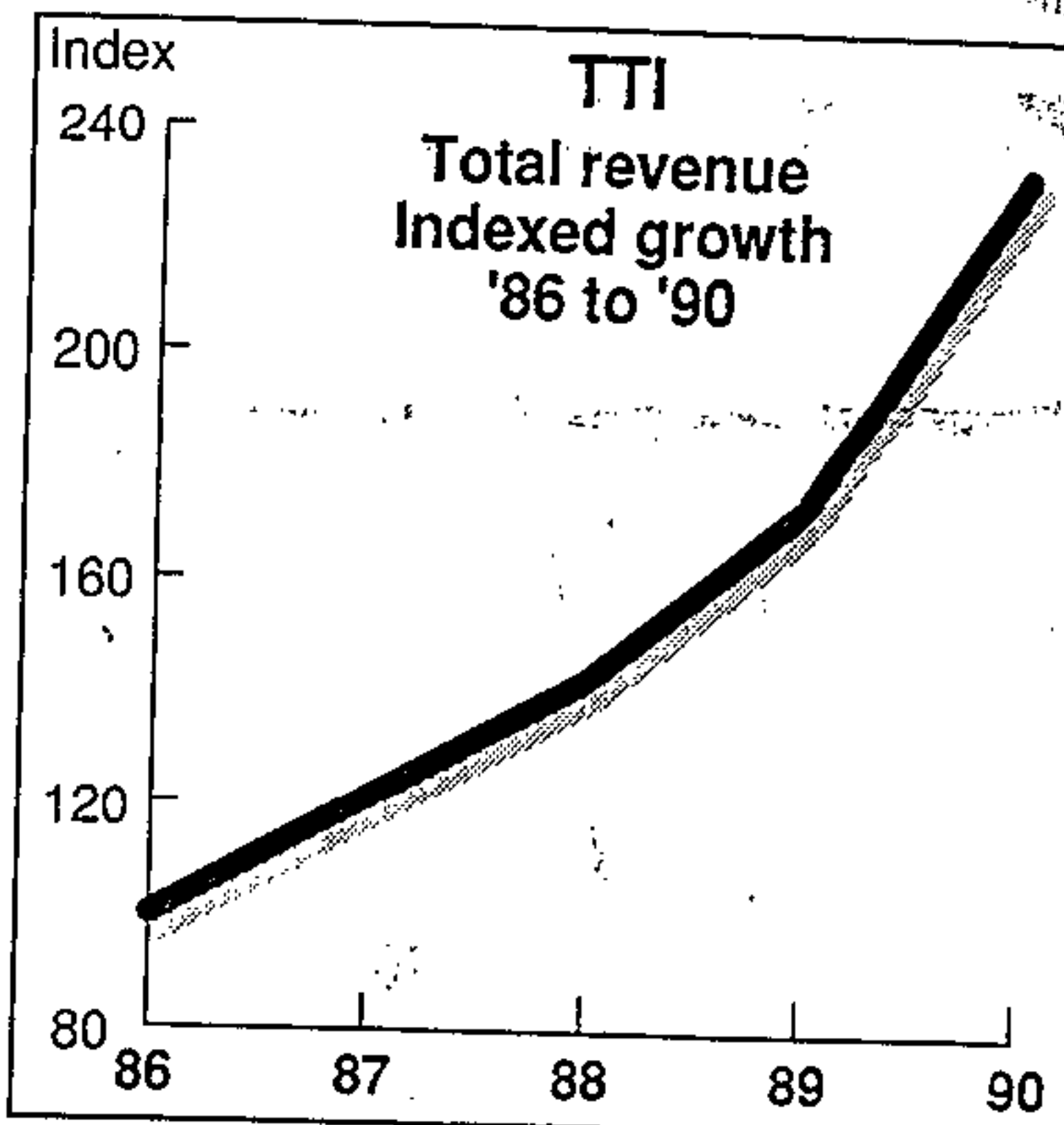
Outside offers to purchase TTI were turned down. (332)

Erasmus says the two main areas of business are seen as complementary.

Development of a well-run maintenance division — Automotive Services — its own profit centre looking after the re-building of the company's trucks and rigs brought further savings.

Its turnover is in the region of R30m a year.

What has ensured TTI's place among the top 20 non-



Graphic: FIONA KRISCH

B 1227 30/10/90

listed companies for the second year running is an innovative approach to new markets, putting the company in line for substantial growth.

Waste-Tech handles the collection, treatment and

disposal of solid, liquid and hazardous waste.

It treats and disposes of toxic wastes such as cyanide, acids and chemical wastes. It has 15 depots and waste disposal sites around the country.

Reliability adds up to value for money

6/10/90 30/10/90
FIVE times SA Non-Listed Company Awards finalists Rand Air believes in keeping its equipment at peak operational standards.

Of its fleet of more than 650 compressor units — with a lifespan of over 10 years — 25% is under two years old.

The compressed air market is valued at about R65m and continues to grow.

While the construction industry makes up almost half of Rand Air's business, other important markets are the motor industry, mining, pharmaceutical and food industries.

Rand Air was the first company to hire out electrically driven air compressors in SA and recently introduced electrically driven portable air compressors, with fuel and cost savings for customers.

Formed in 1973 as P&B Plant Hire, the company changed its name to Rand Air in 1976.

It made its first million rands soon after.

In the next 10 years turnover grew 16-fold and is close to having doubled since then. Average annual growth rate over the past 14 years is in the region of 37%.

It has always been

thought of as the most expensive compressed air hirer — but its continued growth is proof that customers agree with MD Brian Shekleton's viewpoint that superior product, service and reliability are effective value for money.

Shekleton says: "There is no saving in a cheap option when it means risking a piece of equipment that may break down."

Rand Air has made sure it can be relied on.

33 Minimised

It offers customers ensured minimised downtime with exchange units and a mobile service which can repair compressed air equipment on site.

It also operates its own helicopter to fly servicemen and management wherever they are needed on a 24-hour call basis.

The hire service also operates on a 24-hour basis and national supply is facilitated by 16 depots around the country.

"No competitor offers this kind of service," says Shekleton.

"We remain on top by constant innovation and movement to meet market needs."

Overloads costing R120-m

THE overloading of heavy vehicles is costing South Africa an estimated R120 million a year in damage to roads and on average 16 percent of all rear axles of heavy vehicles were overloaded, according to a study.

This was revealed yesterday by Professor Gavin Maasdorp, director of the economic research unit at the University of Natal, Durban, when he addressed the "Southern Africa Towards the Year 2000" conference in Pretoria.

He said another factor to be considered in structuring licence fees was the space effect of heavy vehicles.

Their physical presence influenced roads design of widths, shoulders and radii on curves and they had a significant effect on total traffic flow and severe traffic dislocation in hilly terrain.

He said what statistics did not show was the number of accidents caused by heavies which were not involved through drivers of cars overtaking dangerously because of frustration and impatience as a result of being caught in a queue of vehicles behind a slow-moving truck.

Maasdorp said stricter vehicle emission standards would have to be laid down and enforced and if environmental con-

ditions continued to deteriorate international action might have to be taken against main offenders.

Problems

Certain modes of transport might be in this category, for example a recent Bundestag Commission in Germany called for improved technology for vehicles and for the transfer of domestic air traffic covering distances of under 400km to rail.

Maasdorp said there were formidable problems in the way of an emer-

gence of an efficient transport system in southern Africa and that the mere solution of the present political and security problems in South Africa, Angola and Mozambique would not ensure an easy future for the region, and transport would be no exception.

Problems of co-operation would have to be surmounted, especially in the formulation and implementation of a common transport policy, and the human resource factor would remain a major constraint for some time.

1/11/90
Sorefan

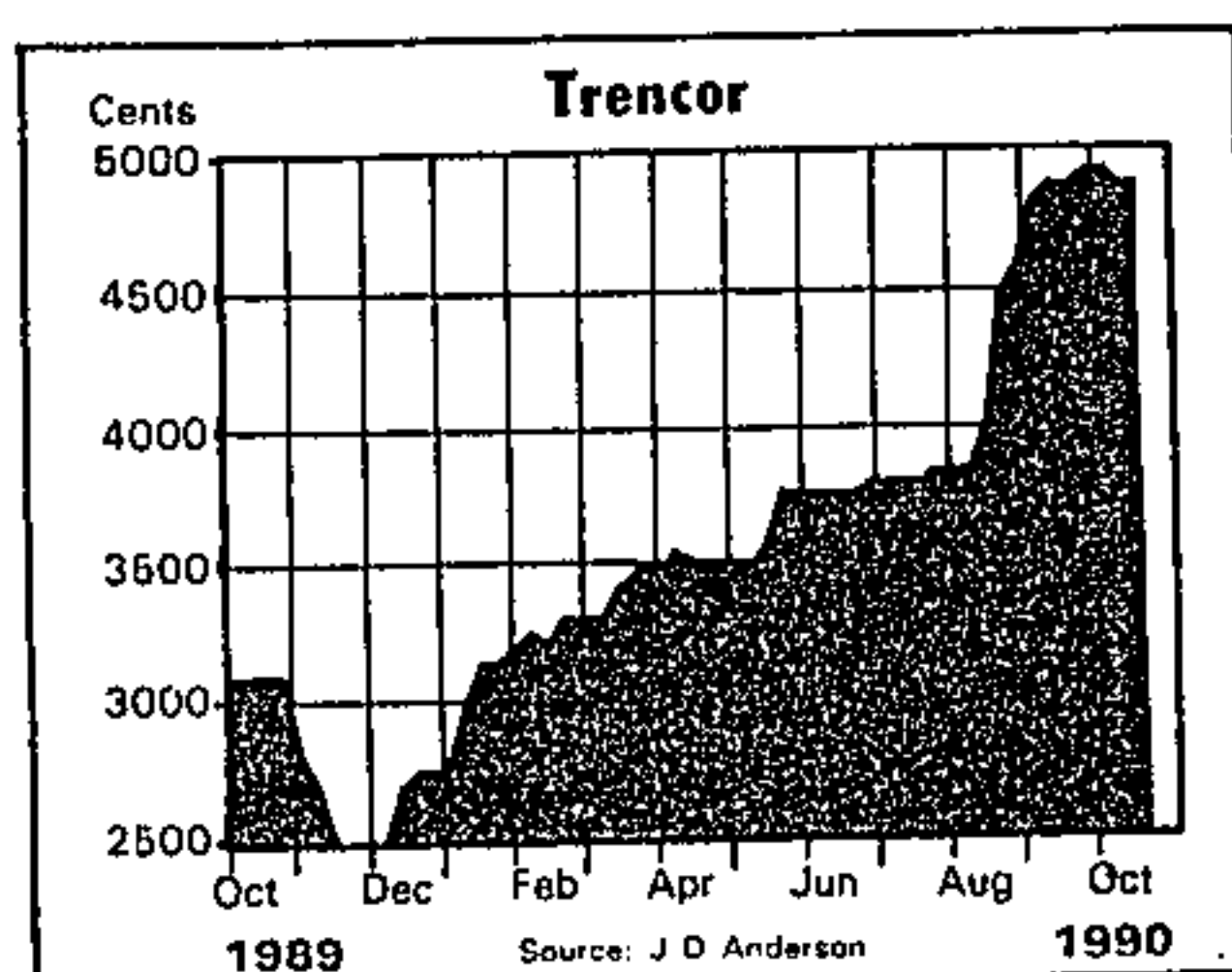
332

FIM 2/11/90 (332)
run leaner and meaner companies, but save Sankorp from future expensive rights issues. But whatever course is taken, management faces big challenges.
Gerhard Slabber

TRENCOR FIM 2/11/90 (332) SUPERB RECORD

It is difficult to believe that Trenchor was only 875c as recently as December 1988. Since then, the price has moved inexorably higher to the present R46. There is, however, no doubt that market expectations of profit performance have been more than justified.

In one of the most laudable company results this year, attributable income posted a steep rise of 69% to R81,8m — in spite of



Activities: Makes road trailers and containers; road freight haulage; owns 21% of Contred, which makes and retreads tyres; vehicle and motor spares outlets.

Control: Mobile industries 48%; directors' beneficial holdings 27,9%.

Chairman: NI Jowell.

Capital structure: 14,3m ords. Market capitalisation: R658m.

Share market: Price: R46. Yields: 2,8% on dividend; 12,4% on earnings; p/e ratio, 8; cover, 4,4. 12-month high, R49,50; low, R25.

Trading volume last quarter, 826 000 shares.

Year to June	'87	'88	'89	'90
ST debt (Rm)	7,4	27,9	56,3	70,41
LT debt (Rm)	13,1	18,4	24,0	8,8
Debt:equity ratio	0,15	0,28	0,36	0,28
Shareholders' interest	0,60	0,53	0,53	0,55
Int & leasing cover	35	n/a	17	18
Return on cap (%)	20,9	22,6	22,8	25,4
Turnover (Rm)	397	514	690	785
Pre-int profit (Rm)	37,3	59,2	82,1	118,2
Pre-int margin (%)	9,4	11,5	11,9	15,1
Earnings (c)	154	254	338	572
Dividends (c)	30	60	67	130
Net worth (c)	661	852	1 179	1 624

comparatively unimpressive turnover growth of 13,7%. Foreign operations and export activities contributed over 50% (40%) of attributable earnings. But chairman Neil Jowell is not releasing any details for fear even now of SA's pariah image and sanctions sensitivities.

As a result of these activities, contribution from the trading division moved up to 36%

from 17% last year. This eclipsed both transport, which has fallen to 8% from 14%, and motor trade and other, which declined to 26% from 30%. Jowell is quick to point out that both these also performed well; they were simply unable to keep up with the exponential growth of trading. Though the engineering contribution was reduced to 30% (38,5%), it also produced good growth. Henred-Fruehauf, which makes trailers for the domestic market and containers for export, comfortably exceeded budget.

The world container market has been strong because of a worldwide capacity shortage, though owing to a downward adjustment in world trade, demand has now softened. Jowell also points out that when SA imports exceed exports, Trenchor is sometimes called on to deliver empty containers to foreign customers — an expensive exercise. So, he says, the 1990 bonanza is unlikely to be repeated for some time. Nevertheless, because of government's policy of promoting exports, further increases in container production capacity are being considered.

One strength deriving from foreign operations vests in their tax haven status. In 1990, Trenchor's tax rate fell to 21,7% from that of 30,6% in 1989, clearly demonstrating the impact of this. To some degree, this also explains the large jump in margin.

Jowell is pleased with the contribution of Contred, formed out of the merger of Tren-

COMPANIES

FIM 2/11/90 (332)
cor's tyre interests with Tycon (formerly Goodyear). He says demand in various sectors of the tyre market has held up well and adds that increased manufacturing capacity will come on stream this year.

As evidenced by the table, at every point the balance sheet is stronger. Last year was all the more remarkable in that it came off a high base and extends a pattern that has lasted since 1983. But it makes one wonder whether the trend can continue indefinitely.

While Jowell is not prepared to place a figure on EPS this year, he is optimistic that growth will again be satisfactory. The record speaks for itself. The share price appears to be no more than fair value, especially when it is considered that while the dividend yield may be on the low side, it is covered 4,4 times.

Gerald Hirshon

PE taxi ranks calm again³³²

By SHADLEY NASH and XOLA SIGONYELA: Port Elizabeth

THERE was calm at taxi ranks in Port Elizabeth this week after intervention by the Mass Democratic Movement put a swift stop to clashes between rival operators. *W/M 2/11-8/11/90*

Violent clashes last week followed a dispute between rival groups, but the MDM intervened and ordered a week's suspension of all taxi services. This was due to end on Wednesday, but at a mass meeting last weekend, the two rival taxi associations, Uncedo and the SA Black Taxi Association (Sabta) agreed to end hostilities and work towards unity.

The suspension was called off after the accord, and taxi services have been running again since the start of the week.

Last week's clashes followed a dispute over the use of the Strand Street taxi rank in the city centre, and later spread to other taxi ranks around the city. Police intervened when about 200 people clashed at Kwazakhele. An undisclosed number of people were injured when taxis were attacked and scores of mini-buses were damaged.

Squabble over 'failure of socialism' rages in latest SACP publications

By GAVIN EVANS *W/M 2/11-8/11/90*

THE family squabble over whether socialism has failed, and if not why not, rages in the latest editions of the South African Communist Party's two official publications, which appeared this week.

In issue number 123 of the *African Communist*, hardline SACP national interim leadership group member Harry Gwala begins his critique of his party leader's pamphlet, "Has Socialism Failed?" by accusing "those who open their writings with the denunciation of Stalin" of nihilism.

Quoting Stalin favourably, he notes that the Bolsheviks were "the first to establish a Marxist state on earth in a very hostile environment", and adds that "dialectical laws demand that we look at things from all sides and not be one-sided in our approach".

Gwala concedes that "no doubt there were many excesses committed during the time of Stalin", but asks, "who is not wiser after the event?"

He goes on to criticise Slovo for "not telling us about the objective conditions" which led Lenin to the false prediction that socialism was about to collapse after 1917, and for giving the impression "that Lenin was engaged in speculative and not dialectical thinking".

He concludes that the notion of the dictatorship of the proletariat "cannot be abandoned".

A contribution from Explo Nani Kofi of the United Revolutionary Party of Ghana, disputes that there is such a thing as Stalinism, saying "some of the attacks on Stalin are just an attempt to look at history with hindsight", and goes on to warn against an "absolute faith in multi-partyism".

In a markedly different tone, the more flexible SACP journal *Umsebenzi* runs an open letter from central committee member Jeremy Cronin to African National Congress information chief Pallo Jordan, in response to Jordan's recent critique of Slovo's pamphlet.

He warns that "waving the banner of anti-Stalinism doesn't guarantee any of us against falling into Stalinist habits", and refutes Jordan's point that *Umsebenzi* has been guilty of "intolerance, petty intellectual thuggery and political dissembling among its membership".

He notes that he too has not agreed with all *Umsebenzi* articles, but "that's a completely different matter, isn't it?"

The article is signed "Yours in the struggle (including the struggle against anti-democratic behaviour within our broad ranks), Jeremy Cronin".

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He concludes that the notion of the dictatorship of the proletariat "cannot be abandoned".

A contribution from Explo Nani Kofi of the United Revolutionary Party of Ghana, disputes that there is such a thing as Stalinism, saying "some of the attacks on Stalin are just an attempt to look at history with hindsight", and goes on to warn against an "absolute faith in multi-partyism".

In a markedly different tone, the more flexible SACP journal *Umsebenzi* runs an open letter from central committee member Jeremy Cronin to African National Congress information chief Pallo Jordan, in response to Jordan's recent critique of Slovo's pamphlet.

He warns that "waving the banner of anti-Stalinism doesn't guarantee any of us against falling into Stalinist habits", and refutes Jordan's point that *Umsebenzi* has been guilty of "intolerance, petty intellectual thuggery and political dissembling among its membership".

He notes that he too has not agreed with all *Umsebenzi* articles, but "that's a completely different matter, isn't it?"

The article is signed "Yours in the struggle (including the struggle against anti-democratic behaviour within our broad ranks), Jeremy Cronin".

BUSINESS

Commuters lose out as fuel hike drives fares up

Soaring fuel prices have caused fare hikes on all forms of public transport. Black commuters will be hit hardest, report

MONDLI MAKHANYA and ROBERT LAING

THE fuel price hikes have hit South Africa's public transport users in the pocket, with all transport modes raising their fares — some for the second or third time this year.

Most bus companies countrywide raised their fares this week, as did Spoornet, the Southern African Black Taxi Association and the National African Transport Organisation and South African Airways. Johannesburg's bus fares will only be going up on January 1 next year.

Spoornet raised fares by nine percent this week in a move which it attributed to increased running costs as well as vandalism on trains.

SAA has already raised its fares twice this year and the latest hike will be accompanied by a 10 percent reduction in the discount rate. There will be a differential increase ranging from 9 percent on the Johannesburg-Durban route to 11 percent on the Johannesburg-Cape Town route.

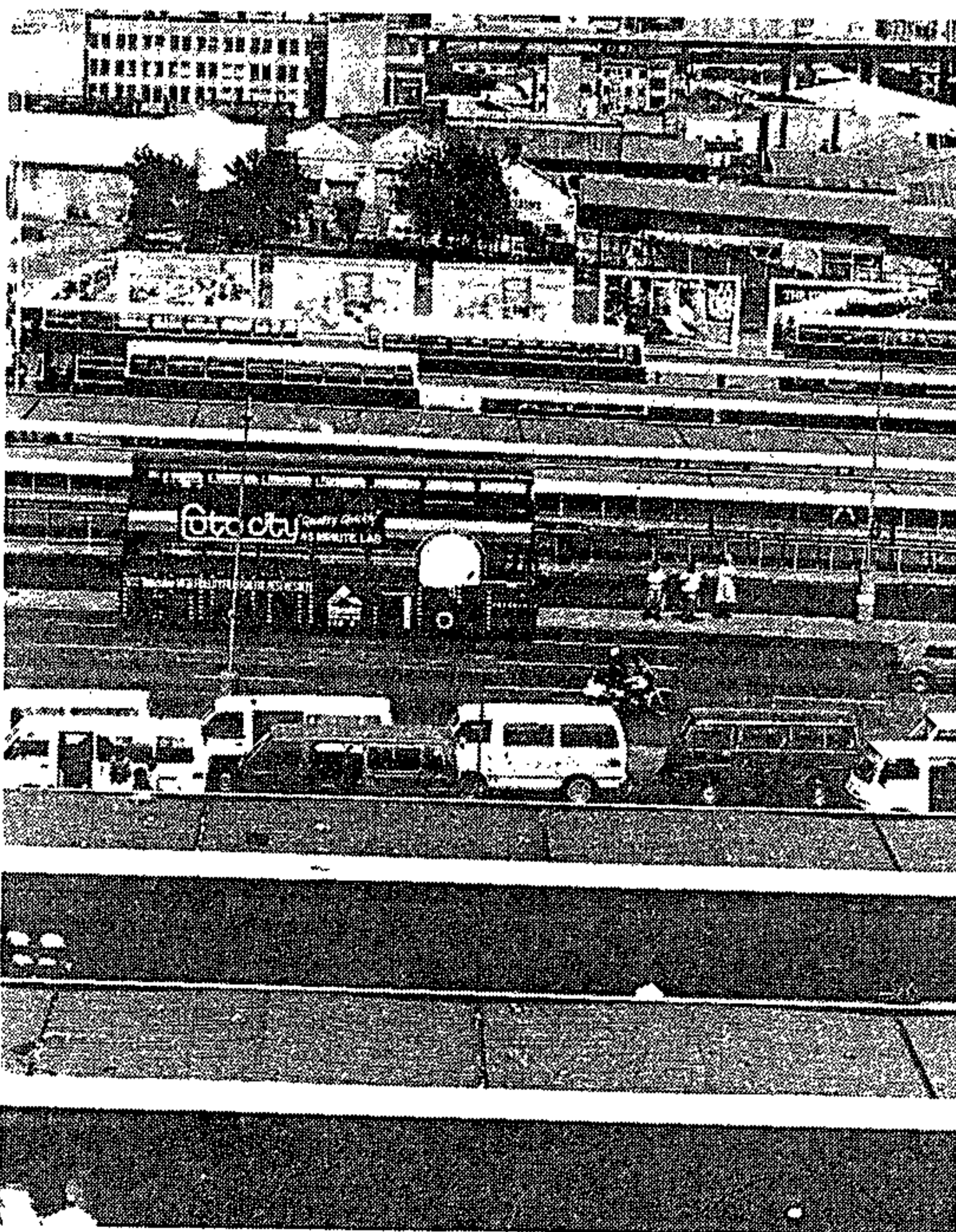
Putco's fare increase — due on Monday along with all other increases of government-subsidised bus companies — comes at a time when the corporation is engaged in talks with the Transportation Board about Putco's possible withdrawal from some routes in favour of taxis.

The deputy director of Transport System Planning at the Department of Transport, Danie Ackerman, said the increases were linked directly to the latest fuel price increase.

Fares would go up by five to 20 percent depending on the route, he said.

Putco MD Jack Visser said this was due to the government reassessing its spending, including its subsidisation policy. *W/Mail 2/11-8/11/90*

"The government has told us a number of the routes currently operated by buses, especially the short routes, can equally well be operated by taxis. They are now saying they will only subsidise the services which are absolutely essential."



Ever-increasing cost of transport ... bus and taxi passengers have to dig deeper into their pockets to get to work

Picture: AVIGAIL UZI

Another Putco representative told *The Weekly Mail*: "Government is forever threatening to cut our subsidies. We never know what to expect."

"They said they were going to cut subsidies last year. Subsidies ended up being increased from R540-million in 1989 to R626-million this year."

"We are busy negotiating with them for next year's subsidies. They are threatening to cut financial aid again. But our commuters can't afford any further increase."

Bus subsidies are one of the legacies of apartheid. Homeland commuters are forced to spend a huge slice of their income and time crossing the great divide to the cities where they work. The system is also incredibly expensive to the government.

For instance, the state subsidises each Putco passenger riding 320km every working day from kwaNdebele to Pre-

toria and back by R4 160 a year — 80 percent of the each passenger's transport costs.

Both major taxi associations have raised their fares but insisted they had absorbed a significant portion of the costs.

Sabta spokesman Fanyana Shiburi said the organisation would take into consideration the economic conditions in the different regions before implementing increases.

"We are aware that however small the increase it hits black commuters harder than it would commuters in other communities. Our increases in different regions therefore have to correspond with the economic conditions there," Shiburi said.

He said in most areas taxi fares would continue to remain below bus fares.

The National Federated Transport Organisation increases its fares by 12 percent.

Trek backs petrol co-op venture

By JOSHUA RABOROKO

A COOPERATIVE venture which could have far-reaching implications for the small business development in South Africa, has been announced by Trek Petroleum and a private company, Natabo.

The venture, which centres around forming fully-fledged cooperative societies involving taxi owners, will not only result in financial advantages to taxi owners, but will also open doors to greater wealth creation at grassroots level. *Somefun 8/11/90*

Two service stations, one in Tzaneen and the other in Gampo, East London, are already functioning on the cooperative basis and more will follow, as the long term plan is to build up a network of mutually beneficial operations.

The general manager of Trek Petroleum, Mr Andy Kamfer, said: "We have decided to support this venture because we sincerely believe that the cooperative route is the best system through which economic opportunities can be created in certain sector of our economy."

Discounts allowed

"By becoming members of the cooperative, different types of benefits accrue to taxi owners and operators. Discounts on petrol are allowed but, through the cooperative bargaining power of the members, discounts on many other related products such as oil, tyres, batteries and spares can be negotiated and, at the end of the day, the member's shares in all the profits of the business."

The managing director of Natabo, Mr Roly Burke was of the opinion that "cooperatives are easily the most sensible way to create business and economic opportunities."

Firstly, he said, the cooperative was traditional to many cultures, and seemingly it was easily understood in all sectors of the community. One of the most important aspects of a cooperative was that ownership rested in the hands of the members and no single person could enrich himself at the expense of others.

"It also means, Burke said, "that no single person can dominate the cooperative since all the members have an equal say in matters. Board members are elected on a democratic, electoral basis and if they do not produce satisfactory results, they are simply voted out of office."

Rougher passage ahead for Safren

Industrial holding group Safren did comparatively well in the year to June but is expected to feel the pinch this year as the economic recession tightens its grip.

At best, a moderate improvement in earnings is envisaged.

In the latest annual report, chairman Mr GA Macmillan says that group profits should be able to show an increase in the current financial year — provided there is no further significant deterioration in the economy.

Safren, through its subsidiaries, is involved in various fields ranging from ship owning and operating, air transport and freight movement to hotel resort and casino operations, film production and cinemas.

The group wholly owns Safmarine, has 76 percent of Kersaf, 75 percent of the Rennies Group and 60 percent of short term insurer Willis Faber Enthoven.

During the course of the current financial year, some R600 million will be ploughed into existing businesses.

Mr Macmillan says this expenditure will be funded out of internal resources and borrowings but that conservative financial ratios will be maintained.

In the year to June, group turnover climbed 9 percent from R3,7 billion to R4 billion. Kersaf accounted for 39 percent of this, Safmarine for 38 percent and Rennies for 22 percent. The remaining one percent of group turnover came from other activities.

Operating profit increased 14 percent from R642,9 million to R735 million. After net interest received of R4,9 million, compared with a net payout of

Diagonal Street

LYNNE PEACH

R29,1 million in the previous year, pre-tax profit grew 21 percent from R613,8 million to R739,9 million.

A similar effective tax rate of 32,3 percent resulted in after-tax profit rising 21 percent from R414,2 million to R500,6 million.

After deducting outside shareholders' interest, attributable profit showed an increase of 19 percent from R216,9 million to R259,1 million.

Based on a higher weighted number of shares in issue, earnings increased 18 percent from 411c to 487c. The dividend for the year amounted to 210c a share, 17 percent higher than the previous year's payout of 180c.

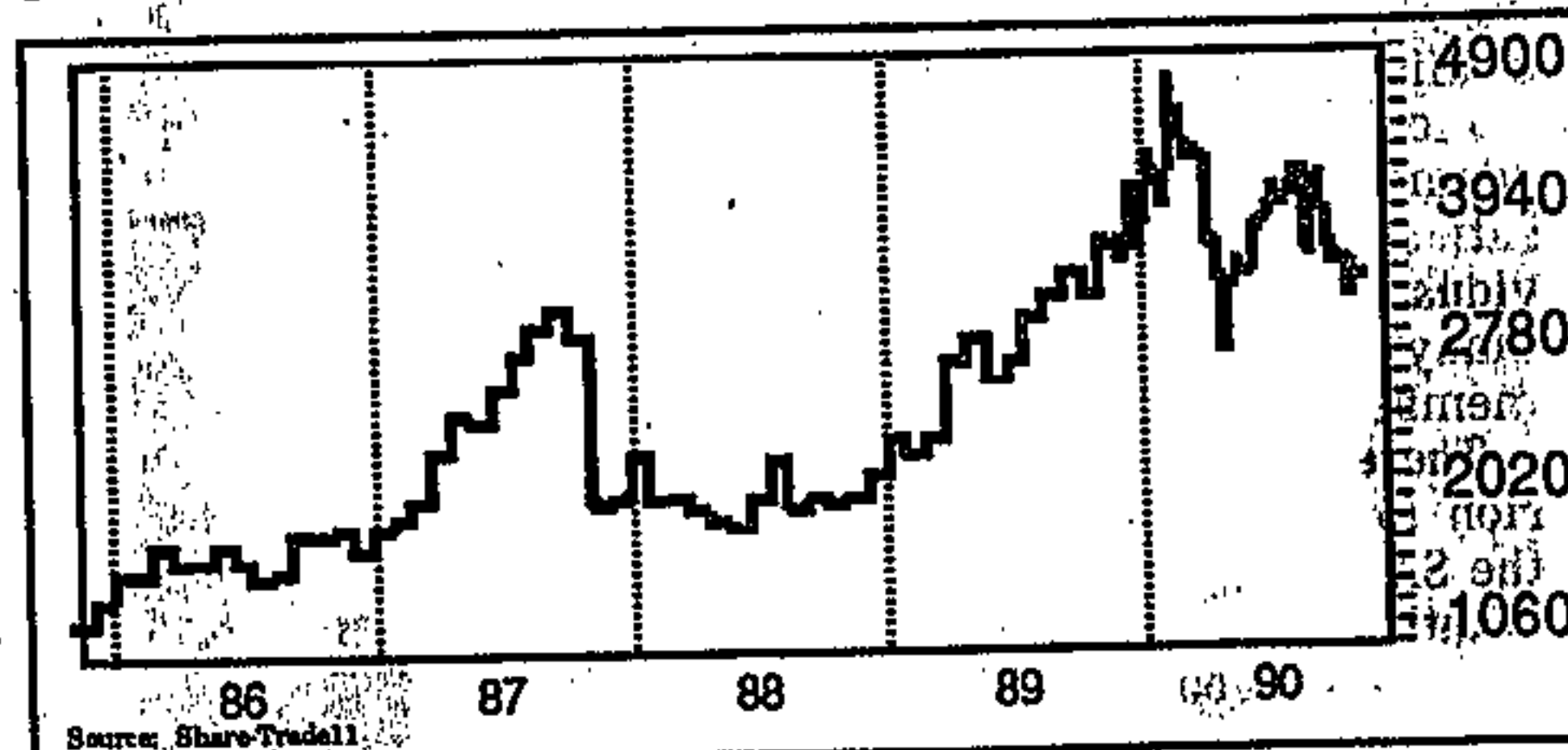
The strength of the balance sheet has improved with gearing down from 23 percent a year ago to a negligible 3 percent.

The group's cash balance has risen from R413,0 million to R710,7 million. Net worth per share stands at R17,42, 25 percent higher than R13,91 at the end of June last year.

Safren, priced at R36 is trading on a price:earnings ratio of 7,2 and provides a dividend yield of 6 percent.

In view of the long term attractiveness of the share, accumulation on price weakness is recommended.

COMMENT: Safren's share price entered a bear trend a couple of months ago when the price failed to maintain a level above R40.



Safren share price

Cost of subway system 'too high' for Jo'burg

332

ACHMED KARIEM

JOHANNESBURG residents would have to get used to using public transport to get to work, Masstran Consortium director Bob Stanway said yesterday.

Masstran is undertaking a feasibility study into a mass transit system for greater Johannesburg.

Stanway said the cost of financing an extensive underground or light rail system would be prohibitive.

"With pressing housing, education and health needs to be addressed, there's not going to be much money for grand schemes," he said.

The corridor linking Soweto to the CBD was the most important in terms of numbers of people on private and public transport.

About 215 500 people entered the CBD from the southwest in the morning peak period (5.30am to 8.30am) compared with the 30 500 who commuted from the northwest (which included Randburg and Sandton).

He said legislation within each local authority restricted the efficient operation of bus services.

Stanway said current thinking suggested a metropolitan transport authority could be created to act as a co-ordinating body. *Bibay 9/11/90*

It would not, however, have the power to interfere in independent operators' affairs.

Petrol cut reduces bus fares

Cape Times
10/11/90
332

Staff Reporter

CITY bus fares are set to drop following yesterday's 15c per litre decrease in the petrol price — but recently-increased air fares, train fares and inter-city bus tariffs will remain unchanged.

City Tramways managing director Mr B W Gie said yesterday the company "supports a decrease in bus fares and will announce the extent and date later".

Companies who had increased their prices because of the petrol hike "should now reduce them to a certain extent", Pick 'n' Pay managing director Mr Hugh Herman said yesterday.

September's record petrol price of R1,55 for 97 octane has decreased to R1,40 and 93 octane from R1,51 to R1,36, with effect from Monday. The diesel price decreases from R1,41 to R1,32.

The reduction in price was announced by Mineral and Energy Affairs Minister Dr Dawie de Villiers yesterday.

Lower crude oil prices had resulted in an over-recovery on petrol and diesel, and the government had decided to pass the lower fuel price on to consumers, he said.

He warned, however, the price decreases could be temporary, as it was not possible to forecast the future price of crude oil due to events in the Persian Gulf.

While bus fares are set to decrease, those using other modes of transport will not enjoy the same reductions.

SAA spokesman Mr Mike Pfeiffer said yes-

From page 1

Petrol

yesterday the price of jet fuel had risen by 128% since August and had not dropped with the petrol price decrease. In the same period the airline had only increased air fares by 10 to 14%.

Spoornet have no plans to decrease train tariffs. "We run on electricity and the recent tariff increases have nothing to do with the petrol increases," Spoornet spokeswoman Ms Evette Olwage said yesterday.

Recent inter-city bus fare increases, ranging from 5% to 15%, remain unchanged.

Autonet spokesman Mr Christo Bester said yesterday: "We will not be lowering our fares. However, the fuel price decrease would avoid another price hike in the near future."

The Automobile Association has appealed to commerce and industry to review any recent price increases and to pass on any savings to the consumer.

The Democratic Party also appealed to all producers and distributors to pass any decreases on to consumers.

"Inflation is public enemy number one against economic growth, which will be so necessary in bringing about the new South Africa," the DP's acting energy spokesman, Mr Geoff Engel, said in a statement.

The Cape Times financial staff reports that economists labelled yesterday's announcement very favourably. Most expected the inflation rate to drop by about 0,5% as a result.

To page 2

Eight more die in Free State taxi war

c/Press 11/11/90 332

By SOPHIE TEMA

MANDELA PARK – a squatter camp near Odendaalsrus formed recently by homeless families – has become a war zone of feuding taxi operators.

Eight people were killed last weekend after fighting broke out between the Mohahlaula and NI Speedy Taxi associations in Kutlwanong, bringing the death toll in the township to 11.

Political and civic organisations in Kutlwanong plan to give the dead a mass burial on a date still to be decided.

Residents claim “Russians” – blanket-wearing Basotho men – assisting one of the feuding groups were responsible for attacks on homes, including that of activist Joseph Mayekiso.

Mayekiso escaped by hiding above the ceiling of his house while his wife and child locked themselves in the bathroom as a group of men smashed windows and attempted to raze the house.

Representatives of the ANC’s Odendaalsrus branch, Sello Dithebe and Simon Menong, said there had been a vilification campaign against Mayekiso after a smear pamphlet mentioning his name was circulated in the township.

Dithebe and Menong said they had received reports that some of the people who raided Mayekiso’s home were wearing dresses. Mayekiso and his fam-

ily have temporarily left Kutlwanong.

Fighting among taxi people has claimed more than 50 lives in the past two months throughout the country.

Dithebe and Menong said people were killed after a white minibus was seen driving towards the area on Sunday at about 1.45am.

They alleged the victims were dragged from their homes and shot and hacked to death outside the squatter area.

Mandela Park residents this week told *City Press* people had formed “neighbourhood watch groups” to keep unruly elements out of the area.

Dithebe said: “The people at the camp are terrified and we cannot understand why they are affected by a war which started among taxi people.”

“We suspect there is a ‘third force’ working to get them out of the camp.”

Those who died last weekend were David Mokoena; Petrus Segoe Moalahi; Zabiya Khoza; Elias Mazibuko; William Mothai; Molefe Ramakau and Wellington Matsawane.

The eighth name and those of two taxi drivers who died during the fighting were not available.

There are rumours that the leader of the “Russians”, whose name is not known, has also been killed.

Business Day Reporters

However, the reduction should give a lift to business morale.



However, Sabta projects co-ordinator
☐ **To Page 2**

● Comment: Page 4

Safair gets licence to fly cargo flights

332

5/Day 13/4/90

MANDY JEAN WOODS

SAFMARINE and Rennie Holdings (Safren) subsidiary Safair was yesterday granted a licence to fly daily scheduled domestic freight and cargo flights in competition with SAA.

It is the first airline to be granted a licence to fly in competition with SAA since a clause in the new Air Transport Act, which effectively deregulates the domestic air travel market, was passed by Parliament in June this year.

The Act only becomes effective in July next year.

On Thursday, the National Transport Commission (NTC) is scheduled to hear Safair's application to fly freight, cargo and passenger charters on all international routes.

Safair MD Braam Loots said this would be the first real challenge of the new legislation.

The application is being opposed by SAA and Trek Airlines.

Loots said the speed with which the NTC gave its decision on the domestic freight and cargo licence — the hearing was last Thursday and its decision was given yesterday — showed it was happy with the substance of the company.

"This means we can now go to the marketplace and meet with and negotiate with clients," he said.

"Although Safair is in a position to offer a highly efficient and competitive service with immediate effect the new scheduled

service is likely to commence within six months or within a period as agreed by the NTC," he said.

Between five and seven flights a day were planned on SA's busiest routes between Johannesburg and Cape Town, Cape Town and Durban and Johannesburg, and Port Elizabeth and East London using Safair's Hercules aircraft.

Safair still had a three-month contract to operate the Johannesburg, Port Elizabeth, East London freight and cargo route on SAA's behalf.

"We will have to negotiate that with them. We also used to operate the Johannesburg-Cape Town route but SAA pulled us off that route when we told them we intended applying for a licence to fly scheduled freight and cargo routes domestically," Loots said.

While the soaring fuel costs would effect all operators more or less the same, the difference would be in service, efficiency and management of freight and cargo operations, Loots said.

"In the next few months we will go in with a dedicated effort to please our customers," he said.

Safair is also to embark on a R1m advertising campaign — including brochures, a corporate video and promotional functions — to inform potential clients of the new service.

Licences R100

underpriced?

Cape Times 13/11/90 332
Staff Reporter

A TRAFFIC consultant suggested at a planning symposium yesterday that vehicle licences were priced almost R100 below what they should be.

Mr Paul Mann, a partner in a transport planning consultancy, was delivering a paper on access to the city at a conference on Cape Town's Central Business District (CBD).

Car and parking fees in the city centre should be higher, he said.

Licences which used to cost R48 in 1981 cost R66 now. This represented a significant drop in real terms. They should be priced at about R162.

The traffic bottleneck on the east of the city would cause problems in future when areas like Woodstock and Culemborg were developed to greater residential densities, he said.

Existing road space would have to be better used and better public transport services would be essential.



statement . . .
fessed extremist
elius Lottering.

I killed black driver for practice, says accused extremist

13/11/92
332

By Brendan Templeton

The bizarre reasoning behind the killing of a black taxi driver and the bombing of the Johannesburg flat of former Sunday Times journalist Jani Allan last year was heard in the Rand Supreme Court yesterday.

Self-confessed right-wing extremist Cornelius Lottering described in a chilling sworn statement how he had stabbed and shot a black taxi driver for practice because he intended assassinating several black leaders.

He and Fanie Goosen (29) have pleaded not guilty to murder, attempted intimidat-

tion, unlawful possession of a pistol and ammunition, malicious damage to property, robbery with aggravating circumstances and escaping from custody.

They said their actions had been "acts of war".

Mr Lottering also admitted planting an explosive device outside Ms Allan's flat.

This had been done to force Afrikaner Weerstandsbeweging leader Eugene TerreBlanche to withdraw from the September elections last year.

He and other sympathisers had earlier dropped a proposal to attempt a coup by "eliminating" important

Cabinet Ministers. The ANC would have benefited from this, they had decided.

"There was one thing that disturbed me — I was not 100 percent sure I could carry out the task.

"If I would be fatal to get cold feet if I had a leader in my sights," he said in the statement.

As practice, he told a black taxi driver to take him to Gold Reef City. There he forced him at gunpoint to hand over the keys to the car and stabbed him as "part of his personal training", which required him to learn how to use a knife.

He bundled the driver into

the boot and after several attempts to get the car started — which required repeatedly taking the driver out of the boot to show him how to switch off the car's security system — he drove to Dale-side Ski Club in Meyerton.

There he again practised stabbing the kneeling taxi driver. He intended stabbing the man through his jaw and into the brain.

"The angle of attack was not 100 percent right," he said.

The man tried to run away and Mr Lottering said he shot him in the torso, and then he killed him by shooting him in the head.

He was justified in killing the taxi driver because blacks were the "natural enemies" of whites who were descendants of Abraham, Isaac and Jacob.

Jews and blacks, however, were bastardised offspring of Judah and Benjamin.

"Because the black was my natural enemy and I was entitled to destroy my enemy according to the Bible, the deed did not bother me in the least."

He also admitted robbing a bottle store but said this was not a political act and should not be seen as such, in case others who shared his beliefs would be tainted.

Apartheid was a natural progression of God's will because He ordered the descendants of Israel not to allow their enemies to remain in the lands they had conquered, he said.

South Africa was the only country in the world which was not completely taken over by the Jewish money forces which were "devils" and were preparing the way for the Anti-Christ.

● Second accused Fanie Goosen has challenged the admissibility of his own statement and the hearing has moved to a trial within a trial.

COMPANIES

Unitrans hindered by poor season

UNITRANS, adversely affected by a poor sugar cane season in Natal and the uneven demand for timber products, posted a 6% increase in attributable income to R14,5m (R13,6m) or 39,8 c (37,4c) for the six months ended 30 September.

Despite the serious problems afflicting the road transport industry, its turnover rose 15% to R132m (R115m). The interim dividend declared increased by 27% to 9,5c (7,5c).

Group operating profit at R23m (R20m) improved by 14%, but capital profit and

MARC HASENFUSS

depreciation recouped from used vehicle sales were significantly lower than last year.

Unitrans CE Eduardo Garcia said in a statement that the lesser number of vehicles sold during the financial period not only reduced the capital profit from R2,8m last year to R97 000 this year, but also the depreciation recouped on vehicles sold was reduced to R700 000 (R3m).

Interest costs which jumped 73% to R5,7m

(R3,3m) were mainly in respect of the capital expenditure required for both fleet replacement and expansion.

Garcia said the lower tax charge was a direct result of the group's past policy of investing in new vehicles, so that the group operated a modern fleet and at the same time optimised its tax.

Despite the prevailing recession, Garcia expects the group to continue to maintain its margins, and anticipates it will show an increase in earnings a share for the financial year.

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CAPE TOWN 15/11/90
709 332
**SA's roads
'going fast
downhill'**

By DANIEL SIMON

SOUTH AFRICA'S economy could be seriously affected in the near future if the government does not provide "billions of rands" in finance to catch up with the backlog in maintaining the country's road network — which is fast approaching a state of disrepair.

This was disclosed yesterday during a meeting of the Southern Africa Road Federation (Sarf), which had as its guest of honour the director-general of the International Road Federation, Mr Mauritz Westerhuis.

Sarf committee member and consulting civil engineer Mr Michael Judd said South Africa's roads were fast approaching the critical stage of "packing up".

Only R500m

"The government has been under-spending on the maintenance of our road network for the past 10 years."

He said it was estimated that just to keep track with road repairs for 1990 alone R1,2 billion would be needed. The government, however, had provided only R500 million. "Our national road network is going downhill, but the state of provincial and secondary roads are going downhill faster. Many roads are fast approaching the critical stage of just packing up."

Mr Westerhuis said that any government which refuses to spend money on maintaining its road network is committing "a criminal act".

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Goosen in tears - witness

By Brendan Templeton

Order of Death and AWB member Fanie Goosen twice broke down when he told police he was involved in the murder of a black taxi driver last year.

Warrant Officer Hendrik Mostert of the security police in Sandton told Mr Justice Irving Steyn in the Rand Supreme Court yesterday he was surprised when Mr Goosen told him he had assisted fellow rightwinger Cornelius Lottering to kill taxi driver Potoko Franz Makgalemele last year.

There was nothing to indicate he had been involved in the killing, he said.

They have pleaded not guilty

to murder, attempted intimidation, unlawful possession of arms, malicious damage to property, robbery with aggravating circumstances and escaping from custody.

Warrant Officer Mostert said Mr Goosen broke down when he said he was involved in the killing. When they were returning from a magistrate who had witnessed Mr Goosen's confession, Mr Goosen started crying again when he heard he would have to point out the place of the killing the following day.

The judge ruled the statement admitting involvement in the killing admissible, although it was "an exercise in futility".

(Proceeding.)

Historic step for crisis-hit bus industry

By ROBERT LAING

THE state's threat to cut subsidies to the beleaguered bus trade may have produced a first in South Africa — the industry's two unions and its employer's association have agreed to join forces. 16/11/90-22/11/90

The Transport and General Workers' Union (TGWU), the Transport and Allied Workers' Union (Tawu) and the Southern African Bus Operators Association (Saboa) met last month to discuss the crisis facing the bus industry.

In a joint statement they said a working group comprising all three parties has been established. It will make representations to government and consult with community-based and extra-parliamentary organisations.

The employers want more state money. So do the unions, but they also want the bus industry managed by the state. TGWU's Kally Forrest says: "The only major disagreement between the unions and the employers is that the unions want the bus industry nationalised. It is an essential public service that has to be subsidised. It would be more efficient to have the government running it directly, instead of giving money to private companies who don't necessarily spend it on their passengers."

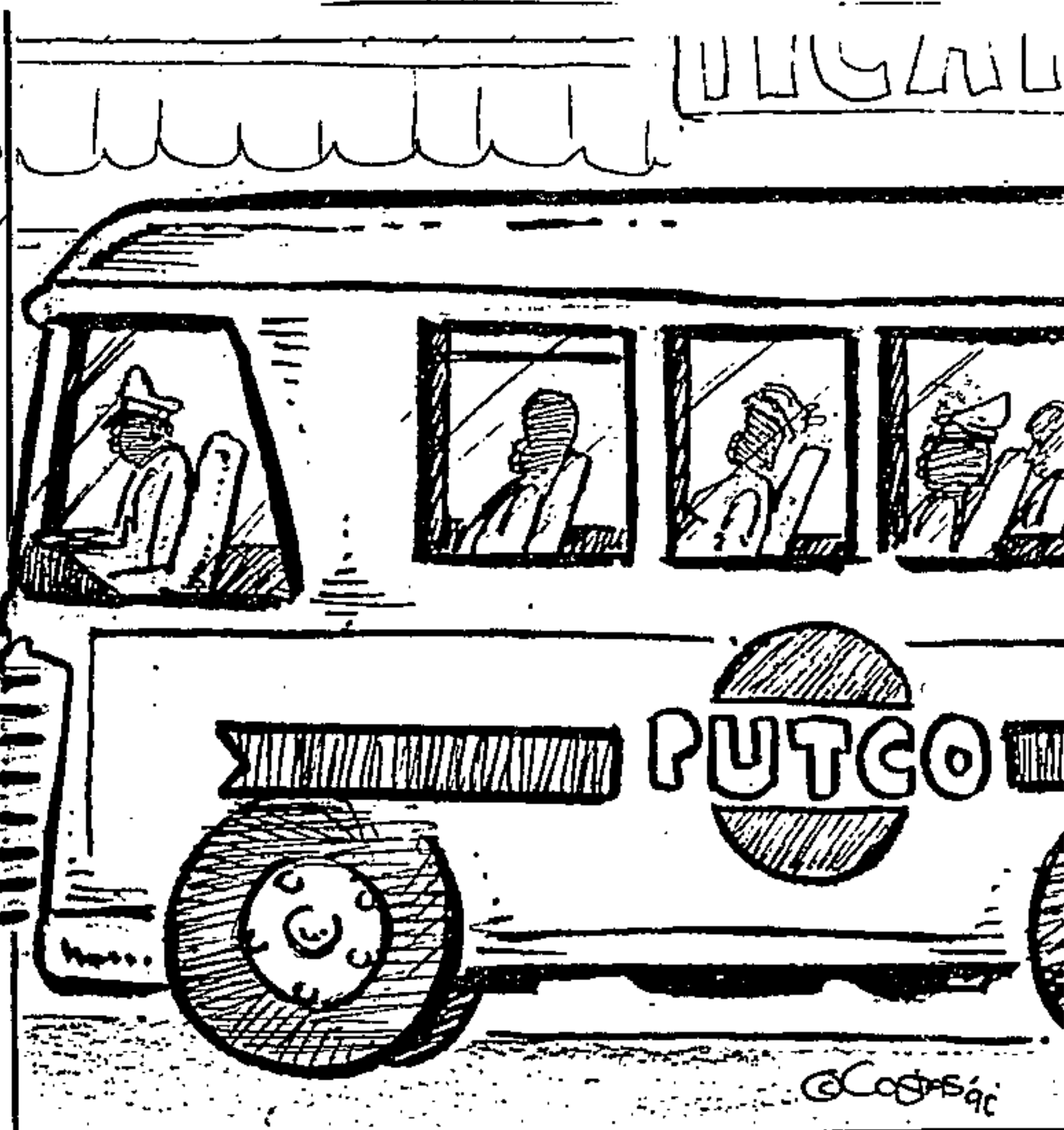
Saboa executive director Professor Jackie Walters said in a report to government: "The state expects the bus industry to foot an ever-increasing social cost burden by keeping increases in subsidies well below the industry inflation rate."

"Due to these circumstances and the unrestricted growth of the taxi industry the deterioration of the bus industry has accelerated to such an extent its very existence and future position in mass transport is at stake."

Putco chairman Albino Carleo said in the annual report released this week that bus operators were losing more than R65-million a year. Putco has withdrawn its services from Wynberg, Alberton and Springs. Its 180-bus Mamelodi and Edenvale divisions will also be closing and 531 employees will be retrenched. Carleo said Putco is considering joining its Dobsonville and Soweto divisions.

Saboa's report listed 16 other services run by various operators that may be closed soon.

"Where services are withdrawn, experience has shown that taxi operators exploit the situation. In many cases operators ensure that no additional taxis



enter the specific area, resulting in radical fare increases, waiting times are prolonged. When employees become unreliable in respect of time-keeping and attendance, they are dismissed," Saboa said.

Government subsidies are designed to subsidise the passenger and not the operators. This means no subsidy is paid if workers are not transported because of boycotts or stayaways.

Operators feel this is unfair considering bus boycotts are often caused by fare increases, which the state imposes. The authorities control both the economic fare and the portion paid by passengers.

"The recent involvement of the regional service councils (RSCs) in the payment of subsidies is extremely confusing to the industry as there are no clear guidelines as to which level of government will be responsible for which portion of the subsidy amount," Saboa said.

The subsidy system is incredibly complicated, with bus operators having to deal with the countless bureaucracies of the Department of Transport; homeland governments; the Department of Education and Culture; the Department of Education and Training; RSCs, and local authorities.

"This has the effect that management spends more and more of its time motivating applications for subsidies to the different authorities instead of managing companies."

Saboa claims the various departments of education do not subsidise scholars

acceptably. Discounts for scholars cost the industry R84-million last financial year, but only R4-million of this was subsidised by the Department of Education and Training.

Saboa estimates 12 020 buses are involved in transporting black workers from mostly outlying areas to industrial centres. "Studies indicate that these commuters earn an average wage of R471 a month and spend a monthly average of R46 on bus transport. The average trip length is 27km, although many thousands of commuters travel more than 100km on a single journey to work every day. At present 2 734 routes are subsidised by the Department of Transport."

The state subsidised about 37 percent of the bus industry's R1,63-billion turnover last year.

Saboa is also concerned about the effect of VAT on the industry, which could set it back an additional R120-million a year: "This is because the industry is labour intensive (about 40 percent of its costs are for labour) and because subsidies are regarded as an input and therefore liable for VAT."

Walters argues that South Africa can't survive without buses: "Major transport problems will arise in metropolitan areas which are experiencing high growth without the commensurate increase in highway capacity or public transport services."

"Most of these people are poor and will live in informal settlements for many years to come. They will be totally dependent on affordable public transport."

NESS

Putco plea for new policy

By JOSHUA RABOROKO

PUTCO annual fares increases, which are at best "a sensitive issue", generally give rise to social unrest, boycotts and damage to buses amounting to thousands of rands, the company's chairman, Mr Albino Carleo, says in his latest annual report.

He says it is estimated that bus operators are currently losing in excess of R65 million a year.

A new transport policy is urgently needed and the Government must pay attention to the policy if services are not to be further curtailed.

"Attempts by the Government to phase out subsidies will be resisted by Putco as fares for economically disadvantaged communities are already too high," he says.

Bus operators carry

the initial cost of passenger transport and only receive a refund once proof has been presented of the number of passengers carried.

Inflation is running at between 20 to 25 percent per annum in the bus industry which is estimated to be losing more than R65 million.

Putco remains an essential mode of mass transport and the company moves about 3,4 million passengers daily.

The recent hike in the cost of landed crude oil has further affected the profitability of the industry which has been forced to pass on increase in diesel costs to the com-

muter. (332)

He says because of labour unrest, illegal strikes by workers and declining commuter support, the company was forced to withdraw its services from Wynberg, Alberton and Springs divisions.

Carleo added: "Of further concern to Putco is the proposed introduction of Value Added Tax. The inflationary effects of VAT on the bus industry will be nothing less than catastrophic. However, Putco has applied to the Vatcom committee for a zero rating.

Regarding the future plans, Carleo said the bus industry was an infrastructure which helped mainly the underprivileged strata of the society.

News in brief

No lower taxi fares

than resorting to violence.
- Sapa.

THE South African Black Taxi Owners' Association (Sabta) will not lower fares despite growing demands by commuters and a fuel price reduction, according to Sabta president Mr James Ngcoya.

SABC's radio news quoted Mr Ngcoya as saying taxi operators found it difficult to lower fares because the prices of spare parts and tyres had increased. Soweto 19/11/90

Mr Ngcoya urged commuters to hold talks with taxi operators rather

Government blamed for 'anarchy'

By Cathy Stagg

Two young men appearing in the Rand Supreme Court — accused among other things of murdering a taxi driver and bombing journalist Jani Allan's flat — were the victims of political events, Boerestaat Party leader Robert van Tonder told Mr Justice Irving Steyn yesterday.

Mr van Tonder, who claims to be the spokesman for about three million members of the "Boerevolk", said it was the court's job to tell the Government to stop

causing anarchy.

He was giving evidence at the trial of Fanie Goosen (29) and Cornelius Lottering (24). They have admitted committing the murder and bombing, as well as robbery with aggravating circumstances, unlawful possession of arms and ammunition and escaping from custody, but claim they are not guilty of crimes because what they did were "acts of war".

Mr van Tonder said the state of war had existed for "a couple of years now". As in the

1940s, the older men were the leaders and theorists.

He claimed the Government had created the state of mind which had caused Mr Goosen and Mr Lottering to be in the dock. If they had committed murder and robbery, it was no less than what the ANC had done for 30 to 40 years.

He said the Government did not have a mandate from the people for the changes it was implementing. It had also committed fraud and was dishonest.

The trial continues.

Taxi man shot, dies

Chet Tint 2/11/90
Own Correspondent

JOHANNESBURG. — Treasurer of the South African Black Taxi Association (Sabta) and Inkatha leader Mr Pat Mbatha died at Baragwanath Hospital late on Monday night after being gunned down in Soweto.

Sabta spokesman Mr Fanyana Shiburi said yesterday Mr Mbatha, 58, was the most senior Sabta member to die violently since the organisation was founded 12 years ago.

Mr Mbatha was also treasurer of the Foundation for African Business and Consumer Services (Fabcos) and chairman of the Soweto Taxi Association, as well as chairman of the Transvaal Central Committee of Inkatha, Mr Shiburi said.

Taxi man shot, dies

Chit Times 21/11/90
Own Correspondent

JOHANNESBURG. — Treasurer of the South African Black Taxi Association (Sabta) and Inkatha leader Mr Pat Mbatha died at Baragwanath Hospital late on Monday night after being gunned down in Soweto.

Sabta spokesman Mr Fanyana Shiburi said yesterday Mr Mbatha, 58, was the most senior Sabta member to die violently since the organisation was founded 12 years ago.

Mr Mbatha was also treasurer of the Foundation for African Business and Consumer Services (Fabcos) and chairman of the Soweto Taxi Association, as well as chairman of the Transvaal Central Committee of Inkatha, Mr Shiburi said.

0 812 21/11/90

(332)

Treasurer of Sabta dies of wounds

By Guy Jepson

Southern African Black Taxi Association treasurer Pat Mbatha died in Baragwanath Hospital on Monday night after being shot in Soweto at the weekend.

Mr Mbatha, a leading Soweto business figure, was standing outside his shop, Pat's Cafe, in Dube at about 8.30 pm when he was fired at by four unknown men in a minibus, said Sabta media manager Fanyana Shiburi. He was hit four times.

Sabta had not established any motive for the attack.

Mr Mbatha was a founder member of Sabta and its Soweto regional chairman. He was also treasurer of the Foundation for African Business and Consumer Services.

Star 21/11/90

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Treason charge proposition is 'astonishing'

By Cathy Stagg

A man accused of murdering a taxi driver, bombing the flat of former Sunday Times journalist Jani Allan, robbing a bottle store, and other crimes, should have been charged with treason, not common-law crimes, a judge was told yesterday.

The submission was made by Cornelius Lottering's pro deo counsel, R E van de Pol, in the Rand Supreme Court.

Mr Justice Irving Steyn, who is presiding over the trial with two assessors, said it was an "astonishing, amazing proposition" to suggest that because someone was guilty of treason, he was entitled to be acquitted of everything else.

"If we agreed with you, there would be chaos in the streets tomorrow. Everybody would go out and murder, rape or rob and say they were doing it in the name of treason," he said.

Mr Lottering and his co-accused, Fanie Goosen (29), who, according to evidence, support the Boerestaat Party, based their defence on the submission that what they had done amounted to "acts of war".

J J du Toit, who appeared for the State, submitted that Mr Goosen should be convicted of malicious damage to property and attempted intimidation, arising from the incident at Ms Allan's flat on July 14 last year; robbery with aggravating circumstances at a bottle store on August 29, the illegal possession of a 9 mm pistol and ammunition, and escaping from custody.

Regarding Mr Lottering, Mr du Toit submitted he should be acquitted of the unlawful possession of 9 mm ammunition because, although the pistol used in the hold-ups was unlicensed, Mr Lottering did have a licence for another 9 mm firearm. Apart from that, Mr Lottering should be convicted as charged.

The court heard that Mr Lottering had killed taxi driver Potoko Franzar Makgalemele to see whether he was able to kill someone so that he would be prepared when the order came for him to kill a leader.

Mr van de Pol submitted that the court should find that the unlawful killing was preparation for treason.

The judge said he would take some time to formulate his judgment and postponed the trial to tomorrow.

Trencor props up transport index

THE strength of heavily weighted Trencor shares has kept the transport index close to its September peak of 11 479.

However, this is not good news for all transport groups, as smaller companies are still toiling under recessionary conditions.

Trencor, which provides transport services to gold, copper, platinum, diamond and base mineral mines in SA and Namibia, was seemingly unaffected by economic conditions, posting a 48% increase in attributable earnings to R81,8m (R48,4m previously) for the year to end-June.

The Cape-based transport and manufacturing group has slipped slightly from its August high of R49,50 to hold steady at R46.

Deregulation

At yesterday's price of R46, Trencor had gained 84% during the past year to register the sixth largest gain on the market during the period.

The transport sector, strictly a derived demand industry, has been severely hit by SA's economic downturn, rising fuel costs, and high vehicle replacement costs.

Transport analysts said that although smaller companies benefited from deregulation, they would still find it difficult to ride out the economic drought.

These operators faced the prospect of being squeezed out or swal-

lowed up by more powerful concerns.

Market rumours that Trencor was on the acquisition trail were denied by a group spokesman yesterday. The group acquired Holroyds Haulage in May this year.

Racy, despite being knocked by the economic slowdown, strikes and boycotts, managed a gutsy interim performance for the six months ended September, posting a 6% earnings increase to R1,35m (R1,28m) or 5,29c (5c).

Analysts said that with its small earnings growth, debt reduction and an expanded fleet which was 90% paid for, Racy "looked good" under present conditions. Consisting of Henders Industrial Carriers and engine reconditioners Diesel City, Racy hit a 52c high in January, then a 22c low in September, but climbed back to 35c on anticipation of interim results.

MD Alan Jacobson remained optimistic, saying: "The group's order position is good."

"We are fully utilised and trading exceptionally well, and looking to further expand our fleet in the 1990s."

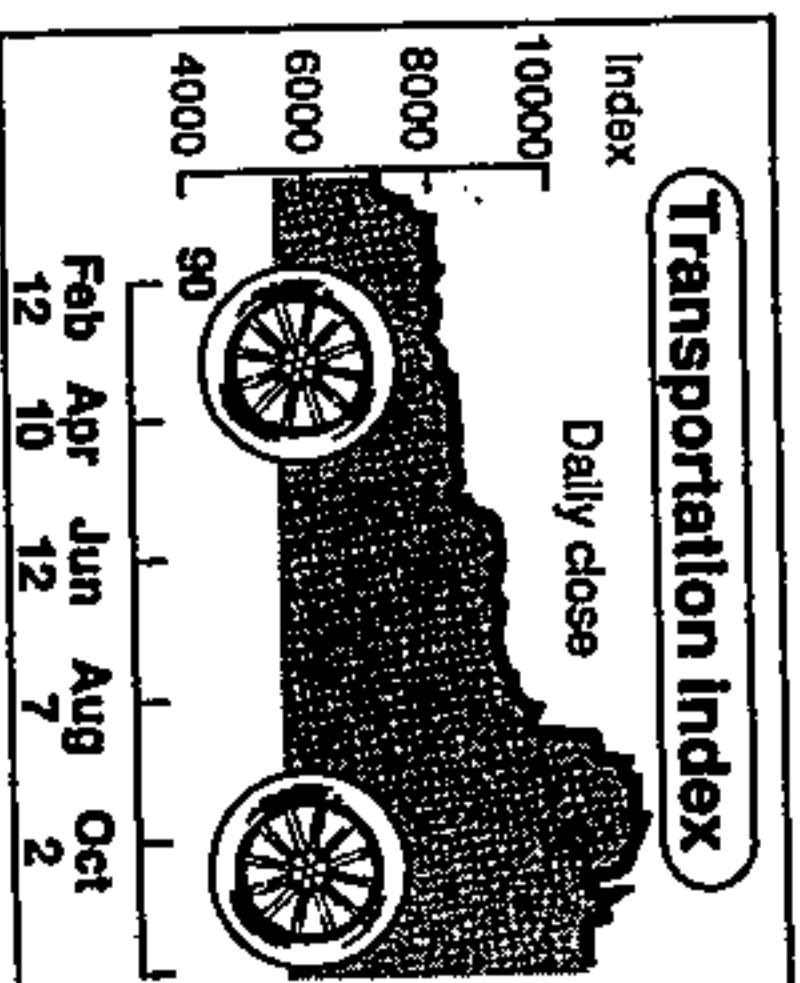
Larger, well-established operators were also hit by the recession because of their inability to generate activity.

Road freight transport group Unitrans maintained margins under difficult trading conditions, re-

porting a slender 6% increase in earnings to R14,4m (R13,6m) for the six months to end-September.

Analysts said they believed Unitrans' excellent track record would be maintained under its capable management team, despite its mediocre interim results.

CE Eduardo Garcia said he felt the group would maintain its margins, notwithstanding the recession, and expected an increase in earnings for the full financial year.



GRAPHIC: LEE EMERTON. SOURCE: JSE

Unitrans's share price held up better, peaking at 460c in August, but touched a 370c low last Thursday. It closed yesterday at 400c.

Boltons subsidiary Cargo Carriers delivered disappointing interim results for the six months to August. Earnings a share fell 32% from 20,2c to 13,6c on a 3% increase in turnover to R91,6m (R88,9m).

Analysts said Cargo should have a better second half. "Cargo uses a faster-depreciating write-off policy than other companies, which

makes their results look worse than they really are."

Cargo also had enormous asset value in more than 700 trucks, but the used truck market was severely depressed.

Earlier this year, Cargo signed a five-year R2m contract with Caltex for the carrying and distribution of Caltex products from its Mossel Bay depot. Cargo, unchanged at 190c yesterday, peaked at 300c last December and slumped to a 160c low in October.

Furniture removal specialists Laser Transport Holdings saw earnings dip 18% to 35,2c (43,1c) for the six months to end-June in the wake of the economic decline.

No exception

Laser, which owns Stuttaford Van Lines, Pickfords and Frasers, reached 275c last November. It is trading at 140c, slightly above its 135c October low.

The Sure Group was no exception, reporting poor results for its year ended March, with attributable income falling 54% to R1,5m (R3,2m) after problems in its Foden truck and parts division.

The industrial vehicle and materials handling group achieved a March high of 100c, which slumped to 20c but has firmed at 25c.

The group was forced to reduce staff by 20% to contain costs after a 160% increase in the interest bill to R5m.

332 Star 22/11/90

Putco's Edenvale depot to close down

The Edenvale depot of Putco will be closed down on December 14 for economic reasons.

In a notice published in a Germiston local paper, the managing director of Putco, Dr J A Visser, said the decision to close had not been reached lightly.

He said the original closing date set for October 31 1990 has been extended to December 14 1990.

The routes affected by the closure are Edenvale to Tembisa, the entire Kempton Park operation, Wynberg to Tembisa, Wynberg to Germiston, Rabie Ridge operation and all services operated under contract.

The Noord Street to Sebenza via Edenvale and Wynberg to Alrode will not be closed down and will be operated by the Putco Soweto Division. — East Rand Bureau.



President F W de Klerk greets Transkei military leader Maj-Gen Bantu Holomisa at the Union Buildings in Pretoria yesterday. Transkei President Tutor Ndamase, left, and Foreign Affairs Minister Pik Botha look on.

Picture: ROBBIE BOTHA

Transport subsidy campaign intensifies

blm 4/12/90
TRADE unions and employers have intensified their campaign for better subsidies to shore up the ailing bus transport industry.

On Saturday the Transport and General Workers' Union (TGWU), the SA Railway and Harbour Workers' Union and Nactu's Transport and Allied Workers' Union held nationwide demonstrations to demand improved subsidies for the industry.

TGWU information officer Kally Forrest said workers presented memorandums outlining their demands to local

MATTHEW CURTIN

Transport Department offices.

She said unions and the SA Bus Operators' Association also met Deputy Transport Minister Piet Welgemoed to express concern at the state of the industry.

Welgemoed had said the ministry had no power to alter the situation and was caught between the private taxi industry and bus industry's demands. The parties rejected Welgemoed's proposal that RSCs should assume responsibility for subsidies.

ember 28 1990

28/11/90

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NEWS

By Joe Openshaw

Lottering sentenced to effective 24 years

Order of Death member Cornelius Lottering, who stabbed and shot a taxi driver to death as "practice" for assassinating black leaders, was sentenced yesterday to 20 years in jail for murder.

Mr Justice Irving Steyn said in the Rand Supreme Court that an extenuating factor in the murder of Potoko Makgamelele on August 29 last year was that Lottering's crime was politically and religiously motivated.

The judge said Lottering (24) had been strongly influenced by religion and politics after he left school. His interpretation of the Bible was "warped" and had affected his entire attitude.

"Political and religious considerations, as warped as they may have been, were a factor in the crime," the judge said. He said political crimes, depending on the circumstances, could be construed as extenuating circumstances.

Co-accused Fanie Goosen (30), who claimed he was with Lottering at the time of the killing, was found not guilty of murder by the judge, who said Goosen's claims were false.

But Goosen was given an effective 13 years for malicious damage to property and intimidation in the bombing of former Sunday Times journalist Jani Allan's flat, seven years for robbing a bottle store, 18 months for illegal possession of

a firearm, six months for illegally having ammunition and one year for escaping from custody.

Some of the jail terms would run concurrently.

Mr Justice Irving Steyn said Lottering, a former cable-laying technician with the Post Office, had been strongly influenced by religion and politics from the time he left school.

On the other counts, Lottering was sentenced to three years each, to run concurrently, for malicious damage to property and intimidation in the Allan flat bombing, five years for malicious damage to Mr Makgamelele's taxi, four years for robbing the taximan of his vehicle, seven years for robbing a bottle store and 18 months for unlawful possession of a firearm.

Some of the sentences, the judge said, would run concurrently. The effective jail term would be 24 years.

Political fanatic guilty of murdering taximan

By Joe Openshaw

A man described by a Rand Supreme Court judge as being "absolutely crazy" about politics, and who confessed to killing a black taxi driver as practice for the assassination of black leaders, was yesterday found guilty of murder.

Convicting Cornelius Lottering (24) of murder, Mr Justice Irving Steyn said he had murdered Potoko Makgalemele with intent. The motive lay in

political fanaticism.

Lottering and his co-accused, Fanie Goosen (29), were Order of Death members and right-wing extremists. Lottering said that for them, as "freedom fighters", blacks were the "natural enemy".

After Lottering was convicted of murder, his family testified that he had always been a quiet and gentle person who loved reading the Bible.

His elder brother, Pieter Lottering, said he was deeply shocked when he heard his brother's confession to murder. His mother, Katherina, and

his father, Petrus, said the first time they realised their son was involved in something "serious" was when he was arrested.

Goosen was found not guilty of murdering the taxi driver although he claimed to have been with Lottering on August 29 last year. The judge said the only witness saw Lottering only.

Both were charged with murder, bombing the flat of journalist Jani Allan; robbery with aggravating circumstances; unlawful possession of arms and ammunition and escaping from custody. They claimed they were not

guilty of crimes because their actions had been "acts of war".

They had bombed Ms Allan's flat because she had influenced Eugene TerreBlanche of the Afrikaner Weerstandbeweging (AWB) to stand for Parliament.

J J du Toit, for the State, argued that aggravating circumstances, where Lottering was concerned, were that the murder had been carefully planned two days before August 29, with specific places in mind.

He chose an innocent taxi driver out of malice because he was galled at a black man transporting white girls.

He got Mr Makgalemele to drive him to Gold Reef City and then stabbed him in the back, put him in the boot and drove him to De Deur.

"There, while Mr Makgalemele was kneeling before him, he tried again with the knife and stabbed the taximan.

"When this failed and the taxi driver got up and ran, he shot him in the back.

"Lottering then held the taximan's head still and shot him in the head to finish him off," Mr du Toit said.

Erik van de Pol, for Lottering, argued that Lottering had

murdered for political reasons, and not out of cruelty and insensitivity.

Both men were found guilty of malicious damage to property and intimidation when bombing Ms Allan's flat, robbery with aggravation for stealing R2 800 from a Vereeniging bottle store, illegal possession of a firearm, and escaping from custody.

Lottering was found guilty of robbing Mr Makgalemele of his taxi, but not guilty of possessing illegal ammunition.

Goosen was found guilty of having illegal ammunition. The trial continues.

Bus fares to drop

332 CM 7/15 23/11/90
Staff Reporter

CITY bus fares will drop this weekend to reflect the recent 15c-a-litre decrease in the petrol price.

Fares will decrease by up to R1 for a commuter clip-ride and cash fares have been reduced by up to 10 cents a ride from November 25.

City Tramways managing director Mr B W Gie said that further decreases would depend on the diesel and fuel price.

"The reductions are being made despite the fact that the diesel price was reduced only marginally when the price of petrol was reduced by 15 cents a litre," he said.

Scholar clipcards for ten rides will be reduced by 10 cents to R6.50 for children under 13 years and by 20 cents to R9.70 for those between 13 and 17 years. Pensioner clipcards have dropped by 10 cents to R5.40.

Mr Gie said the government had failed to use the fuel price to promote the use of public passenger transport and called this move "short-sighted".

"It is especially difficult to understand when the vast majority of the population are simply unable to afford their own vehicles. Had the diesel price been reduced significantly, the company would have been able to pass on even more substantial savings to bus passengers," he said.

C/Item 25/11/90
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ORDER OF DEATH KILLER SHOWS NO

REMORSE

By MARTIN NTSOELENGOE

WHEN self-styled member of the "Order of Death", Cornelius Lottering, said he had killed a black taxi driver because he hated blacks and that they were the descendents of Satan, he was applauded by his family and friends.

But when he was found guilty this week, for the protracted brutal murder of taxi-driver Potoko Franzen Makhalemele without extenuating circumstances, they sat grim-faced in the public gallery at the Rand Supreme Court.

Sobbing softly in the witness box, his mother Stoffelina Johanna Lottering, broke down and cried when she was asked questions about his behaviour.

Erik van de Pol, defence counsel for Lottering, experienced difficulty in getting answers from Lottering's mother.

She was later taken out of the court into the passage by a woman court orderly to recover.

Pieter Christiaan Lottering, a former member of the now defunct Ossewabrandwag in his youth, said he would stand by his son.

Both said politics and religion had not played an overly important role in their house. They were also not aware of their son's political activities.

Lottering's brother, Pieter Christiaan Lottering jnr, said he had been "very shocked" when he listened to his brother's evidence of how he had killed a taxi driver.

Lottering, 25, of Sandton, and co-accused Fanie Goosen, 30, of Vereeniging, had initially pleaded not guilty to nine counts, including murder, on the grounds the acts were committed while the country was in a "state of war".

Their pleas were made before Judge Irving Steyn and two assessors.

Lottering was found guilty on one count of murder, two of robbery with aggravating circumstances, two counts of malicious damage to property, attempted intimidation, illegal possession of a firearm and escaping from custody.

Goosen was found guilty of malicious damage to property, attempted intimidation, robbery with aggravating circumstances, illegal possession of a firearm and escaping from custody.

In summing up before passing judgment, Steyn recounted the chilling evidence presented to the court by Lottering - much of it read by his counsel, because of the pronounced stutter of the accused.

Lottering had said he decided to murder Makhalemele because he wanted to see if he was able to kill when the time to do so came.

Lottering said he was offended by blacks who drove white taxis, especially the sight of "kaffirs" driving white girls.

He said he had asked Makhalemele to take him to Gold Reef City, pulled a gun on the driver and forced him to get into the boot of the car.

As Makhalemele was getting in, Lottering stabbed him on the back. He said he was aiming for the kidneys, but "did not succeed".

Later, Lottering said, he stabbed Makhalemele through the throat.

He shot Makhalemele twice, once in the head. He said he felt no remorse because blacks were his "natural enemy" and the Bible made it clear he should eliminate them.

Tribute to gallant Inkatha man

Sun 26/11/90 332

By Stan Hlophe

A member of the Inkatha Central Committee and treasurer of the Southern Black Taxi Association (Sabta), Pat Mbatha, was described yesterday as a gallant soldier who died while pursuing the upliftment of fellow blacks.

Speakers from Inkatha and Sabta at Mr Mbatha's funeral in Soweto yesterday praised him for his tireless efforts.

Thousands of people, predominately Inkatha supporters, attended the

ceremony at the Jabulani Stadium.

Police monitored the proceedings and escorted the procession to the Avalon cemetery where the Inkatha West Rand regional chairman was laid to rest.

Jeffrey Mthethwa, an Inkatha Central Committee member, read condolences from Inkatha president Chief Mangosuthu Buthelezi and King Goodwill Zwelithini.

Mr Mthethwa said Mr Mbatha's death was a loss to the struggle.

He urged Inkatha members not to be de-

terred by Mr Mbatha's death and said they should continue where he left off.

Messages of condolences were also sent from Zimbabwe and Mozambique. Youth Brigade leader Themba Khoza appealed for an end to violence.

Sabta's president, James Ngcoya, appealed to the bereaved for peace and calm and said that was what his treasurer had stood for.

He said Mr Mbatha's killer or killers would not have peace.

Pledge to end mine violence

Sowetan 27/11/90

THE Chamber of Mines and the National Union of Mineworkers made a joint commitment at a meeting last week to do everything in their power to stop mine violence.

In a joint press statement the parties expressed grave concern about the high level of violence on mines.

Following recent incidents of inter-group violence on mines in Northern Natal, the Chamber and the NUM held a meeting where the parties unconditionally re-

SOWETAN Correspondent

jected violence on the mines and agreed to take steps to prevent it.

Earlier this year, after inter-racial violence erupted in Welkom, the Chamber of Mines and employee organisations in the industry established a forum to look into the causes of the violence and possible ways of eradicating it.

At last week's meeting between the Chamber and the NUM, the parties agreed on the:

* The absolute and un-

conditional rejection of such violence, whatever its source or motivation on mine property;

* To do everything in their power to prevent the recurrence of violence;

* To identify the perpetrators of such violence, remove these persons from mine property and impose a penalty for their actions in terms of company disciplinary procedures as well as the law of the land;

* The prohibition on employees having or bringing weapons of any kind into the workplace, including hostels;

* The appropriate

utilisation of all existing channels to enable employees to effectively inform management of any impending violence or their fear thereof;

* To learn from the experience of the violence so that a repetition may be avoided;

* To establish a conflict monitoring group that will monitor violence on mines;

* To approach other parties to become involved in resolving the violent conflict; and

* To make every effort to encourage people to show tolerance for the views of others.

ANC, Sabta seek peace

Sowetan 27/11/90

DELEGATIONS from the South African Black Taxi Association and the African National Congress's southern Natal region met for talks following clashes between taxi-drivers and communities that have left many people dead.

The taxi team was lead by Mr Griffiths Ngwenya, while Mr Jeff Radebe, ANC deputy regional chairman, headed the ANC side.

No interests

They decided that fares would not be increased until differences between the taxi body and communities were settled.

Taxi Association representatives from Umlazi, Ntuzuma, Pinetown, Nyuswa, Hillcrest, Clermont and Molweni were at the meeting.

In a statement afterwards, Radebe said they had discussed problems facing the Taxi Association and various communities.

They identified the cause of the problem as "forces at play that are desperately attempting to drive a wedge between the Taxi Association and the communities".

This had resulted in many deaths on both sides.

The two organisations "unreservedly condemned these forces of darkness and pledged to do everything within their power to intervene decisively to stop the problem from getting out of control".

They decided to set up a Sabta-ANC regional forum to look continually at problems.

The ANC will help build formal structures at local level to link the taxi body and the communities.

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Safair ready to launch domestic freight service

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MANDY JEAN WOODS

SAFAIR, the air arm of shipping, transport and leisure conglomerate Safmarine & Rennie Holdings, was expected to begin its scheduled domestic freight service "within weeks", Safair MD Braam Loots said yesterday.

Earlier this month the airline was granted a licence to fly scheduled freight and cargo on SA's main domestic air routes in competition with SAA.

An application by Safair to change a clause in its licence to fly non-scheduled freight, cargo and passengers on international routes to allow it also to fly on routes operated solely by SAA, was postponed to February 4. This was because Trek Air had indicated it intended to apply for a similar licence, Loots said.

He said Safair planned to start its domestic freight and cargo service, which would give SAA competition for the first time, with a flight to Cape Town four times a week.

"We already have 15 tons of cargo per flight per day guaranteed," he said.

Possibilities probed

Safair plans to fly between five and seven flights a day between Johannesburg and Cape Town; Cape Town and Durban; Johannesburg and Port Elizabeth and East London with its fleet of six Hercules aircraft.

In order to offer a faster and more efficient service, Safair was investigating the possibility of acquiring a jet freighter aircraft, he said. The airline was also looking at opening up new routes, like that from Cape Town to Durban, as well as the major SAA routes.

"Aviation has lost an unbelievable amount of freight to road and rail transport because of poor marketing of the air freight service or, in some cases, because no such service was available," Loots said.

Safair planned a major marketing and advertising campaign for early in the new year to detail the advantages of air freight.

The airline was poised to take on any challenges coming its way, he said.

Taxi

truce ends ghastly war

SA PRESS
ASSOCIATION

TWO warring taxi associations operating in Soweto yesterday declared a "ceasefire" following more than a year of conflict.

About 30 taximen and passengers have died as a result of fighting between members of the Bara-City and Bara-Pretoria taxi associations, according to reports.

Soweto Police public relations officer and mediator between the two groups, Lt G Mariemuthoo, confirmed that most of the victims had died from gunshot wounds.

Safety

The two groups, meeting reporters at Soweto's Protea police station, said they had buried the hatchet and jointly assured passengers of their safety. They also promised efficient service to commuters.

Conflict apparently started last April when the Bara-Pretoria group started using ranks in the vicinity of Soweto's huge Baragwanath Hospital, without consulting the Bara-City association.

Yesterday, Mr Joe Simelane of the Bara-City association, said it had now been agreed that both sides could now use the rank facilities at the hospital, adding passengers could use taxis from either association.

Conflict

Mr Paul Mkhwanazi, of the Bara-Pretoria association, said: "We are today calling on taxi commuters to use without fear our service because peace has been declared at last."

Mariemuthoo, expressing his satisfaction at the accord reached yesterday, said other groupings in conflict could approach the police to act as mediators.

SAD BUT PROFITABLE

PUTCO

Activities: Operates mass transport services in the Witwatersrand, Pretoria and Durban areas.

Control: Carleo family (52,5%).

Chairman: A Carleo; MD: J A Visser.

Capital structure: 26,4m ords. Market capitalisation: R25m.

Share market: Price: 95c. Yields: 10,5%* on dividend; 19,1% on earnings; p:e ratio, 5,2; cover, 1,8*. 12-month high, 550c; low, 60c.

Trading volume last quarter, 566 000 shares.

Year to June	'87	'88	'89	'90
ST debt (Rm)	4,0	3,5	2,3	5,5
LT debt (Rm)	51,0	—	—	—
Debt:equity ratio	0,21	nil	nil	0,04
Shareholders' interest	0,66	0,68	0,66	0,55
Return on cap (%)	nil	7,7	(0,3)	(4,8)
Turnover (Rm)	285	302	346	365
Pre-int profit (Rm)	0,4	19,2	(0,8)	(8,5)
Pre-int margin (%)	n/a	6,4	n/a	n/a
Earnings (c)	(44,3)	9,1	3,5	18,1
Dividends (c)	17,5	24,5	8	320
Net worth (c)	795	636	708	366

* On normal dividend of 10c.

PUTPROP

Activities: Owns properties mostly occupied by Putco.

Control: Carleo family (52,5%).

Chairman: A Carleo; MD: J A Visser.

Capital structure: 26,4m ords. Market capitalisation: R23,8m.

Share market: Price: 90c. Yields: 3,3% on dividend; 5,3% on earnings; p:e ratio, 18,8; cover, 1,6. 12-month high, 100c; low, 45c.

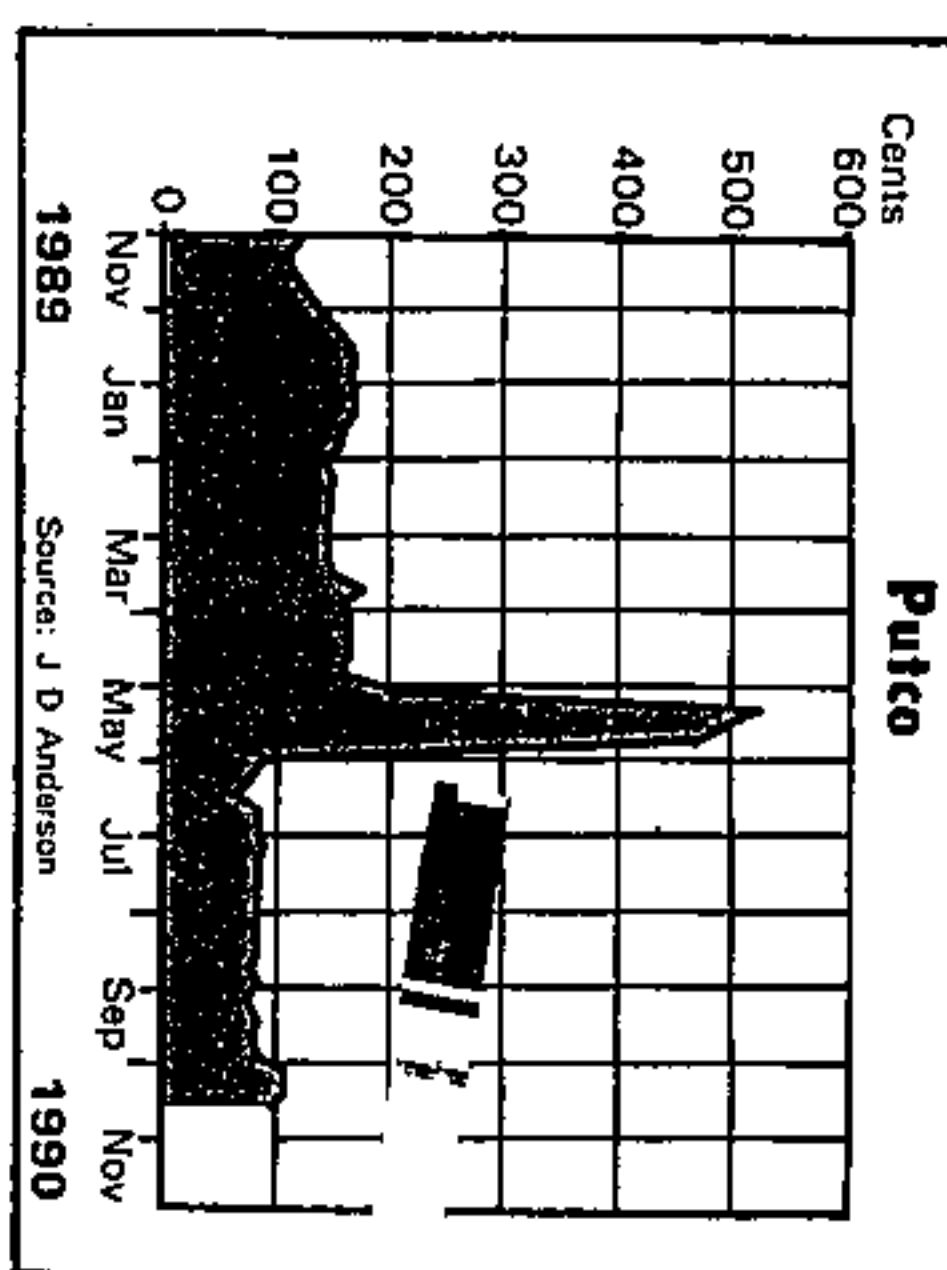
Trading volume last quarter, 74 000 shares.

Year to June	'88	'89	'90
ST debt (Rm)	—	0,1	0,3
LT debt (Rm)	45,7	79,1	49,0
Debt:equity ratio	0,86	0,86	0,86
Shareholders' interest	0,52	0,39	0,51
Int & leasing cover	1,9	1,4	1,3
Return on cap (%)	4,9	7,7	10,6
Gross rentals (Rm)	5,1	10,6	11,3
Pre-int profit (Rm)	5,0	10,4	11,3
Earnings (c)	4,6	4,8	4,8
Dividends (c)	3	3,2	3
Net worth (c)	201	203	205

* 4-month accounting period.

The progressive disintegration of Putco's operating base, now in its ninth year, may be depressing to watch. But, as the FM has pointed out, it has turned out to be remarkably lucrative for shareholders.

Take, for instance, a purchaser of Putco shares in 1987 at the then-peak 435c. He has received 370c in dividends from Putco, one



Since 1982 — the peak year in terms of most operational yardsticks — the number of passengers carried has declined by almost two-thirds. Against this, a one-third decline in distance travelled by Putco buses and one-fifth reduction in the bus fleet have been hopelessly inadequate as a means of restoring the level of asset utilisation necessary to run the service cost-effectively.

But perhaps the most devastating statistic is the composite passenger/km ratio (equivalent distance travelled by a single passenger) which, between 1982-1990, has slumped 75%. This represents a wipe-out of three-quarters of Putco's business base.

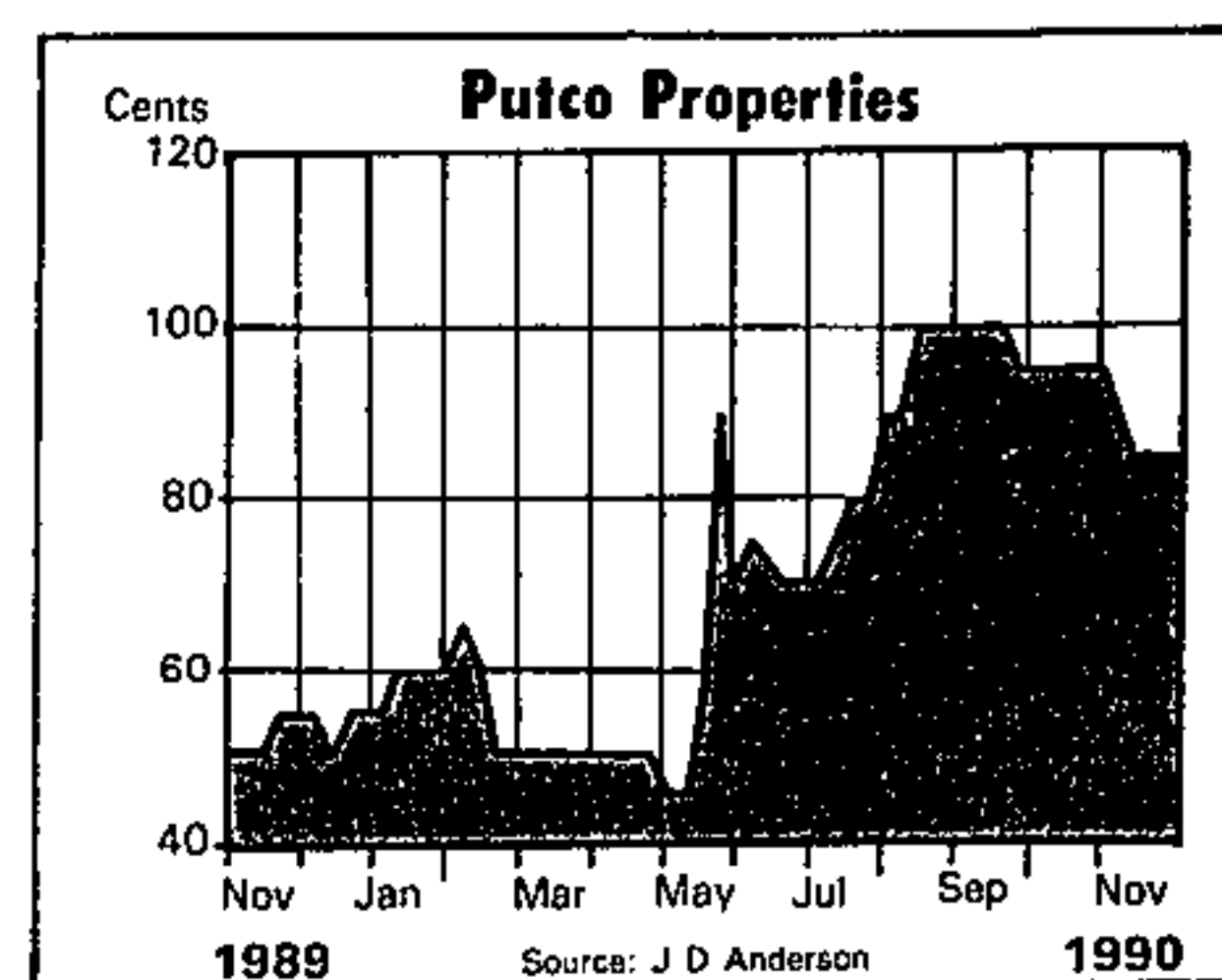
Putrop share (present market value 90c) plus 9,2c Putrop dividends — a total of 469c. Quite a difference to the 8,6-year earnings pay-back period of the JSE industrial market as a whole.

The other major difference, though, is that the average industrial company can probably sustain, if not improve on, its performance over time. In Putco's case, unless present

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As assets have become progressively more under-utilised, one inevitable consequence has been to push operating results into the red. Even calculated on an historic cost basis, last year's R7,1m pretax profit comprised an operating loss of R8,2m and net interest received of R15,3m.

Another consequence is that, with much of the bus fleet standing idle (the cover picture



on Putco's report deserves a prize of some sort), it has become anomalous to keep charging additional depreciation to cover inflated replacement costs. This was why, in 1990, a portion of these charges raised in previous years was reversed and the proceeds distributed by way of a special 310c dividend.

A third consequence is that, again because of the bus fleet situation, the current cost adjustment to the income statement has all but fallen away. Thus one finds 1990 current cost EPS only 1,1c below the historic cost figure: four years ago the gap was 70c-plus.

Against this background, it is hardly surprising that chairman Albino Carleo's annual review is one long tale of woe. Among the problems singled out for comment are labour unrest and the effect this has had on costs; the planned phasing out of government subsidies; rising fuel costs; and the implications

Note of caution

Just in case shareholders have missed the point, the review ends with what he calls "a note of caution regarding future financial results if the unsettled conditions prevail." Not mentioned is that Putco's ability to record positive earnings has been seriously diminished by payment of the special dividend, the resulting wipe-out of accumulated cash resources and consequent loss of interest income from that source.

Since the FM reviewed the last annual report the share price has dipped from 115c to 95c — after peaking at 550c when the special dividend was declared. It is almost impossible to place any accurate value on the company: on the one hand, the going-concern concept hardly seems appropriate in the circumstances and, on the other, there are uncertainties over the amount assets could realise in a break-up situation. How, after all, do you value 2 662 ageing buses that not even passengers seem to want? Brian Thompson

of VAT for the bus passenger industry which Carleo describes as catastrophic.

TAXATION FIM 30/11/90 (332)

ZOLA BUDDS REFUSE

The 55 000 members of the powerful SA Black Taxi 'Owners' Association (Sabta), with an estimated R3bn annual turnover, are refusing to pay tax. They also warn that unless a future government subsidises taxi commuters — travelling in what are colloquially known as Zola Budds — and redresses economic imbalances they will continue to defy the taxman.

Sabta public affairs manager Mike Ntlatleng says the organisation and its members take the American Revolution view that "taxation without representation is tyranny. The Receiver would love us to pay tax, but our people won't — no taxation without representation. We are involved in consultations with Inland Revenue but the playing field must be levelled; economic imbalances of the past must be redressed."

Not only does Sabta want economic imbalances to be redressed without their financial contribution, they are demanding subsidisation of taxi commuters to bring them into line with subsidies for rail and bus passengers. Ntlatleng says no black bus companies receive subsidies now and black entrepreneurs are not being encouraged to push free enterprise. He sees no contradiction in the organisation's refusal to pay tax while demanding subsidies.

About 72% of the rail fare of commuters is subsidised but bus subsidies have been consistently cut in the wake of declining passengers lost to taxi services.

Ntlatleng says Sabta favours economic protectionism to allow black business to grow. For example, it argues that when the Group Areas Act is repealed, big chain stores owned by whites should not be allowed to operate in black areas until the end of a 10-year moratorium, during which time black businessmen should be allowed to establish themselves in white areas.

He adds that until black business is involved in decision-making with government and local authorities, and has complete equality of business opportunities, there is no point in Sabta members paying tax, "and we

FIM 30/11/90 (332) (332)
don't know how Revenue will pin these chaps down."

An Inland Revenue spokesman says it is not policy to comment on the tax affairs of individuals or organisations but notes that all South Africans are eligible for tax. Government's Tax Advisory Committee is studying the informal sector to find ways of extracting tax from it.

MICOR FIM 30/11/90

FOGGY VIEW

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Activities: Subsidiaries engage in freight, travel, insurance broking and the sale of industrial equipment.

Control: Directors 47,4%.

Chairman: C B Kaplan; **MD:** M J Kaplan.

Capital structure: 16,5m ords. Market capitalisation: R14,9m.

Share market: Price: 90c. Yields: 13,3% on dividend; 34,1% on earnings; p:e ratio, 2,9; cover, 2,6. 12-month high, 150c; low, 90c.

Trading volume last quarter, 47 000 shares.

Year to June 30	'87	'88	'89	'90
ST debt (Rm)	22,3	12,3	18,3	20,5
LT debt (Rm)	2,8	2,8	2,5	2,5
Debt:equity ratio	1,09	0,49	0,56	0,55
Shareholders' interest	0,30	0,38	0,33	0,35
Int & leasing cover ..	1,38	2,02	2,21	2,50
Return on cap (%) ..	8,3	10,3	10,4	10,5
Turnover (Rm)	336,5	369,5	425,1	492,3
Pre-int profit (Rm) ...	5,9	5,7	8,3	9,2
Pre-int margin (%) ..	1,8	1,6	2,0	1,9
Earnings (c)*	9,6	17,2	29,6	30,7
Dividends (c)*	4,6	5,5	9,8	12
Net worth (c)*	115	135	166	170

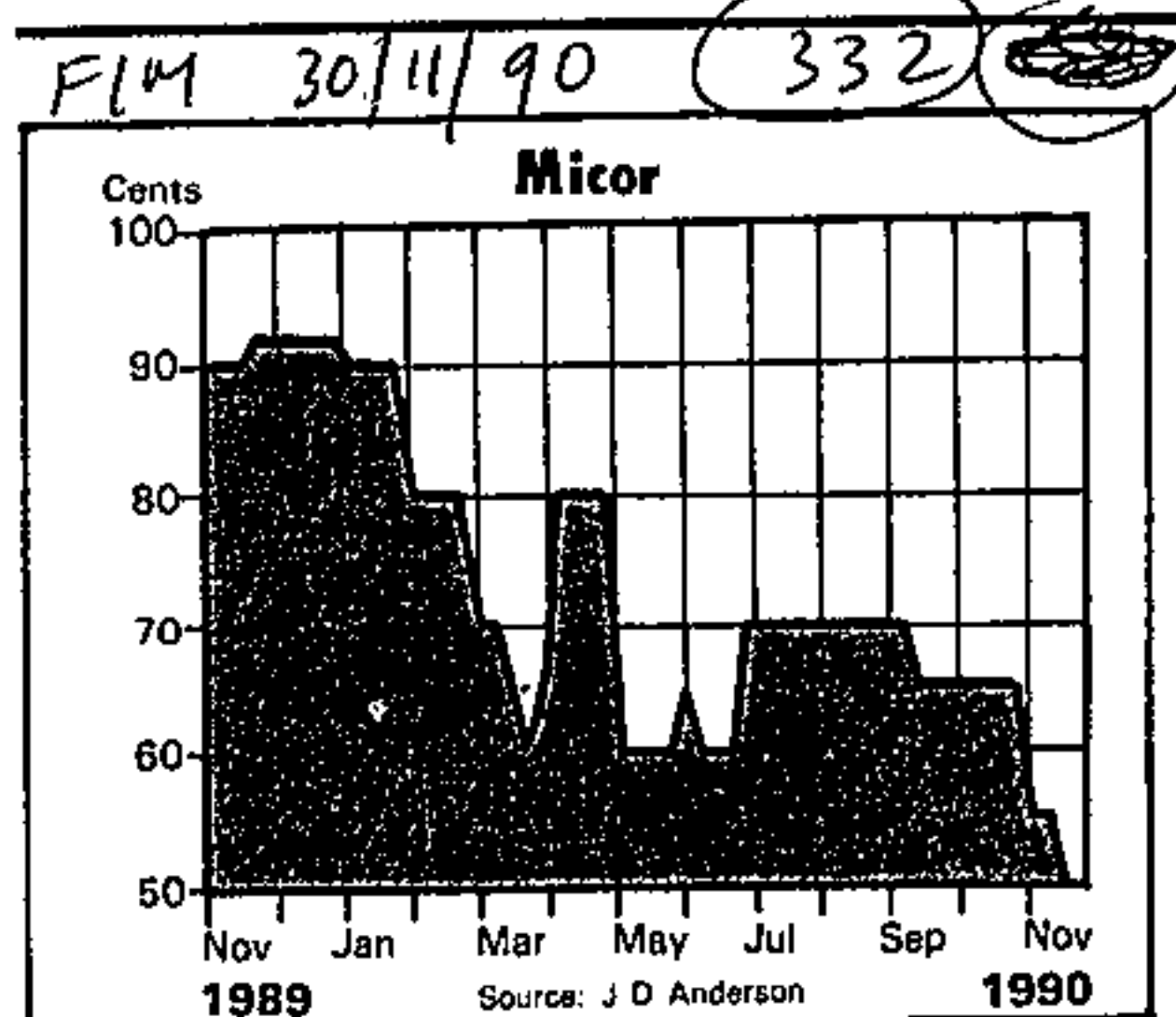
*Adjusted for five-way share split

Micor Holdings shares do not trade much. This may partly reflect the lack of information about the business. More than a third of earnings originate abroad but management won't say what these operations are.

Restructuring last year was meant to focus local and foreign operations more clearly and allow equity-financed acquisitions without the controlling shareholders risking loss of control. Ninety-two per cent of cash shell Adco was acquired, its name changed to Micor Industrial, and the freight, travel, industrial, management and information service interests sold it for R20m. Foreign, finance and insurance operations remain separate operating subsidiaries of the holding company. Finally, there was a five-way share split.

Chairman Cecil Kaplan says foreign interests performed better than local operations. Transport and travel remain the major profit contributors by accounting for 90% of pre-tax profit. Kaplan says the reduction in imports hit air and sea freight operations; turnover rose but margins came under pressure. The depressed economy and soft rand affected the travel business.

There were some bright spots. The incoming tours division produced "excellent re-



sults." Micor owns Wilson Collins Travel (Pty) and Travamarkt (Pty).

Trade finance, factoring, leasing and broking contributed 3% of pre-tax profits. These seem to benefit from weak economic conditions. Loss-making parts of the industrial division have been discontinued and it now consists mainly of Bandsawing Services, which improved earnings by 31%.

Overall pre-tax profit rose 21,4%. A low tax rate — thanks to export earnings concessions and assessed losses — improved this at the taxed level, but an increase in the amount attributable to outside shareholders left ordinary earnings up only 11,3%.

Continued weakness of the local economy will militate against real growth this year but Micor is investing with a view to stronger growth in the future. Emphasis will be on developing operations abroad where economic conditions are more favourable.

Freight operations are being expanded geographically — into Africa and the Indian Ocean islands — and in terms of product. Entry into a computer-related operation also seems on the cards and the travel operation will be vertically integrated.

Despite a fairly consistent performance, strong balance sheet and rand hedge qualities, Micor has the fourth lowest earnings multiple on the industrial board. There could be greater interest in the shares if investors were given better insight into operations.

Pam Baskind

We'd rather walk 40km than pay R1

SOME residents of Gamasubelele in Botlokwa would rather walk 40km to Pietersburg than pay a R1 taxi fare increase. *Open 2/12/90*

So indignant are they about having to pay R5 a trip, that they are hitch-hiking or even walking if they cannot squeeze on to the packed buses to Pietersburg.

ANC Youth League leader William Lekgeama said many workers faced the prospect of losing their jobs for reporting late.

Some of them now leave their homes at 3am to begin work at 7am and return home between 11pm and midnight.

He blamed taxi operators for being "insensitive" and wanting to make a profit rather than provide a service.

"We will boycott them until they meet our demands.

"Enough is enough!" he said.

Before the increase, commuters and the local taxi association had agreed to a

By ELIAS MALULEKE (332)

50 cent hike, so residents were surprised by the R1 increase.

Lekgeama said residents are now demanding that the fare be set back to R4.

Chairman of Machakara-Ramokgopa Taxi Owners' Association, Samuel Makhwera, said commuters did not understand the costs involved in running a taxi.

"They think we only pay for fuel and forget we have to service our vehicles and pay high prices for tyres," he said.

He denied his organisation had agreed to a 50 cent increase, and said they had made it clear it would be a R1 increase.

Makhwera said his organisation had last increased fares in November last year, despite escalating costs this year.

"There is just no way we can afford to go back to charging R4.

"If it comes to the push we would rather take our business elsewhere," he said.

Way opens for Trek challenge

8/Time 2/18/90 (332)

SAFMARINE will sell the passenger side of its Cape-based air service Safair Lines to Trek Airways.

The move is in preparation for a full-scale assault by Trek on SA's deregulated domestic routes — until now dominated by SA Airways.

Safmarine has a 38% stake in Trek Airways. It wholly owns Safair Lines and Safair Freighters.

Trek has applied to the National Transport Commission to fly passengers on the major trunk routes from Johannesburg to Durban, Cape Town and return in competition with SAA.

Safmarine is confident that Trek will be awarded the licences at a hearing this month.

Trek is interviewing pilots to fly jets which it will lease from abroad once it has obtained the licences.

Trek wants to extend Cape Town-based Safair Lines' scheduled operations from George, Alexander Bay and Walvis Bay to Johannesburg with stops en route.

By ROGER MAKINGS

The Trek takeover of Safair Lines, effective from January, will include its licences, contracts and some staff members.

The maintenance section, personnel, equipment, aircraft and contracts will go to cargo-dedicated Safair Freighters.

Safair Freighters was last month awarded licences to carry freight in competition with SAA between Johannesburg, Cape Town and Durban, and the way is now open for Trek Airways to compete against SAA for passengers.

Safair Freighters begins its scheduled service from Johannesburg to Cape Town on Tuesday.

Safair managing director Braam Loots says: "It is our policy to develop the freight market through Safair Freighters. Our involvement in the domestic scheduled passenger service will be through Trek Airways."

Steady GDM Finance profits rise 15,5%

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B 1044/12170

LIZ ROUSE

TRADE finance company GDM Finance posted a 15,5% attributable profit rise in the six months to end-October in spite of the slowing economy.

Earnings a share amounted to 15,9c (13,8c) and the interim dividend has been raised to 4,5c (4c).

At the pre-tax level GDM Finance's profit rose by 26% to R5,9m from R4,67m. Attributable profit increased to almost R4,1m from R3,5m after the deduction of R212 000 for the payment of a preference dividend and R184 000 paid to outside shareholders in the recently acquired African Shipping business.

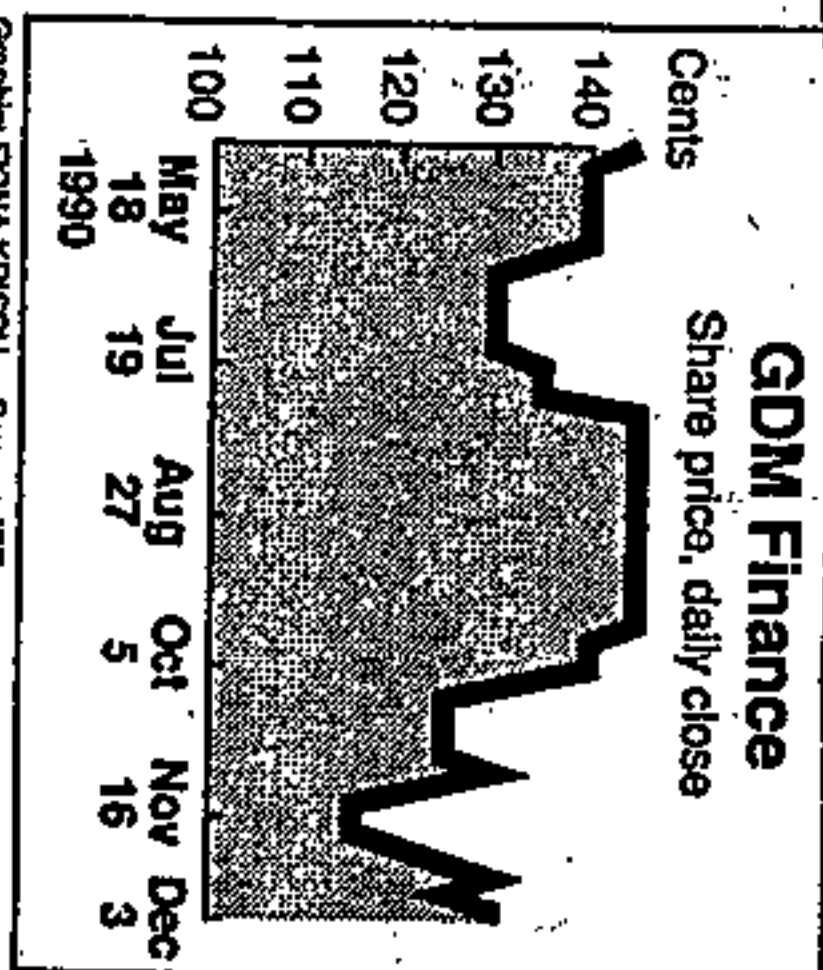
From its listing in September 1987 to April 1990, earnings have grown steadily by an annual com-

pound rate of 75%.

MD John Cowper says although the economy is tightening and GDM Finance's clients are finding trading more difficult, the company prides itself on its strict credit-granting procedures.

The rate of borrowings to shareholders' funds currently stands at a conservative 3,44 times, says Cowper. The company's gearing objective is to have a ratio of borrowings to shareholders' funds of no more than 5 to 1, so at 3,44 to 1, GDM Finance is undergeared, allowing the group to grow without strain when the economy revives.

African Shipping (Afship), a clearing and forwarding business in which the group acquired a 64%



Graphic: ROMA KRISCH Source: JSE

interest last year, continued to improve its performance and showed a taxed profit for the six-month period of R511 000, R327 000 of which is attributable to GDM Finance.

In the last quarter of the 1990

financial year, Afship made a first time contribution of R74 000 to GDM Finance.

During the past six months Afship acquired Fowle & Whytock, a Durban-based clearing and forwarding business. The two businesses have been merged successfully and Cowper expects further growth from this investment in the months ahead.

Looking ahead to the rest of the year, Cowper says that, subject to there being no unforeseen circumstances, GDM Finance's shareholders can expect earnings for the second half to exceed those of the first half. This means that earnings a share should amount to at least 32c compared with the 29,3c reported in financial 1990.

Black taxis ⁽³³²⁾ on the move

Sowetan 6/12/90
THE black taxi is moving for the first time into the world of mainstream business with the launch this week in Pretoria of "Taxi Temps".

This operation, managed by the Pretoria Taxi Business Circle, will provide transport for the First World business to meet a wide range of needs at very competitive rates.

"Businesses have many transport needs which they cannot always meet with their own fleet," says Mr. Enos Makena of Taxi Temps.

"The combi-taxi offers a very flexible way of meeting those needs. It combines the characteristics of a sedan car, a minibus, a parcels carrier and an all-purpose runabout.

By ALI MPHAKI

"Take, for example, our off-peak package. This gives the hirer the use of the vehicle and a driver for the period between our morning and afternoon commuter peaks - from 8.30am to 3pm. We offer this for as little as R28 a day, plus kilometre charge," he said.

Scheme

"Taxi Temps will be competitively priced."

The scheme is being supported by Toyota, which is sponsoring transport and marketing consultant Paul Browning to assist the Pretoria taxi business circle in getting Taxi Temps product off the ground.

LABOUR

By DREW FORREST

EMPLOYERS joined forces with transport unions from two major federations in crisis talks with government last week over the ailing bus industry.

The response of deputy Transport Minister PJ Welgemoed was not encouraging, said Cosatu's Transport and General Workers' Union representative Kally Forrest.

"The state does not seem concerned about the death of the industry," she commented.

Deregulation, inroads by taxis and falling real subsidies have sparked a crisis in the sector, forcing the closure of depots, curtailment of services, job

Government 'powerless' to aid ailing bus sector

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Falling Sabta revenues spur subsidy calls

332

B/day
7/12/90

THE earnings of Sabta members had plummeted 50% this year, Sabta spokesman Fanyana Shiburi said yesterday. This represented a decline from approximately R1,8bn in 1989 to R900m.

He said township violence played havoc with taxi operations, prompting the organisation to step up calls for government subsidies as transport costs continued to soar.

The 13-week interruption to taxi operations in Katlehong during the "taxi war" earlier this year, and the recent months of violence on the Reef — taxis in Thokoza were at a standstill last week — had contributed to the "worst year the industry has ever faced", he said.

Taxi drivers earned R2 500 to R3 500 a month last year, but this year's average was down to R1 500. Sabta has about 55 000 members.

The unrest and rising costs had also undermined Sabta's relationship with its bankers, and the association was forced to suspend a Wesbank finance scheme in Sabta's Natal region because of a surge in defaulters on instalment payments. Shiburi said the repossession of taxis had "shot up this year".

Sabta public affairs director Mike Ntlatleng said yesterday the organisation was battling to cope with the fuel price, caught between its concern to provide an affordable service for commuters and spiralling costs.

Sabta was in the process of discussing subsidisation with the Transport Ministry, and had long objected to government's selective subsidy for the bus transport industry.

Ntlatleng said the association advocated subsidies based on specific passengers, commuters for example, rather than for modes of transport as

MATTHEW CURTIN

was the case at present. Discussions with government to devise a suitable formula were continuing.

Transport Ministry spokesman Don Boyd said the ministry was committed to deregulation and minimising transport subsidies in the long-term but was aware of its duty to sustain passenger services. The bus transport subsidy was R650m this year, but he would not comment on details of talks with Sabta.

The Transport and General Workers' Union (TGWU) led the launch of a union campaign last weekend for improved transport subsidies to forestall what they and employers see as the imminent demise of public transport services. The TGWU and the SA Bus Operators' Association have approached government directly for increased subsidies next year.

Meanwhile, Sabta and the Department of Inland Revenue are engaged in talks to formalise and regulate taxi drivers' tax commitments.

A Commission for Inland Revenue spokesman said yesterday it was talking to various organisations, including Sabta, on the registration of tax payers, the establishment of mechanisms for ensuring income tax submissions and information for issuing tax assessments.

Sabta and the commission would meet next at the end of January. Sabta had undertaken to start a tax-education programme and the talks were making progress.

The spokesman said the commission was examining whether the sector was as profitable as reputed. The question of tax concessions for the industry had not arisen in the talks.

Mowbray residents angered by taxis

AREUS 12/12/90 332

By JILYAN PITMAN

SPEEDING minibus taxis are alleged to have killed at least 26 domestic cats in and around Cheltenham Road, Mowbray, over the last six months.

The traffic that has built up over the last few years concerns many local residents who feel Cheltenham Road and adjoining streets should not be high-speed thoroughways for taxis and buses which service the shops of Mowbray and Rosebank.

Residents feel the taxi rank and the bus terminus should be moved to Athlone and that taxis should be subject to stringent regulations.

Mr Dave Rundgren, a marine biologist at the University of Cape Town whose home in Cheltenham Road is two houses from Klipfontein Road, said:

"The existence of a large taxi rank and bus terminus in Mowbray is to blame for this state of

affairs. It seems that vested business interests are also to blame."

Petition

He added: "We pay rates to live here and what do we get for our money? It is not safe to walk in this area and certainly not safe for old folk or our pets. We try to keep our pets indoors as much as possible because we know they will be killed if we don't. It has got so bad that a lot of us are going to move out if the situation does not improve. Some people have already moved out."

Mr Rundgren organised a petition to the city council about six months ago, containing 45 signatures and motivating the closure of Cheltenham Road.

A reply was received recently stating that, owing to staff resignations, the matter was not being pursued at present but that the traffic manager would investi-

gate. The letter was signed by Mr Neville Riley, city planner for Cape Town.

Mr Rundgren said: "This is not good enough. Mowbray has been divided by the M5 motorway, the N2 freeway and Klipfontein Road and the area is totally fragmented by these roads. Now Cheltenham Road is being used as a high-speed short-cut to avoid heavy traffic on Klipfontein Road."

Speed humps

Dr Frank Allen, a urologist living in Mowbray, said: "When I came to live in Mowbray it was a quaint residential area. None of this is left. For the older residents in the area it is terrifying these days."

"Traffic policemen appear to make no effort to control these speeding vehicles — I have never seen a speed trap here. Little roads like Cheltenham and Roseberry should be made into culs-de-sac so that taxis have to use the main roads. Speed humps and a gatsometer should be introduced on Klipfontein Road — the traffic department would make a fortune!"

Comment from taxi owners at the Mowbray depot has been unavailable.

Popular minibus taxi industry myths exploded

Star 14/12/90

332

By Duma Gqubule

A recent study by a researcher at the South African Institute of Race Relations (SAIRR) has dispelled some of the myths surrounding the burgeoning taxi industry.

SAIRR researcher Colleen McCaul finds many of the estimates on the size of the industry are unrealistic.

Using assumptions made in a study by transport specialists Nesta Morris and Mark Freeman, she finds that one popular assumption of 160 000 minibus taxis would mean unrealistically that 90 percent of black commuters used taxis as their main mode of transport.

Ms. McCaul says the Department of Transport (DoT) has found, however, that only about 30 percent of black commuters use taxis as their

main mode of transport.

"This suggests that there were only about 55 000 taxis serving black commuters (with a range of between 45 000 and 70 000, depending on occupancy) in 1989.

The lower estimates are probably more accurate because 16-seater taxis are more common than ten-seaters," she says.

Evidence

Ms McCaul looks at allegations of extensive white ownership of taxis and concludes: "The figures don't provide any evidence of it, and my feeling is that it's fairly insignificant on the whole.

"If one assumes that 60 000 is an accurate estimate of the number of taxis on the road in 1989, then white ownership would be insignificant, as blacks would have owned 60 000 minibuses by mid-1989 (assuming

that virtually all of these are used as taxis).

The statistics on accidents are also interesting.

"National Road Safety Council figures for 1988 show minibus accidents are fewer per 100 million kilometres than for cars — the rates were 1 018 for passenger cars, 1 006 for buses, and 915 for minibuses.

"However, fatality and injury rates are higher for minibuses, presumably because they carry more passengers than cars."

Drunkenness is also not a problem and, surprisingly, few drivers involved in accidents were unlicensed — only three percent.

Also, contrary to popular belief, only 14 percent of the taxis involved in accidents were pirates, and none of these pirate taxis were found to be unroadworthy.

Sabta acts to cut down on road deaths

Sowetan 21/12/90

332

THE festive season holiday period reaches its peak this week as millions take to the road.

The majority of travellers, especially workers, returning home, will be using taxis to travel to different destinations and locations throughout the country.

To ensure their safety, the Southern Africa Black Taxi Association (Sabta) personnel will patrol the main national routes - the N1 between Johannesburg to Pietersburg and the N3 between Johannesburg to Durban.

Four minibus kombis, marked in Sabta colours, will patrol the two routes, paying special attention to taxi drivers - their driving habits, behaviour towards other motorists and the conditions of their vehicles.

Defend

The patrols, which will be called "Sabta's Festive Season Road Safety Campaign 1990" starts today and carries on until Friday, January 4 1991.

One would need to have a diamond for a heart not to be staggered by the ever increasing accidents involving minibus taxis.

A month hardly passes without numerous lives being lost and others being permanently disabled in accidents of this nature.

SOWETAN Correspondents

Sabta - about the biggest single taxi association in Africa - say they are not about to defend members for their reckless behaviour on the road.

They are fully aware of some of this, and even more saddened by the endemic lost of lives.

They say some taxi drivers' general behaviour on the road - both to the passengers up and down the roads of our country - makes them unfit to carry bags of potatoes, much less human beings.

This was rigidly underlined by the recent study released by the reputable CSIR, which emphasised the defective nature of some of the minibus taxi kombi on the road.

The phenomenal growth of the taxi industry over the past decade has resulted in many operational problems, and a big degree of concern on the part of the industry, road authorities and the community regarding safety standards.

Because of these problems and others germane to the industry, Sabta approached the Division of Road and Transport Technology of the CSIR in order to ascertain the root causes of the worryingly high collision rate and to formulate ways in which this could be addressed.

An intensive investigation resulted in the formulation of a programme of research.

Some of the findings



More than 30 driver training centres in all the major urban and rural areas, manned by professional driver trainer instructors, have been contacted by Sabta to train its members in Project Spear. The project is being co-sponsored by Toyota

were:

- * Ten percent of 21 percent of the kombi taxis were not roadworthy.

- * Although the age of the kombi-taxi varied between one and 15 years, it had no correlation with the roadworthiness of the vehicle.

Licence

- * Three percent of kombi-taxi drivers involved in collisions had no driver's licence.

- * Of the rest, 53 percent were in possession of a driver's licence for light vehicles, 35 percent for heavy vehicles, six percent for medium vehicles and six percent for extra-heavy vehicle.

- * The study also revealed that 14 percent of the kombi-taxis involved in collisions were operating legally.

Contrary to popular belief, none of these "illegal" kombi-taxis were found to be unroadworthy.

Roadside surveys showed that the percentage of these vehicles operating illegally as taxis

increased after dark (to 21).

- * The research also found that speeding was a major cause of kombi-taxi collisions. In 52 percent of the in-depth case studies, excessive speed was identified as a factor contributing to the collision.

Surveys into speed carried out in both urban and rural areas showed that kombi-taxis were often driven faster than cars and other light vehicles.

- * Both the in-depth studies and roadside surveys were used to investigate overloading. The number of overloaded kombi-taxis involved in collisions (32 percent) was more than double the percentage of overloaded taxis in the normal traffic flow (52 percent).

This indicates that overloading is a major contributory factor to collisions.

The CSIR found that the tendency to overload increased after dark (23 percent to 15 percent during the hours of daylight).

Sabta does not dispute the validity of all the abovementioned findings, but points out that because of its huge registered membership it is often blamed for many of the accidents involving kombi-taxis on South African roads.

Although Sabta is the biggest single taxi association there are other small associations which share the same routes and rank-

ing facilities with it.

It is normal and easy for members of the public and the media to ascribe the accident involving a minibus taxi to Sabta - all because of its huge membership - even if the taxi is not an affiliate of Sabta.

The pirate taxi elements is also largely to blame for most of the accidents.

It is obvious that pirate taxi drivers are not trained nor in possession of a passenger service permit or certificate of fitness.

Without these qualifications, no driver is allowed to carry passengers. Any commuter unfortunate enough to find themselves in one of these vehicles is exposed to danger.

Concerned

Sabta says it is also gravely concerned at the system used in the issuing of licences. The authorities have made no secret that thousands forged licences are doing rounds throughout the country.

The acute shortage of police and traffic officers makes it virtually impossible for these (forged licences) culprits to be tracked down.

It is for this reason that Sabta fully supports the thinking that all drivers - kombi-taxis and private - should be retested every 12 to 24 months.

This would ensure that only the tested and best drivers would be on the roads.

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Duros paper for revamp

S/Times 9/12/90

By JULIE WALKER

DUROS paper will be offered to members of Tollgate, Enterco, Norths and Gants in the latest corporate restructure proposal from the Cape conglomerate.

The four companies will become wholly owned subsidiaries in the Duros group. Duros will be introduced to the official list of the International Stock Exchange (London and Ireland) simultaneously with the cancellation of Tollgate's listing. (332) (222)

The name Duros will be changed to Tollgate Holdings when the existing Tollgate has been renamed.

● Tollgate shareholders registered on January 18, 1991, will be offered 38 Duros shares and 300c cash for 100 Tollgate.

● Holders of 100 Enterco may choose between 34 Duros

and 233c cash, or R223,33 cash or any combination.

● Holders of 100 Norths are offered 17 Duros and 117c cash, or R111,67 cash, or a combination.

● Holders of 100 Gants can take seven Duros shares and 450c, or R60 cash or any combination.

Members who fail to exercise the right of election will be deemed to have opted for the cash.

Holders of 100 Tollgate 14% unsecured debentures of 225c will be offered 38 14% A debentures, to be converted into Duros ordinary shares.

The effect of the latest proposal does not change the outcome had the previous one been executed. The only dif-

ference is that Duros paper is being offered — probably because the group is strapped for cash.

The scheme requires the approval of minority shareholders in the four companies to be delisted as well as sanctioning by shareholders and the Supreme Court.

Duros shares are 700c, Tollgate 250c, Enterco 200c, Norths 100c and Gants 55c. The current value of Duros makes the share alternative more attractive to members than the cash offer for Enterco and Norths.

But the value of the paper offer to Gants members falls below the R60 cash offer. The cash offers for Enterco, Norths and Gants are better than what could be raised by selling on the JSE.

Offers for road carriers

By DON ROBERTSON

TWO OFFERS have been made for the operating companies in liquidated Development Capital Market group Supertrans.

An offer was made at a meeting on Friday for Grand National Transportation, trading as Blue Chip, Medwood Furniture Removers and Road Transportation Services. *9/12/90*

A second was made for Blue Chip alone, says joint liquidator Laurie Pereira.

Supertrans was suspended on the JSE on November 20 after going into voluntary liquidation on November 16. The shares of Supertrans, the holding group of the three operating companies, were privately placed at 60c before the listing in December 1987.

Mr Pereira says negotiations about the offers are being discussed with major creditors. An announcement is expected before the end of the month. (332)

"The terms of the offers are sensitive and it would not be proper to disclose details," says Mr Pereira.

The interim report for the six months to June 1989, published in March 1990, shows a taxed loss of R1,6-million after a profit of R901 000 in the first six months of the previous year.

The loss was blamed on increased interest charges and the cost of refurbishing the fleet. Medwood, household and commercial furniture removers, was bought last year for R3,5-million.

Domestic licence to Trek Airways welcomed

By Paula Fray
Consumer Reporter

24/10

332

George on Friday.

The granting of a licence to Trek Airways to commence services on the major domestic air routes as from next year has been welcomed by consumer bodies which believe the concession could stimulate competition.

Trek Airways became the first airline to successfully apply for passenger and cargo rights for the main South African routes at a hearing in

The Airways lodged an application with the National Transport Commission in September, following new legislation earlier this year.

Twelve daily return flights are expected to begin in.

The licence has been granted for four return flights daily between Johannesburg and Cape Town and Johannesburg and Durban, two return flights daily between Durban and Cape Town, and one return flight daily between Johannesburg

and Port Elizabeth and Port Elizabeth, Johannesburg and East London.

Housewives League President Lynn Morris said the competition would be good.

"I just hope they are good timekeepers," she added, referring to South African Airways' bad track record with her during domestic flights.

Consumer Council assistant director Ina Wilken said yesterday the backbone of a market-orientated system was competition.

"For this reason the Consumer Council welcomes the concessions made to Trek Airways," she added.

"The increased competition resulting from this concession should ensure that consumers can obtain good service and favourable prices. Consumers are advised to get quotes from all the airlines to ensure that they get better value for money."

Trek Airways has also agreed with Safmarine to buy 100 per cent of Safairlines in Cape Town as from 1st January 1991.

Atlantic shipping market rates hitting a high level

THE past week brought a general firming of rates in most sectors of the freight market with rates in the Atlantic achieving levels not seen since April this year, Afromar reports.

Increased bunker prices and a rush by traders to fulfil their end-of-year cargo commitments had both contributed to the hardening of rates.

The Atlantic market last week reported the highest rates yet seen this year from the US Gulf to the continent for panamax grain cargoes.

The standard US Gulf to Japan panamax grain route is paying around \$25,25 a ton, which is about \$1,50 a ton more than the previous week.

Firming of the SA market has been evident during the past week.

Relatively firm panamax rates in SA are likely to remain until the current

Persian Gulf situation is resolved in view of the fact that fewer panamax vessels are going into the Persian Gulf/Red Sea area with cargoes, thereby causing an acute shortage of vessels which have traditionally been sourced from this area for SA trading.

This has necessitated charterers having to source vessels from further afield, such as the south-east Asian area, which is proving more costly for them.

Further, handymax vessels are in similarly strong demand at the moment with an owner of a 32 000-tonner commanding \$8 000 for a trip from SA to the Far East, and a similar vessel around \$5 000 for a trip to Europe.

Activity in the SA coal sector was relatively firm with a panamax fixture to Taiwan at \$10,23 a ton being reported.

10/11/82

332

'Taxi-temp' scheme is launched in Pretoria

6/12/90 MATTHEW CURTIN 332

BLACK taxi operators in Pretoria have launched a scheme which may overcome the "limited productivity" of the transport sector, transport consultant Paul Browning said.

He said the scheme — a "taxi-temp" service — was launched in the city last week by the Pretoria Taxi Business Circle (PTBC) with financial backing from Toyota Marketing Services.

Taxi drivers offered their services for hire at marginal costs in off-peak hours to customers wanting "a sedan car or a minibus, office removals or parcel deliveries" complete with driver.

Browning said the service was applicable nationwide and represented the first time taxi operators had branched out into mainstream business.

Because taxi drivers met most of their overheads by fulfilling commuter demand, the new service would be highly competitive, ideally available on a monthly contract basis at only R28 a day plus mileage, including the driver.

The PTBC service was more flexible than existing vehicle-hire schemes.

Toyota Marketing Services public relations director Roger Houghton said the company was providing advice and sponsorship to the taxi operators whom he understood were offering off-peak transport services to the business community in Pretoria.

Browning said at the weekend Sabta and other taxi operators had proved excellent entrepreneurs but not necessarily good businessmen.

Not only were taxi fares lagging too far behind the spiralling costs in the industry, but operators suffered because they were over reliant on income generated only from the peak commuter traffic for a few hours each day, while drivers and vehicles lay idle for the rest of the time.

ANIES

Laser reported to be beaming in on Suregro

B 12/12/90 MARC HASENFUSS

332

CAPE-BASED Laser Transport Holdings is negotiating to acquire a substantial stake in the industrial vehicle and handling group Sure Group (Suregro), say sources close to both groups. 12/12/90

Laser published a cautionary announcement on Monday and Suregro publishes one today.

Laser, which has as its core business the established furniture-removal companies Stuttford Van Lines, Pickfords and Frasers, will substantially diversify its operations by acquiring key Suregro branches.

Suregro operates the lucrative Rent-a-Rig business which is involved in the specialised machine-moving market, the Foden trucks division and truck component division Sureparts.

Enormous potential exists in the manufacturing of heavy commercial vehicles and HCV spares, and analysts predict Laser will benefit greatly from its diversification into these areas. They believe the acquisitions could boost Laser's turnover to R150m from the R106m posted at the 1989 December year-end.

Suregro reported a 54% drop in attributable income after problems in its Foden truck and parts division, while its shares, now 25c, plummeted to 20c in September from its 100c high in March.

Analysts recall the performance of transport sector market leader Trencor, which also began with a core transportation business and diversified with success.

Tollgate/Duros debt still dropping ³³² Askin

CAPE TOWN — The new owners of the Tollgate/Duros Group are expected to have wiped out about 75% of the R380m debt they inherited less than a year ago, and should be reporting marginal trading profits by the end of this year.

Chairman Julian Askin said in an interview yesterday that debt, slashed by 53% to R176m at the half-year period, would be further reduced by the rationalisation of Gants and the disposal of commuter transport divisions in the Transvaal, Eastern Cape and Natal.

Estimates indicate that the conversion of Gants stock into debtors will wipe about R50m off the remaining R176m debt, while proceeds from the disposal of three of the group's commuter divisions, two of which are still under negotiation, will remove an additional R70m between now and March next year.

Askin said disposals and retrenchments over the year to end-December had reduced the original staff complement of 18 000 to 8 000.

He said he was pleased with the way the restructuring process was transforming a top-heavy, poorly managed and over-gearred group into a lean corporate structure poised for expansion.

Investors could expect a radical turnaround in the performance of the group when it released year-end results early next year, Askin said. Having reported substantial losses at the half-year period, most of the companies in the group would be

showing marginal trading profits and remaining losses would reflect write-offs at the end of the cleaning-up process, he said.

Director Lawrie Mackintosh said while the commuter transport division in the Transvaal had been sold to a private company, Transport Advisory Services, negotiations to sell the Port Elizabeth and Empangeni services to local authorities in the area were expected to have been concluded by March next year.

The transport divisions incurred substantial losses until September when the new management secured agreements with the local authority buyers to continue operating the services profitably while negotiations took place, Mackintosh said.

Listed

The debt reduction programme is the first phase in an ambitious programme to expand the group internationally until a substantial portion of its assets — currently 100% South African — are foreign.

It has been accompanied by plans for a massive restructuring — due for completion early next year — in which Duros will take out the minority shareholdings in the group, including those in Tollgate Holdings and de-list all the local subsidiaries. Simultaneously, Duros will be listed on London's International Stock Exchange and its name will be changed to Tollgate.

12/12/90
LESLEY LAMBERT

'Institution' in the House

MIKE ROBERTSON

ORMANDE Pollok, 51, the Natal Mercury's political correspondent who died in Cape Town on Tuesday, was a parliamentary institution. 13/12/90

When then President P W Botha and DP MP Helen Suzman retired last year, Pollok and a handful of media colleagues became the longest serving "members" in the House.

An affable man, Pollok often led the bacchanalian excess that followed some late sittings of the House.

He was perhaps at his peak as a political journalist during the tenure of Prime Minister John Vorster, with whom he enjoyed a close relationship.

The tributes that have poured in bear testimony to the respect he enjoyed.

Our Durban correspondent reports that President F W de Klerk said yesterday political journalism in SA would be the poorer without Pollok. Elize Botha expressed her and her husband P W's condolences.

Sapa reports that Pollok began his career as a sports writer on the Diamond Fields Advertiser in Kimberley, then worked in London before joining The Argus in Cape Town. He spent 22 years as Natal Mercury political correspondent.

Taxi groups in safety plan

THEO RAWANA

832

THE two major black taxi associations have embarked on road safety programmes which will keep their combined 120 000 membership under 24-hour surveillance over the Christmas period.

The National African Federated Transport Organisation (Nafto) has set up a R200 000 road safety programme in which 30 patrol cars and breakdown trucks will monitor all main routes from Johannesburg to Pietersburg, Durban, Bloemfontein and the Eastern Transvaal.

And the SA Black Taxi Association (Sabta) has put up R500 000 for a safety campaign which will include two kombis each plying the Pietersburg-Johannesburg and the Johannesburg-Durban routes.

Nafto's safety drive begins tomorrow and ends at the end of January, while Sabta's programme runs from December 21 until January 4.

Nafto national president Peter Rabali told a media conference in Johannesburg yesterday they would use patrol cars with clear Nafto markings.

The emergency patrol service had received the green light from traffic authorities.

They would watch out for offences such as overloading and reckless driving, and offending drivers would be reported to the organisation's disciplinary committee.

Eight breakdown trucks would offer a free 24-hour tow-in service for Nafto's 65 000 members as well as for other taxis, he said.

PRO Fanyana Shiburi said Sabta's patrol cars would each carry two mechanics and two paramedics.

Sabta was working in close conjunction with the TPA and the National Road Safety Council.

PEANUTS

By



Nafco patrol cars to assist taxi commuters

332

NATIONAL African Federated Transport Organisation, representing seven independent taxi bodies, this week launched a road safety programme for taxis travelling main routes over the holiday period.

Mr Peter Rabali, chairman of Nafco, said 30 emergency patrol cars and break-down trucks would patrol all main routes from Johannesburg to Pietersburg, Durban, Bloemfontein and the Eastern Transvaal from today to January 30. Rabali said each patrol

BY DON SEOKANE

car would carry three passengers, two stand-by drivers to relieve taxi drivers who would be unable or too tired to drive, and a nurse to assist in case of an accident.

Patrol cars would report drivers' behaviour on the roads. He appealed to commuters not to travel in overloaded taxis and also reminded them that insurance agencies do not pay for more than the capacity a taxi is allowed to carry.

Rabali also appealed to all road users to look out for Nafco's patrol cars and that they should not

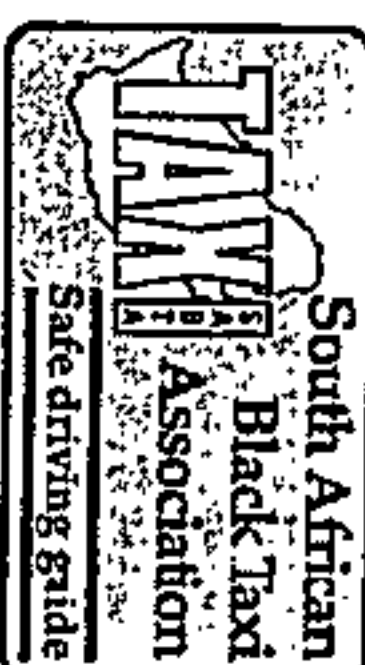
hesitate in pulling them over if they are in distress. "Our cars will carry spare parts and first aid kits."

"The objective is to facilitate road safety and to ensure that our customers reach their destinations safely," Rabali said.

Patrol vehicles will be in radio contact with Nafco's main station at Naboomspruit Highway Motors on the Great North Road. Other stations will be at Louis Trichardt, Bloemfontein, Nelspruit, Matfeng, Durban and Newcastle.

SAFE DRIVING GUIDE

Pressure to ensure the man behind the minibus wheel is a safe driver



Sabta seeks safer fares for 5 million

Christmas travellers

An estimated five million South Africans will travel in minibuses over the Christmas period. For this reason the Southern African Black Taxi Association (Sabta) has launched its Festive Season Road Safety Campaign, aimed at making sure Christmas is a happy rather than a tragic time for all its customers.

Fabcos (Foundation for African Business and Consumer Services) — an umbrella body for Sabta marketing and public affairs director Mike Ntshang, says the busiest time of the year for the taxi industry is between December 14 and January 6.

Mr Ntshang says most companies close on December 14 and workers rush to visit friends and relatives in the home lands. "Sabta estimates that about three million people are moved by the taxi industry each month. However, during the Christmas period the industry moves about five million people. In addition, the distances travelled during this time are generally far greater.

"Drivers can only drive for between 8 and 12 hours. "For this reason we suggest that taxis use two drivers on a long journey. The second driver should be dropped at the halfway mark and left to rest. When the taxi is on the return journey, the second driver, now rested, takes over," says Mr Ntshang.

The Christmas period substantially increases the number of vehicles on the road, dramatically increasing the risks associated with road transport, and Sabta is making an all out effort to contribute to the national effort aimed at reducing the number of accidents.

Every province has appointed a monitoring committee to travel on the busier routes. The monitoring vehicles will be working closely with local traffic departments and will carry a paramedic and a mechanic.

"We cannot replace the law enforcement officers. However, the traffic departments are understaffed and their resources are stretched to the limit during the holiday period.

Replace

"We hope that the measures the association is taking will help to extend the traffic officers' ability to enforce safer driving.

"If we find a driver who is incapable of driving we will replace him so the passengers can reach their destinations. "Sabta is taking a very aggressive stance on road safety and it is extremely dangerous he will be passed on to the law enforcement officers.

"The relationship between the traffic officers and the taxi drivers is important. We are asking both sides to understand the others' problems and co-operate in increasing the safety on our roads.

Taxi association has infrastructure, but has 'no teeth'

Failure to grant the taxi industry the powers required to regulate itself is hampering its growth according to the Southern African Black Taxi Association. Umbrella association Foundation for African Business and Consumer Services Marketing's chief executive officer Mr Jabu Mabuzza says, "We must stop the fighting and chaos in the industry. To this end we believe the industry should be made self-regulating and given the powers to make this practical.

"However, there has been no joy from the Government, despite its recognition of Sabta as the representative of the industry.

"We are trying to discipline the industry but we have no teeth. This means the most we are able to do is expel a member from the association. This achieves very little as the former member continues to operate.

"Sabta has been trying to obtain the necessary powers since 1986.

"Our lack of success is in sharp contrast to the formation of the Estate Agents Board and the Security Officers Board — both of which have power to regulate their respective industries.

"In both cases the concern seems to be to protect white cash. There is no concern about black lives.

"We can but hope that the political changes which appear to be in progress in South Africa will lead to a change in emphasis.

"Sabta has the infrastructure already in place to regulate the industry, but we need the teeth.

"The taxi industry is the best in black business. If we are not allowed to go beyond our present level and develop into a mature industry then there is no future for black business in South Africa."

He notes that taxi drivers who have an accident simply move on to another employer and often are involved in yet other accidents. Sabta is often in the position of being able to offer taxi operators information that would help prevent the re-employment of unsafe and unqualified drivers.

"The new Road Traffic Act will also assist in this regard. Under the new act drivers will be given points for offences, and when the driver has too many he will be taken off the road.

"The new Act will demand a more professional approach from drivers and operators in the industry," says Mr Mabuzza.

He says deregulation has flooded the taxi market and dramatically increased competition.

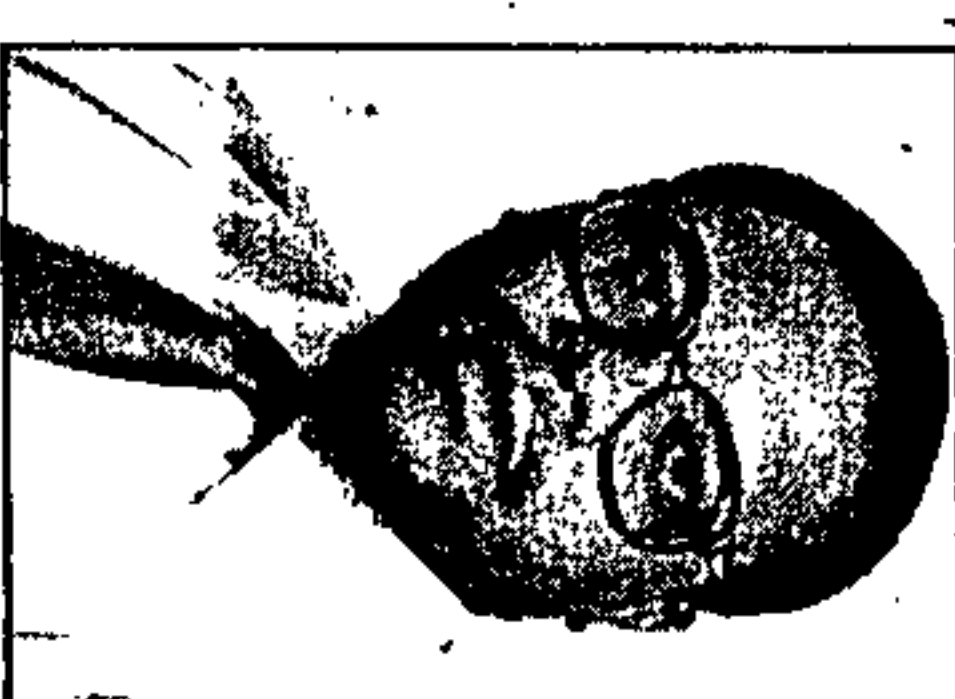
"While competition is good there is no need to compromise standards.

"If there are insufficient facilities for the growing numbers of taxis then this can lead to violence," says Mr Mabuzza.

Illustrating his point as increasing numbers of taxi are the figures from Beeton.

In July 1988 there were 257 taxis. This increased to over 400 taxis in 1989, and more than 700 by July this year.

At the same time the number of passengers has actually reduced.



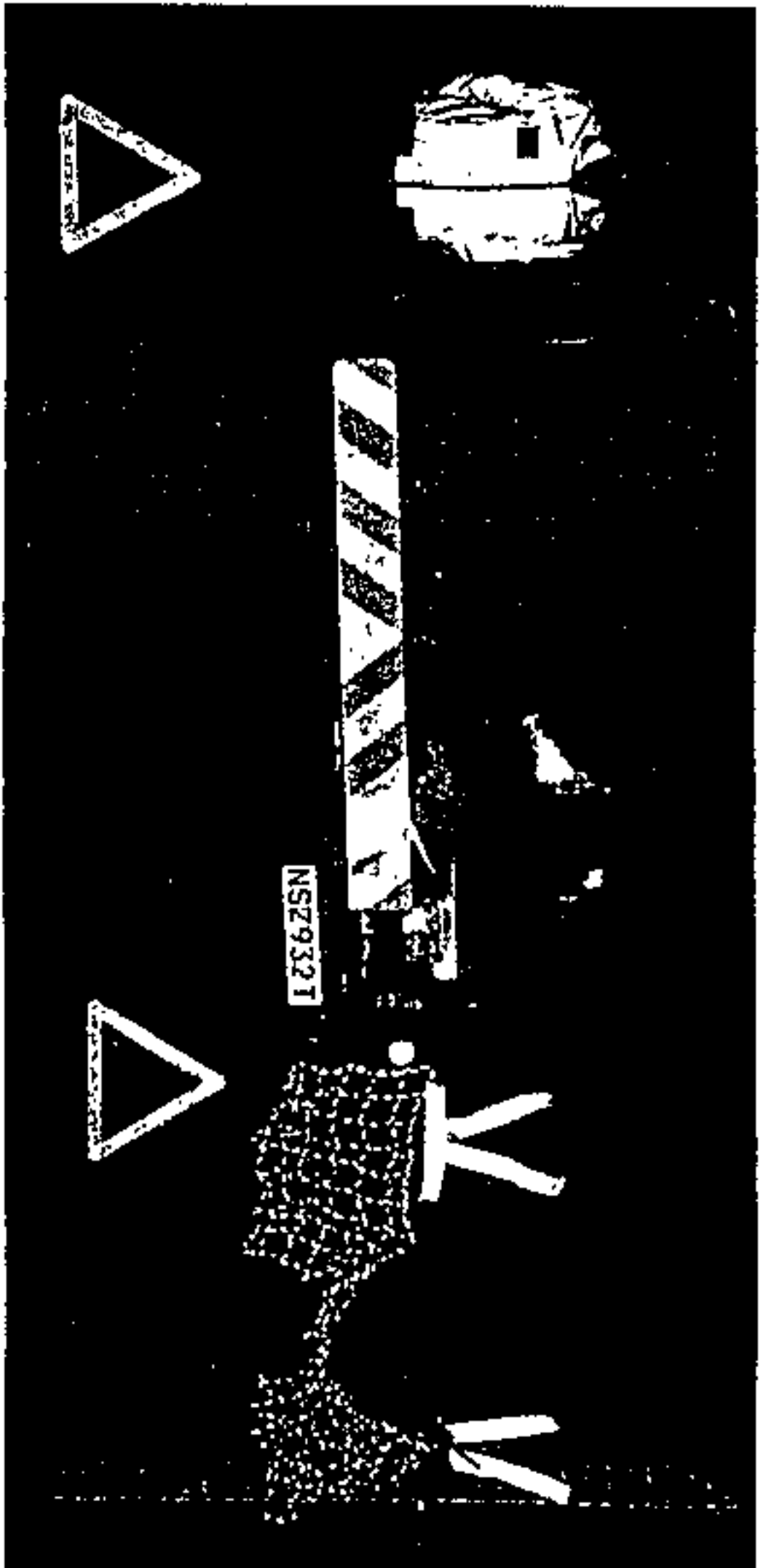
Mike Ntshang... "There are an estimated 3 million taxi commuters each month."

No safety in running hard

Escalating running costs are putting minibuses taxis under pressure to either raise fares or reduce safety standards.

Foundation for Fabcos's Mike Ntshang says, contrary to popular belief, the taxi industry is not swimming in profits and the Christmas season is one of the few times when drivers can really make money.

"Most taxis charge between R1,20 and R1,60 per passenger-kilometre — that is the same rate that they charged in 1985."



Reflectors... This "safety" material gives the driver a good view of chevrons at night.

Speeding and overloading are major accident factors

The Foundation for African Business and Consumer Services (Fabcos) is the umbrella body of a group of associations, including arguably the most successful black business sector, the Southern African Black Taxi Association (Sabta).

Sabta, with an estimated 70 000 members, is made up of about 65 percent owner/drivers, while the balance own from 2 to 50 taxis, and are employers as well as entrepreneurs.

The association consists of some 426 local associations spread throughout Southern Africa. Five or more associations elect representatives to form a regional committee and there are some 48 regions.

The regional committees in turn elect members to the provincial committee, and the 10 provincial committees elect the national executive.

The road safety record in South Africa is one of the worst in the world and Fabcos marketing chief executive officer Jabu Mabuzza says Sabta places greater emphasis on road safety than any other issue.

Sabta commissioned the CSIR to study the main causes of taxi accidents. The results indicated that the largest proportion were caused by speeding — 52 percent overloading — 31 percent and defective tyres — 17 percent.

Since its inception Sabta has tried to make its members more aware of road safety.

Its newsletter "Drive On" continually pounds the road-safety drum, and recorded tapes with a combination of music and road-safety tips are available to its members.

Sabta also runs an annual Taxi Driver of the Year Competition, and with the first prize of a combi, interest from its members is keen.

"We have to educate taxi users about the dangers of speeding and overloading," says Mr Mabuzza.

"Figures indicate that as many as six out of every 10 drivers do not have valid driver's licenses. The public can and should demand to see the driver's license."

Residents force fare rise reversal

Press 16/12/90
RESIDENTS of Gamasubelele, in Botlokwa, scored a victory when taxi operators reversed a R1 taxi fare increase imposed last month. (332)

This came after residents held a two-week taxi boycott when fares went up from R4 to R5 a trip.

The commuters were so indignant about having to pay R5 a trip that they hitch-hiked or walked to work if they could not squeeze on to packed buses.

BETHAL RACISTS GO ON THE RAMPAGE

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By **DESMOND BLOW**

RIGHTWINGERS have turned to mugging blacks in the CP-dominated town of Bethal where taxi drivers also complain that white thugs accost them in the streets at night.

White racists are no longer content with simply assaulting blacks, but rob them as well.

The latest victim is 61-year-old confectionary worker John Dube, who was robbed of R7 and a 10kg packet of mealie meal last weekend at about 9pm in the centre of Bethal.

He said from his hospital bed this week that the streets were deserted when two respectably dressed white men approached him. One grabbed him and demanded: "Kaffir, waar's die geld?" (Kaffir where is the money?)

Dube replied that he had no money.

"The next thing I felt a blow on my head and I fell down. I don't remember anything further until a black

man shook me awake. My head was pouring blood and I had pain in my kidneys. My R7 and my mealie meal were gone." *CP Press 16/12/90*

Dube was taken to hospital where he had to have seven stitches in the wound on his head. He was still in hospital on Wednesday being treated for a kidney injury.

Taxi owner Jeremiah Masilela, 60, has had the satisfaction of a successful prosecution against two whites who

damaged his taxi, driven by his son Jan.

He said while his son was transporting passengers in a taxi the vehicle was stopped by two whites in a car who carried banners supporting the CP.

"They called my son a 'kaffir bastard' and knocked out his back window with a baton.

"But my son took the car number and laid a charge with the police. The men were prosecuted and ordered to pay us R200 damages," he said.



Jeremiah Masilela ... awarded damages.



John Dube, 61 ... injured by two white attackers.

can get duplicates.

been approved, and applications for a specific group and Willowridge.

Some tinting of vehicle windows will be allowed

17/12/90 Business Day Reporter



THE Window Film Association (WFA) said at the weekend that the impression created by reports that all tinted windows in motor vehicles would soon be banned in the Transvaal was incorrect.

In a statement, WFA chairman D H Baker said the association was deeply concerned about vague reports on the question of window tinting.

"New national regulations were gazetted on April 26, 1990, in which tinting to a density of 35% is permitted on all windows other than the windscreen, which can have a density of 70%. All vehicles with darker tints must comply with the regulations by January 1."

Baker was responding to a statement by the principal provincial inspector, Daan Pieterse, reported in an SABC radio news broadcast. Pieterse was quoted as saying the move would also affect motorists from other provinces driving on Transvaal roads.

Government and other official vehicles would be exempted, but only on request.

However, Baker said the regulations applied to all vehicles and there would be no exceptions for official cars, buses or trucks.

The WFA had been working for years with motoring organisations, the SA Bureau of Standards and traffic authorities, and had kept the window tinting industry informed of developments.

Sabta media officer Fanyana Shiburi said the organisation was already informing taxi owners about the move. Members buying new vehicles were told not to have their windows darkened, and those whose vehicles had tinted windows had been advised to remove the tints if these exceeded the density allowed.

Minibuses 'cut an hour off workers' travel time'

17/12/90

THEO RAWANA

THREE out of four commuters in SA now spend an hour less getting to work than they did 10 years ago, thanks to the rise of the taxi industry, says author Colleen McCaul.

In a paper, Update on the Black Taxi Industry, the SA Institute of Race Relations research manager and author of No Easy Ride says the same proportion of commuters have a journey without transfers.

McCaul says a study by transport specialists Nesta Morris and Mark Freeman provided the best figures in wildly varying estimates of the size of the taxi industry.

"They assumed, using various field counts and surveys, that there are 2,25 million African commuters, and the average taxi makes 1,5 trips in the peak period.

Unrealistic

"Peak occupancy is between 10 and 14 passengers, and only 60% of taxi trips are between home and work (the rest are feeder trips to convey commuters to buses and trains)," says McCaul.

She says the popular estimate that there are 160 000 taxis in SA was found to be "obviously unrealistic" in that it would mean up to 90% of black commuters used them as their main mode of travel. Another favourite estimate — 100 000 — implied that more than half (blacks) did.

"The Department of Transport has found, however, that only about 30% of African commuters use taxis each day as their main mode. This suggested that there were only about 55 000 kombi-taxis serving

African commuters (with a range of between 45 000 and 70 000 depending on occupancy) in 1989."

Saying there are more 16-seater minibus taxis than 10-seaters, McCaul adds that figures from the National Association of Automobile Manufacturers of SA (Naamsa) show that the taxi industry has been largely responsible for one in two minibuses being 16-seaters now, compared with one in six a decade ago.

"James Chapman, national adviser of Sabta, agreed when I interviewed him that there were about 55 000 taxis and added that about 15 000 were pikes and 40 000 were legal," says McCaul.

White taxi ownership, she says, is insignificant. "At most, one in seven taxis appear to be white-owned." She says Sabta claimed that white ownership had taken off since about 1987 and that whites owned up to 50% of the industry.

"It (Sabta) frequently used Central Statistical Service (CSS) figures on minibus registration, which show that more minibuses are registered to whites than to blacks, to justify its claim.

"But a closer examination shows that there have always been more minibuses registered to whites. In fact, there were 60 000 minibuses on the road before the black taxi industry even started."

Figures show only a steadily increasing African share of the market — from 20% to 29% between 1979 and 1988, and a declining white share, says McCaul.

Trek Airways licensed to compete with SAA on domestic routes

TREK Airways has become the first airline to be granted a licence to carry passengers and freight on major domestic routes in competition with SAA.

The independent airline's MD Jan Blake said yesterday that Trek was licensed to operate 12 daily return passenger and cargo flights between major SA airports. It is expected to be airborne by next August.

Blake said Trek, which had no SAA ties, hoped to operate twin-engined 150-seater Boeing 737-300s.

The airline would take about eight months to begin operations on the routes as

it still had to lease aircraft and train air crews and other staff.

However, the deregulation of SA's airways did not mean an automatic drop in airfares, with competitors slashing fares.

"We are definitely not planning on entering a fare war with SAA. The tariff structure in SA is already very low and there really isn't much margin for adjustment."

Trek's licence was granted at a National Transport Commission (NTC) hearing in George last Friday.

It entitled the airline to operate four daily return flights between Johannesburg

and Cape Town and Johannesburg and Durban, two daily return flights between Durban and Cape Town, and one daily return flight between Johannesburg, East London and Port Elizabeth.

Trek's was the first successful application for passenger and cargo flights on SA's main routes.

In terms of the licence, flights can be operated directly or via intermediate points.

Blake said aircraft maintenance contracts could be awarded either separately

or in joint agreements with SAA and Safmarine's aviation wing, Safair, both jet airliner operators. They could also be split between one of the two SA companies and a European company.

The airline's workforce is expected to swell from 190 employees to about 350.

Trek has also agreed with Safmarine to buy 100% of Safairlines, which operates flights between Cape Town, George, Alexander Bay and Walvis Bay.

Blake said that although Trek was talking over Safairlines, it was not buying its aircraft. New equipment would be

acquired. SAA spokesman Leon Els said the granting of Trek's licence was welcomed as it created competition which would ensure maintenance of a high service and operating standards in the domestic sector.

Els echoed Blake's opinion that a tariff war was unlikely. "The market will dictate fares in the end, but really the structures have already been established and it will be for the competitors to decide whether this should be altered. Ultimately it will be the airline offering the best service that will get the customers," he said.

Trek airline eyes 20% of SAA seats

TREK Airways, which last week was granted a licence to operate 12 daily domestic flights, is planning to capture approximately 20% of the local passenger market, estimated at four-million seats a year.

Trek, which could operate at least 648 flights a year, will be able to offer about 972 000 seats — or 24,3% of the total domestic market — if it uses 150-seater aircraft on its routes.

The airline could also enter into a partnership with a freight service such as Safair, sharing aircraft in a two-pronged attack on SAA's dominant position in both the passenger and cargo sectors of SAA's commercial aviation industry.

Trek MD Jan Blake said in an interview yesterday he would be interested in any proposals for a co-operative venture which allowed Trek to compete for passengers while a partner company vied for express cargo.

On Wednesday Safair GM Capt Felix van der Merwe said the freight airline was hoping to acquire a jet airliner to take express cargo trade from SAA which, with its all-jet fleet, was able at present to offer faster deliveries than the propeller-powered Safair fleet.

Three shareholders own Trek: Rentmeesterbelegings Ltd, Safmarine and Muelklin (Pty) Ltd. But none has a controlling interest.

Trek in turn owns Luxavia (Pty) Ltd, an operation established to market in SA Luxair's flights between Luxembourg and Johannesburg.

Luxavia has recorded more than 40% growth in passenger volumes over the past five years. Between 1985 and 1987 the company changed aircraft from a 189-seater Boeing 707 to a 250-seater Airbus, and eventually, to keep up with passenger demand, to a 300-seater Boeing 747 SP.

Trek started as an airline in 1953, oper-

ating internationally until 1971 when Luxair took over the route between Luxembourg and Johannesburg, Blake said. Trek, through its involvement in Luxavia, has kept its finger on the pulse and had a well established infrastructure which would be used to back its domestic services.

Capital for the new domestic services would come mainly from internal sources, but further investments by the three shareholders might be required, he added.

Blake, a Johannesburg accountant, will take his Luxavia management team with him. They will be responsible for running the new operation as well as Luxavia.

GM Reinhard Mecklenberg said Trek had taken cognisance of black spending power which, he said, was a force to be reckoned with as a potential sector of the passenger market.

Identity

"While we recognise their spending power we certainly won't be differentiating in service or marketing according to race differences," he added.

Trek still had to unveil its corporate identity, but this would not be done until a decision on aircraft type had been taken.

"We have got some ideas, but we would like to build our identity around the aircraft type and livery design," Blake said.

Even though Luxair's Boeing 747 flight-crew used SAA's simulator facilities for training, this did not mean that Trek would necessarily stick with the same types of aircraft used by SAA.

Earlier this week Blake said Trek was looking at 150-seater class aircraft, such as the Boeing 737-300 or MD 80 twin-jets which would initially be leased, significantly reducing the required start-up capital.



Trek Airways MD Jan Blake ... Interested in any proposals for a co-operative venture that will allow Trek to compete for passengers while a partner vies for express cargo business.

Picture: ROBERT BOTHA

Born of a beaten-up Buick, Trencoor flies

شركة
21/12/90
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TRENCOR is becoming as familiar in Business Times Top Companies as the name Jowells Transport is to Namaqualanders. The group has yet to reach its diamond jubilee. But it is one of the success stories of Southern Africa. In the year to June 1990 the four-division group turned over R785-million compared with R278-million of five years ago, and earned R82-million attributable profit — R16-million in 1986.

It started from humble beginnings in a dusty place not served by the railways. Joe Jowell's father and grandfather had been involved in transport in Namaqualand, but Junior wanted to be a lawyer.

After four years of practice, he reverted to the family trade and went to Springbok. In 1930, the SA Railways closed its road transport service from the railroad at Bitterfontein to Springbok.

Few residents had their own vehicles, and there was an opportunity to supply the community. Garage owners Joe Jowell and Jaap du Plessis converted an old Buick into a lorry, and hit the road. The first round trip went well, and was the start of the business that exists today.

Mr Du Plessis pulled out in 1941, and the name of the business was changed to Jowells Garage & Transport Co. The division still bears the name.

By 1955, when the company went public, the fleet had grown to 20 trucks serving the mines and their communities in the region.

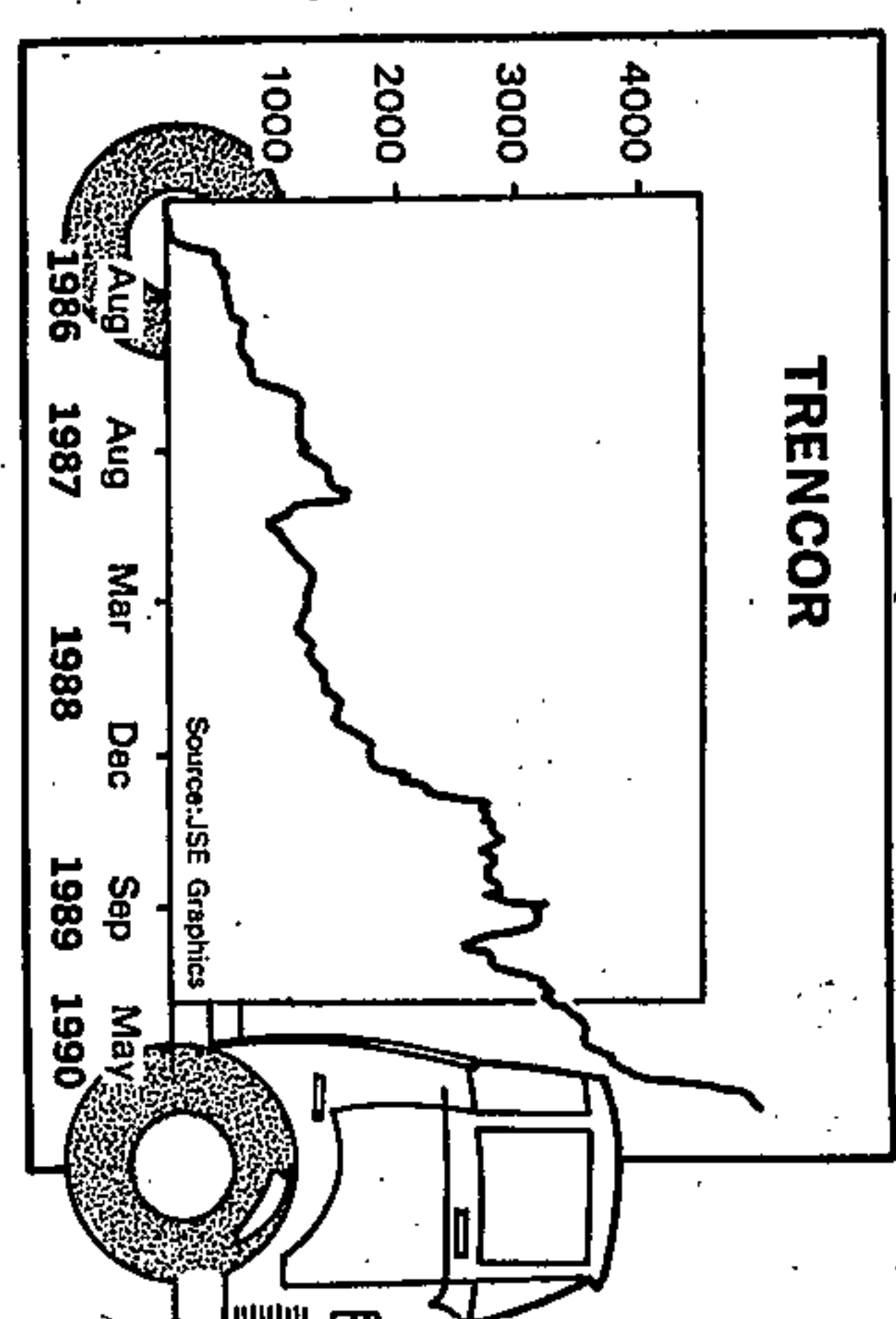
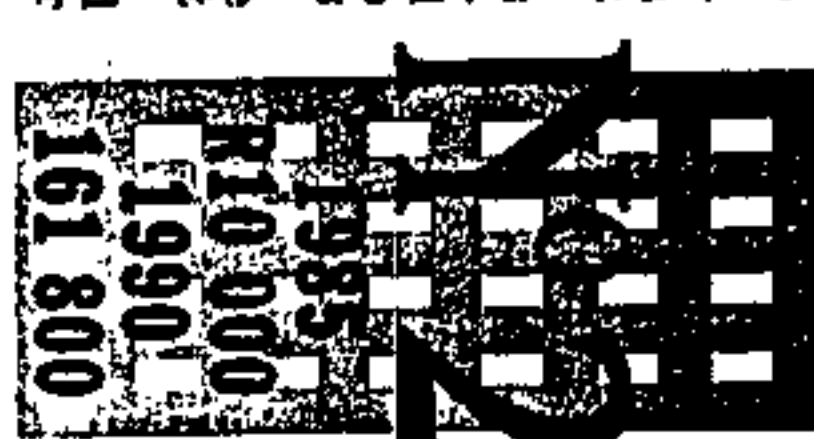
Mr Jowell died in 1973, but his sons Neil and Cecil are now joint managing directors. The group has grown from a single beat-up Buick to total assets of R465-million. Transport is still a core business, and now includes an airline.

The group now comprises 75% of trailer manufacturer Heened-Fruehauf (built up since 1967), 21% of Contred, the holding company for Mastertreads, Trenlyre and Tycon (formerly Goo-deyar), as well as a series of trading operations.

Heened-Fruehauf is the largest exporter of processed steel in SA.

It has two major manufacturing facilities at Wadeville and Isithebe and four branch factories in Durban, Cape Town, Bloemfontein and Johannesburg.

Fruehauf International, the world's largest trailer company, owns the remaining 25% of Heened-Fruehauf. More than half of the group's earnings come from exporting. Heened-Fruehauf builds all kinds of com-



TOP

BY JULIE WALKER

COMPANIES

merical truck-trailers as well as containers to meet either international or domestic specifications. Cecil Jowell has been involved in the growth of the manufacturing business as well as the group's expansion away from its roots.

He says the group is often still thought of as essentially a transport business whereas the manufacture of transport equipment and exporting now play a major role. "Our main strength and

pride, however, is the dedicated and highly effective team of management and employees who form the real infrastructure of the group. "Usually, when we have gone into a new field of business, we have bought a small company and built on it, or sold out of it if it was not right. In that way we have been able to assess our abilities in and appetite for a new development before it becomes too important to us." But Mr Jowell says the

transport industry is in disarray. Overloading of trucks is damaging roads and is a hazard to the public. It subverts the basis of fair competition, but little is done about it.

The nominal corporate section of Transnet has led to the worst of both worlds. Transnet is not yet subject to the disciplines, accountability and controls inherent in a market economy. State control has been loosened, but deregulation has led to confusion and an uneven playing field.

Transport is such a vital part of the economy that Mr Jowell is confident of a decent return on investment in the long run. But in the short term, transporters are in for a tough time.

Trencoor's tyre division was merged into Contred, in which it has 21%. Consol 61% and Longrail 11% are also in the tyre market. Although the tyre market is expected to weaken this year in line with the economy, this should be offset by increased manufacturing capacity in the higher-

margin sectors of the market. Mr Jowell says exports are doing well, but points out the pitfalls. "Factors beyond our influence, such as global economics, tariffs and so on, could combine to change the

scenario and make it a much different kind of business." All in all, the group expects an improvement in earnings in 1991, and it could become the Business Times No 1 company.



ROOTED IN NAMAQUALAND: Cecil Jowell sees the transport industry in disarray with overloaded trucks damaging the economy

Share the feeling

Les Chemins du Noir



ENSON & HEDGES



Bus operators feeling financial strain

BUS operators are being pinched in a vice of rising costs and a major change in commuter patterns, placing them at severe financial risk, says the SA Bus Operators Association (Sabo).

In the November issue of BUS, Sabo says that not only has there been a shift from buses to minibuses, but there has been a decrease in the total government subsidy bill. Reduced passenger numbers

have forced many bus companies to close.

Sabo calculates the annual bus industry inflation rate (BIIR) at 21% a year. This is about six percentage points higher than the consumer price index (CPI).

It is also substantially higher than the producer price index.

ROBERT WICKS

B/Dam 24/12/90

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ROBERT WICKS

CHL-104
27/12/90

Bus fares will not drop, says Tramways

Staff Reporter

CITY TRAMWAYS has announced that there will be no reduction in bus fares resulting from the recent 4c-a-litre decrease in the price of diesel.

In addition, the Local Road Transport Board had approved an application by Boland Passenger Transport Ltd to increase fares by an average of 14% from this Sunday, City Tramways general manager Mr F E Mayoss said.

He said the main reason for the decision not to reduce fares was the "uncertainty" of the market and "distinct possibility" that fuel prices would be increased again soon.

Likely causes would be the international seasonal demand for fuel, and the "increasing likelihood of armed conflict in the Persian Gulf".

"City Tramways believes that it is in everybody's interests to keep bus fares stable for as long as possible, and that no useful purpose will be served by making repeated short-term adjustments," Mr Mayoss said.

A spokesman for Boland Passenger Transport Ltd said fares were last increased a year ago and the cost of spares, licences, electricity, water and wages had increased since then.

Trencor and Mobile both hit new highs

MARC HASENFUSS

WHILE most shares dropped to new lows this year, Trencor, the diversified transport group, and its holding company Mobile, drove to new highs which reflected expectations of strong growth in 1991. 15/04/91 27/12/90

Trencor's share price has doubled from R27,50 last December to its present peak of R55. The group is on a dividend yield of 2,3% and an earnings multiple of 9,6.

Mobile gained 93% since the January low of R7,25 to R14 last week, putting the shares on a dividend yield of 2,3% and a P:E of 9,9.

Analysts attribute Trencor's strong performance to firm management controls entrenched by the Jowell family, the group's principal shareholder.

Trencor has grown from a small Namaqualand transport company into a diversified group with a market capitalisation of R775m.

Trencor also holds 75% of Henred Fruehauf which manufactures trucks, trailers and containers. It also owns 21% of Contred which, in turn, controls the tyre retreading businesses Mastertreads, Trentyre and Tycon.

An increased contribution from foreign associates and export activities helped boost Trencor's earnings by 69% to R81,8m (R48,4m previously) for the year to end-June.

Jack Lindstrom

COMPANIES

Rentbel stages recovery on Trek Airlines connection

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blow 27/12/90

THE battered share price of Rentmeester Beleggings (Rentbel) staged a 6% recovery on news that Trek Airlines, in which Rentbel has a large stake, is to start competing with SAA soon.

The industrial holding company's share price clawed its way back up to 350c after slumping to a low of 330c.

Despite the recent gains, Rentbel's value is still almost 33% down from the beginning of the year. Its year high was 570c and for 1989 700c.

After a period of rumours of financial trouble, Rentbel is making much of its 44% stake in Trek, describing it as "a trump card".

Rentbel chairman P H N Bremer said in the group's annual report that the matter of the fuel price was being addressed by management in order to ensure long-term growth.

But he noted that "excellent results" were expected from life assurance activities.

Rumours that an important subsidiary, President Insurance, is on the verge of

GRETA STEYN
and LIZ ROUSE

liquidation have been denied but President Insurance MD Johan Wasserfall has resigned. Extensive rationalisation is taking place at President, including the closure of unprofitable branches. President countered talk of financial difficulties by pointing out its solvency margin was about four percentage points above the 15% statutory requirement.

New insurance legislation forcing additional provisions and reservations reduced Rentbel's income for the year by R1,3m. The 45% drop in earnings for the year to June was a major factor behind the slump in the share price.

Market speculation is that Rentbel could be the target for a takeover. At 350c, it is trading at a substantial discount to its net asset value of about 915c.

The group has been restructuring to put the focus on core activities. This includes the sale of its chemical interests to AECl and the liquidation of clothing subsidiary Wolnit.

R100 000 aid for Hout Bay squatters

Staff Reporter

THE government has made R100 000 available for relief aid to Hout Bay squatters whose homes were destroyed in the Christmas night fire which killed four people.

The money would be used mainly for clothing and "essential foodstuffs" for those affected, the Minister of Planning, Provincial Affairs and National Housing, Mr Hernus Kriel, said yesterday.

He expressed his sympathy to the next of kin of the dead and the hundreds among the Sea Products Bush squatter com-

munity who lost all their belongings in the blaze.

Meanwhile, the homeless squatters were yesterday given a stay of eviction and began returning to the burnt-out squatter site from which police had kept them for most of the day.

This follows a turnabout by property developer Mr Mel Richter, the owner of the land on which some 500 squatters live, hours after saying that only those whose homes had escaped the devastation could remain temporarily.

● Full report — Page 2

Big crackdown on crime

POLICE are planning a huge crime crackdown after a surge of murders over Christmas.

The plan comes a day after the Minister of Law and Order, Mr Adriaan Vlok, expressed his concern about the rise in crime.

This year's Christmas has been one of the bloodiest in South Africa with 22 deaths and more than 750 injuries from murders and assaults.

Yesterday a police officer said: "We've just reached the end of our tether, we're going to do all we can to end this

rampant violence."

A spokesman for the Ministry of Law and Order said the police plan would address the whole spectrum of crime — "every angle, every possibility, every facet".

According to government sources in Pretoria, methods of financing anti-crime measures are being investigated as a matter of urgency and a tax on tourism was one of the avenues under investigation.

● Full report — Page 3

'Mom's taxi' is booming business

Own Correspondent

JOHANNESBURG. — The phenomenal growth of the black taxi industry inspired Bryanston housewife Mrs Julia Brown to expand her one-woman schoolchildren ferrying service into a venture that could become a major business.

Mrs Brown was struck by the potential of running a Teen Taxi service last year while transporting her two sons from school, clubs and other functions in her minibus.

"While studying for an MBA degree, we examined Sabta and I was amazed at the way the taxi industry grew. That's what inspired me to start a Teen Taxi service," she said yesterday.

The children are picked up from school and taken home, to sports practices, ballet or to the dentist, etc.

The service also carries retirement-village residents to and from functions, tiny tots from nursery school and sports club members to competitions.

"Then there are the commuters who shuttle to their offices in Wynberg or Rivonia from Sandton City," said Mrs Brown.

She said members could make from R4 000 to R9 000 a month, depending on how hard they worked.

"I had calls from as far afield as Cape Town asking if Teen Taxi operated there, and I thought of making it national," Mrs Brown said.



Inspired by the growth of the black taxi industry, Bryanston housewife Julia Brown has launched a Teen Taxi service to ferry around school children from her neighbourhood.

Picture: ROBERT BOTHA

Squatters given 60-day reprieve

Own Correspondent

CAPE TOWN — Hout Bay's beleaguered Sea Products squatter community was given a stay of eviction yesterday after behind-the-scenes negotiations by their lawyers and Sea Point MP Colin Eglin. *Blom 28/12/90*

And government made R100 000 available for relief aid to the squatters as they began moving back late yesterday to the burnt-out squatter site from which police had barred them for most of the day.

Planning, Provincial Affairs and National Housing Minister Hernus Kriel said the R100 000 would be used mainly for clothing and "essential foodstuffs".

The owner of the land on which the 500 squatters live, property developer Mel Richter, reconsidered his decision that only those whose homes had escaped the Christmas day fire could remain temporarily.

Four people died and two were seriously injured in the blaze which gutted 100 homes in the early hours of Wednesday morning. Only 10 homes remain.

Richter, who is also chairman of the Camps Bay Ratepayers Association, said he intended to start a townhouse development on the burnt-out site next month.

He said later he had decided to allow the squatters to return to his land temporarily, but to live only in tents, until the end of February.

Government officials had assured him that alternative land for the squatters would have been "sorted out" by then.

Mothers' taxi service set to become major business

Blom 28/12/90

THEO RAWANA

THE phenomenal growth of the black taxi industry inspired Bryanston housewife Julia Brown to expand her one-woman ferrying service for schoolchildren into a venture that could become a major business.

Brown was struck by the potential of running a Teen Taxi service last year while transporting her two sons from school, clubs and other functions in her Volkswagen Kombi.

"While studying for an MBA degree, we did a study of Sabta and I was amazed at the way the taxi industry grew. That's what inspired me to start a Teen Taxi service for local kids," Brown said yesterday.

The children are picked up from school and either taken home, to sports practice, ballet or to the dentist.

Retirement

Teen Taxi has taken children to Gold Reef City, Nasrec, Water World, the Pyramid of Light, Bruma Lake and hiking spots.

It carries retirement village residents to and from functions, children to and from nursery school and sports club members to and from competitions. "Then there are the commuters who shuttle to their offices in Wynberg or Rivonia from Sandton City," she said. Volkswagen SA (VW SA) has reduced the R2 500 lease payment Brown used to make every month by R400 as part of its social responsibility programme. And, adds Brown, "members can make anything from R4 000 to R9 000 a month, depending on how much they work".

She decided to set up Teen Taxi as a national umbrella organisation

which would monitor the service offered by other members.

"I approached VW SA and Stannic on their venture called VW Finance and explained my concept of hundreds of women running their own Teen Taxis to transport children.

"The concept is in line with VW SA's involvement with the community and the result is that Teen Taxi and VW Finance have put together a package that is tailored for Teen Taxi members.

Benefits members will get include:

- ☐ A vehicle on lease for three years, which means no deposit;
- ☐ The vehicle comes with a full maintenance contract, which includes a set of tyres every 30 000km, regular servicing and repairs at no extra cost even if the engine breaks down;
- ☐ After three years and or after the vehicle has clocked 100 000km, it is handed back to VW SA and another contract entered into; and
- ☐ All costs are tax-deductible including vehicle repayments, petrol, oil and music tapes.

The vehicles have an AA Corporate card and all licensing is included.

The package comes with comprehensive insurance for the vehicle and passengers and government permits allowing them to operate as taxis.

The vehicle is delivered with Teen Taxi logos and lettering in place.

Members get an advanced driving course supervised by the Institute of Advanced Motorists. VW SA has offered use of its Midrand training facilities.

Rising costs slow buses

By DON ROBERTSON

INFLATION in the bus business has averaged 21% in the past four years — well above the consumer and producer price indices. With subsidies declining in real terms, bus companies face serious problems and many will find it difficult to survive.

The Southern African Bus Operators Association (Saboa) newsletter says that in the past 10 years, major changes in commuter patterns have taken place, with more people using combi-off-peak times. The number of people using buses to get to work and back has fallen by 50%.

As a result, the percentage recovery on total costs has dropped to a level which puts most bus companies at severe financial risk, says Saboa. Bus subsidies were increased from R180-million in 1980 to R540-million in 1989. Operators say, however, that the 1989 figure is equivalent to only R127-million in 1980 money.

Appeal

Earlier this year the subsidy was increased to R575-million, but after an appeal to the Department of Finance by Saboa and the Department of Transport, the figure was increased. Jack Visser, managing director of Putco, said the additional money was insufficient to keep fares at an acceptable level and cover rising costs. The industry dared not increase fares above the inflationary rate for fear of boycotts and damage to vehicles.

Mr Visser said services were cut to save costs. Saboa says: "Many bus companies have closed their operations in commuter areas which have traditional mode." *(Times)*

To strengthen its lobbying position, Saboa asked transport economists and management consultants Transecon to establish the rate of inflation in the bus industry since 1987. Transecon found that inflation in the industry had risen by 21% a year, indicating that operating costs doubled in 3½ years. This is 6% higher than the consumer price index of 15.1% in the same time and is 7.4% above the producer price index. Labour costs rose by 21.2% and make up 40% of total expenses. Direct costs, such as fuel, tyres, oil and lubrication, rose by 22.4%. Maintenance costs increased by 21.7%.

latest financial statements from Gants are dated December 1989.

The Cape Supreme Court has ruled that Tollgate cannot vote at the meeting of shareholders to discuss the proposed scheme of arrangement on January 7.

Whether or not to accept is thus a matter purely for the Gants minority. Mr Goldberg wants shareholders to give the association, Box 3778, Cape Town 8000, a proxy so that it can vote according to what its investigations disclose.

He believes the scheme can be overturned if slightly more than half of the minority votes against it.

Mr Goldberg says: "Perhaps we will yet discover that the offer is fair and reasonable and that we can support it. But right now the whole thing is cloaked in uncertainty and lack of information."

"The minority must be satisfied that they are getting a realistic price. They don't want Tollgate to get the benefit of an asset strip."

Brands

The offer values Gants at R36-million. The last balance sheet showed Gants had fixed assets of R42-million, less R18-million of intangibles such as brand names, leaving fixed assets of R24-million. Investments, at cost, were R25-million.

Total current assets, mainly stock, came to R82-million. Against this were current liabilities of R29-million, including R6-million of short-term debt.

There was long-term debt of R34-million and shareholders funds, net of intangibles, were R68-million. These would have been reduced to R65-million or 107c a share by the interim loss of R3,4-million. Gants had an assessed loss of R16-million before its latest travails.

Mr Askin tells Business Times that Tollgate would be delighted to sell Gants shares for more than 60c a share to any buyer. He says all the major food canners looked at Gants, but offered less for the debt-ridden company. The best offer was 48c a share.

Sanctions

Mr Askin says Gants would have lost many millions this year had the Somerset West canning plant, employing 2 000, not been closed. The plant will be moved to the Transvaal, closer to Gants' market.

The power of the super-markets and the loss of export markets because of sanctions makes canning an extremely low-margin business. One of the biggest canners in SA made R4-million profit on sales of R600-million.

Funding Gants stocks of R60-million cost R12-million a year in interest alone. Mr

By DAVID CARTE

Askin says its short-term debt has rocketed to R90-million since it last reported.

It is no open-and-shut case that Gants will be sold once the minority is taken out. Mr Askin says the first priority will be to get stocks and the overdraft down.

He seems to be hoping he can trade Gants out of trouble before selling it.

Gants has had a sorry history since its listing in 1986. It was listed through reverse takeover of Davgra Holdings. It then owned Invicta Bearings, which was quickly sold, and three canning companies, one in Swaziland, one in Natal and the other in Namibia.

Gants acquired Norths for R600 000. It later took over disinvesting Case Tractors for the value of its stock — R26-million.

Another big acquisition was Delpont Canners in the Transvaal. Gants reported pre-tax profit of R19,5-million in 1988.

The share price reached 190c in December 1988 before the long fall to the present offer price of 60c.

David Gant and family got out at 140c in May 1989. Mr Gant tells Business Times he was relieved of all directorships when he sold.

What happened to Gants after he left was "sad and disappointing".

He agrees that food canning is a difficult business, but says his family did not sustain a loss in 35 years of trading.

Surgery

Since the private UK company of Mr Askin and his partner Hugo Biermann took control of Tollgate, the company has undergone severe surgery.

In less than a year under Mr Askin, Tollgate has sold stocking-maker Arwa, motor group Norths, plus Tollgate's bus operations in Port Elizabeth for a reported R25-million.

A fleet of buses at Empangeni, Natal, is all but sold.

Mr Askin says he intends to reduce Tollgate's debt from R400-million to R100-million in a year.

"With the exception of Gants, all remaining operations are profitable and cash positive. Once Tollgate is running smoothly and profitably, we shall take steps to use the UK listing."

The only companies left in Tollgate are the Cape Town buses (Tramways); Motorvia, which delivers cars for motor manufacturers and is extremely profitable even in the present depressed motor market; Enterco, which controls Springbok-Atlas Tours and owns the Kyalami race track; and Budget Rent-a-Car.

ENTREPRENEUR Julian Askin's R300-million restructure of Tollgate Group Holdings has hit a snag. The Shareholders Association is calling on the Gants minority not to accept Tollgate's offer for their shares.

Issy Goldberg, chairman of the association, says that on the face of it, Tollgate's offer of 60c a share to the Gants minority is derisory.

Information provided so far is too sketchy for shareholders to make up their minds, says Mr Goldberg. The

Tollgate revamp hits Gants Snags

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