TRANSPORT – PRIVATE – GENERAL

1991

NOV. – DEC

Taxi crackdown nets quick result

ARG 1/11/91

Municipal Reporter 332

A CRACKDOWN on minibus taxi operators resulted in 571 prosecutions during a 17-day period in Strand Street.

This was among the answers tabled by city council utilities and works committee chairman Mr Leon Markovitz to questions by Mr Arthur Wienburg.

Mr Markovitz said that on March 4 his committee recommended firm law enforcement in the taxi industry.

But a planned information programme designed to precede law enforcement was delayed by the taxi war.

On October 7 traffic manager Mr Wouter Smit raised the issue at a utilities and works committee meeting.

A decision to start strict enforcement in Strand Street "forthwith" resulted.

The prosecutions were for driving violations, overloading, parking offences and defective vehicles.

● The city council yesterday approved the creation of 15 posts for traffic officers.

A Virgin Atlantic Lightship with the [illegible] Halloween festivities in the US. The airship

Sabta mediates peace in Cape taxi battle

CAPE TOWN — The Southern Africa Black Taxi Association (Sabta) has negotiated an immediate ceasefire in the protracted conflict between its rival Cape affiliates, Webta and Lagunya. 332

In its first mediation attempt since the outbreak of the taxi war about three months ago, Sabta met the two warring parties yesterday to try to resolve a feud which has claimed more than 100 lives.

Sabta spokesman Fanyana Shiburi, who led yesterday's peace talks, said the rival bodies had also agreed to resume normal taxi operations immediately.

"Our members know that once we step in, we do not play games. There seems to be an anxiety and enthusiasm on the part of both bodies to restart normal operations and adhere to the ceasefire," he said.

A 15-member committee made up of representatives of Webta, Lagunya, Sabta's national and western Cape offices, and the Federation of African Business and Consumer Services (Fabcos) was elected to monitor the ceasefire and resolve the contentious issues of routes and ranking facilities. B/Day 1/11/91

Shiburi said patrol cars staffed by Sabta officials would monitor the ceasefire daily by patrolling all taxi routes from 4am to 8pm.

Taxi death allegation 'sinister'

332

CT 1/11/91

Staff Reporter

THE ANC said yesterday it was concerned over the alleged "sinister co-operation" between the police and a Webta taxi operator, Mr Michael Gubayo, who claimed he had police protection when he fired at rival Lagunya taxi operators on October 2.

The Cape Times disclosed the claims made by Mr Gubayo, a Lingelethu West town councillor, after gaining access to taped evidence of his application for bail heard on Monday during a special sitting of the Wynberg Magistrate's Court.

The Cape Times has been praised in several quarters for its reporting of the bail hearing in the face of extreme difficulties.

The Mayor of Cape Town, Mr Frank van der Velde, praised the Times' investigative reporting which led to the airing of the bail tapes.

ANC publicity secretary Mr Mziwonke Jacobs commended the press for the role it played.

The national civic associations coordinator, Ms Zohra Ebrahim, said: "We trust all newspapers will follow this lead".

The bail application — which was refused — was made following Mr Gubayo's arrest on a charge of murdering a Lagunya taxi operator, a Mr Tyopo, on Sunday.

The ANC and the Cape Town Peace Committee have called for the "urgent" establishment of a regional commission of inquiry in terms of the National Peace Accord.

Mr Van der Velde, speaking for the Peace Committee, said: "There is no possibility of achieving peace in Cape Town if a fifth column is deliberately undermining the peace process."

Police spokesman Captain Hendrik Opperman said after the evidence was heard an immediate inquiry was launched by the SAP's special investigation unit on taxi war.

In a statement the ANC demanded "a public statement from the police explaining their involvement in this case in particular, as well as taxi violence in general".

The ANC expressed "deep concern" about apparent efforts by the authorities to "cover up" evidence of "vital public concern".

Lingelethu West town clerk Mr Graham Lawrence said he was deeply concerned about the allegations made by councillor and Webta taxi operator, Mr Gubayo.

The council "recused" itself from peace moves earlier this week after the arrest of Mr Gubayo.

There are at least two other councillors with links to the warring Webta and Lagunya factions.

Ceasefire in taxi war: Truce to be screened

VUYO BAVUMA, Staff Reporter 332

THE feuding parties in the taxi conflict have agreed to an immediate ceasefire and to appoint a 16-member committee to monitor it.

The Western Cape Black Taxi Association and Lagunya also have resolved to resume services on their "previous" routes. ARG 1/11/91

They appointed a team comprising five members from each association and others from South African Black Taxi Association to patrol the routes from 5am to 8pm. The team will take note of taxi operators' grievances.

National media manager of Sabta Mr Fanyana Shiburi described the resolutions reached at a three-hour meeting yesterday as vital for achieving long-lasting peace.

The meeting followed attempts to negotiate peace by the high-powered Peace Committee led by Archbishop Desmond Tutu and Cape Town mayor Mr Frank van der Velde.

Mr Shiburi said Sabta and the two parties would meet the city council to seek support for the implementation of the resolutions.

Sabta claims taxi war ceasefire

(332)

By ANDRE KOOPMAN CT 1/11/91

THE Southern Africa Black Taxi Association (Sabta) claimed yesterday that it had negotiated a ceasefire in the protracted conflict between its rival Cape affiliates, Webta and Lagunya.

However, the Cape Town Peace Committee said in a statement that while there was a measure of progress at the meeting "extremely difficult issues remain to be resolved.

"Apart from the fact that key people were apparently unable to attend the meeting and that those who were there have not yet had a chance to report to their constituencies the meeting did not address the key flashpoint in the crisis, the route between Khayelitsha and the city."

To page 2

● ANC: Taxi allegation sinister — Page 5

From page 1

Taxi war

(332)

In its first mediation attempt since the outbreak of the taxi war last year Sabta met the two warring parties yesterday. The feud has cost over 100 lives and caused damage estimated at millions of rands.

Sabta's national media manager, Mr Fanyana Shiburi, who headed yesterday's talks, said the rival bodies had, after a five-hour meeting, agreed to resume normal taxi operations immediately.

A 15-member committee comprising representatives of Webta, Lagunya, Sabta's national and Western Cape offices and the Federation of African Business and Consumer Services (Fabcos) was elected to monitor the ceasefire and resolve the contentious issues of routes and ranking facilities.

Mr Shiburi said patrol cars with Sabta officials would monitor the ceasefire on all taxi routes between 4am and 8pm. CT 1/11/91

He said the committee would also resolve the allocation of routes immediately.

The committee would also negotiate with the Cape Town City Council to have all taxi ranking facilities centralised under Sabta's control.

A senior Lagunya member who attended the meeting said it had been "very positive" and he was "very optimistic that it would result in peace".

Fm 1/11/91

AIRPORTS (332)

Rebuilding Grand Central

A consortium is pumping R75m into rebuilding Midrand's Grand Central Airport in order to expand its charter and corporate operations. It might also compete with Jan Smuts on a scheduled service to Durban.

The project is budgeted at 25% more than the R60m originally voted for the revamping, now under way, of State-owned Jan Smuts.

The consortium consists of Meridien Bay Corp, the quoted transport giant Trencor, the Tiber Group (Tiber Bonvec), and a group of pension funds. Meridien CE Errol Friedmann says the partners are negotiating with an airline operator that wants to start a daily Midrand-Durban service. He declines to name the operator but says it's an established airline. The new service would compete with SA Airways and the new Flitestar airline which is scheduled to begin daily flights from Jan Smuts to Durban this week.

The service could hurt SAA and Flitestar by attracting travellers from Pretoria and farther north if it can compete on fares, reliability and onboard service.

"At Grand Central we're interested in scheduled and charter domestic flights, but not in major international traffic, except over-the-border flights to neighbouring and nearby countries," Friedmann says.

"We can handle the short-range, four-engined BA 146s that take 80 passengers and are operated by Air Zimbabwe, Air Botswana and now Safair, but not large jets."

Large jets, including Airbuses, but not Boeing 747s or Douglas DC10s, can be accommodated at Lanseria Airport, where the same consortium has a 50% stake (*Business & Technology* April 5). That airport could compete head-on with Jan Smuts but Friedmann says there are no plans yet. The runways can be lengthened and facilities enlarged to accommodate 747s, DC10s and their passenger loads if long-term contracts are signed with reliable operators.

The first phase of the project at Grand Central will cost R45m and includes a new terminal building, new hangars, an enlarged runway and taxiways, and electronic aviation equipment. The new hangars and associated parking for vehicles should be completed in six months and the rest of phase one six months later.

The project is expected to boost profits at the already quite profitable private airport. Friedmann says phase one's 8 000 m² of new hangar space and associated office accommodation is already let, as is 60% of the new terminal building, which will have modern check-in, immigration, customs and baggage-handling facilities, private departure lounges, shops and restaurants.

He says negotiations with other companies seeking accommodation are well advanced and this could lead to construction of the second phase starting before the first phase is completed.

Meanwhile, he is still waiting for a response from the Transport Minister to his R600m offer (*Business & Technology* June 21) to lease and improve the facilities at Jan Smuts Airport.

"I'm not holding my breath. Right now I'm concentrating on developing our own two airports." ■

Grand Central Airport ... *plans for a takeoff*

Councillor 'fond of his firearm'

332

CT 2/11/91

By EUNICE RIDER
Court Reporter

A WEBTA taxi owner and Lingelethu West town councillor Mr Michael Gubayo, who is accused of murder, had a reputation for being "fond" of using his firearm and had to be forced to stop shooting during a gunfight between Lagunya supporters and police on October 2.

Special Investigations Unit Warrant Officer Andries Stefanus Strydom, who is also the investigating officer in the murder charge against Mr Gubayo, 40, of Khayelitsha, said this in evidence in Mr Gubayo's failed bail application on Monday night in the Wynberg Magistrate's Court. Mr Gubayo is accused of murdering a Lagunya taxi operator last weekend.

Transcript

With regard to Mr Gubayo's claim of being a "protected person", WO Strydom said Mr Gubayo was indeed assigned a special constable to guard his house, and was — along with other town councillors — driven to and from work in a minibus with an armed guard.

A full, typed transcript of the bail application proceedings — prepared on request of Mr Gubayo's defence counsel, Mr E Meyer, who intends appealing the finding of magistrate Mr G Claassen — was made available to the Cape Times yesterday.

In his evidence Mr Gubayo admitted that he shot and killed a Mr Tyopo, but said he acted in "self-defence" when the deceased and two other men opened fire on him in Nyanga last Sunday.

Mr Gubayo said he did not know at the time of the incident that Mr Tyopo was a Lagunya taxi operator as he had never seen him before. He has not been asked to plead to the alleged murder.

WO Strydom denied Mr Gubayo's claim that he was "in the company of" and "standing right next to" police during the alleged October 2 attack on them, saying the shoot-out was already in progress when he arrived on the scene.

He said Mr Gubayo placed himself between the police and the alleged attackers and opened fire on the alleged attackers.

In his evidence Mr Gubayo claimed he had merely shot into the ground during the confrontation.

WO Strydom said he had "no idea" why Mr Gubayo had involved himself in the "attack" — during which a person was killed and three more injured — and declined to comment when Mr Meyer suggested that if his version was true Mr Gubayo was "committing suicide".

Under cross-examination by Mr Meyer, WO Strydom could not explain why Mr Gubayo was not arrested or questioned by the police following the shooting.

He said the case had been assigned to another policeman, but conceded that Mr Gubayo was known to the police, and, being a Lingelethu West town councillor, was easy to trace.

Mr Gubayo was eventually questioned regarding the October 2 shootout while in custody at the Bellville South police cells following his arrest on Sunday, said WO Strydom.

Revenge

With regard to his claim of being a "protected person", WO Strydom said Mr Gubayo was indeed assigned a special constable to guard his house, and was — along with other town councillors — driven to and from work in a minibus with an armed guard.

He added however, that if rival taxi faction members wanted to take revenge on him for Sunday's alleged murder it would be "very easy", as the comings and goings of all the town councillors were well known in the townships.

"If there is an attack on their minibus a lot of innocent people could be killed or injured," said WO Strydom.

Driver killed in taxi feud

JOHANNESBURG. — A taxi driver was killed when shot at close range in Wynberg, north of Johannesburg, yesterday in an incident police suspect to be related to a feud among taxi operators.

Police spokesman Captain Eugene Opperman said an eye-witness saw Mr J Khumalo, address unknown, being shot at close range when two men jumped into his vehicle.

He said: "An eye-witness saw a white vehicle with two men inside pull up next to the victim's taxi. The men jumped into the taxi and one of them held the victim while the other man shot him at close range".

Captain Opperman said the men then ran away.

Police investigations continue. — Sapa

Call for Cape violence commission

Staff Reporter

THE ANC Women's League has submitted a formal application for a commission of inquiry into violence connected with the taxi war to be set up in the Western Cape.

Ms Angela Andrews of the Legal Resources Centre said yesterday that she had sent a letter to this effect to Pretoria on behalf of the Women's League.

The letter was backe-up by 11 affidavits, most of them concerning allegations of police non-intervention or active participation in violence.

These affidavits had been handed over to the local police, she said, but the ANC Women's League also wanted a commission of inquiry set up under the National Peace Accord to investigate the causes of violence and intimidation in the Peninsula area. 332 CT 2/11/91

It was not yet known who would head the regional commission of inquiry, she said.

Committees can be established to assist such commissions and relevant interest groups can be represented on them.

A commission of inquiry has already been set up in Thokoza township on the Reef. As far as is known that is the only commission investigating violence in a particular area.

The Women's League regard it as a matter of urgency that another one should be set up in Cape Town to probe the violence in Khayelitsha, Nyanga, Guguletu and KTC.

● National and local office-bearers of the S A Black Taxi Association (Sabta) attended a meeting in the Civic Centre yesterday in a new bid to end the violence.

Spokesman Mr Fanyana Shimburi could not be reached for comment yesterday, but it is understood that the Sabta delegation was hoping to meet the mayor last night.

Shock at shipping cartel's new term

S/Times (BUSS) 3/11/91. (332)

By CIARAN RYAN

THE life of the SA Europe Container Services shipping (SAECS) consortium has been extended for 10 years.

The surprise decision comes in the face of expectations that the cartel would be phased out.

The consortium has come in for criticism from the SA Association of Freight Forwarders (SAAFF).

SAAFF has called for the dissolution of SAECS' uniform pricing in the interests of the economy.

SAECS is a pooling arrangement whereby nine shipping lines in Europe and SA share marketing infrastructure and ships, charging a uniform tariff.

Fixing

SAECS is a continuation of the century-old conference line system, a form of cartel to guarantee regular shipping services to and from Europe and other destinations.

SAAFF executive director, Alan Cowell says: "SA cannot afford this cartel."

The consortium results in price fixing and higher tariff charges to the detriment of the customer.

Member lines were forced into price discounting when independent shipping lines increased their share of the market.

Mr Cowell says: "The uniform tariff is now more honoured in its breach than its observance by way of cop (counter-opposition) agreements, or uniform discounting.

"All the conference lines offer the same discount under the cop agreements. The concept of uniform tariffs is contrary to the interests of the SA consumer."

Safmarine, the consortium's SA member line, rejects arguments that SAECS should be disbanded.

Safmarine public relations manager Peter James says: "If SAECS were the only service operating the European routes, I could understand the gripe. But independent lines operate these routes and competition is fierce, both in price and service. Shippers who do not wish to use SAECS have an alternative. There is no real disadvantage to the pool arrangement.

"If there were no pooling, each line would be forced to operate its own scheduled services using its own ships. The result would be overcapacity. The standard of service would suffer. Pooling stabilises rates — in fact reduces them."

SAECS members are CMB Transport, Safmarine, Compagnie Generale Maritime, Deutsche Afrika Linien, Ellerman Harrison Container Line, Lloyd Triestino, Navale Delmas International, Nedlloyd and P&O Containers.

Strong

Mr Cowell says he is not against the sharing of ships, only the fixing of tariffs. The fact that conference lines exist in most major trading nations is not a valid argument for the continuation of SAECS because the arrangements differ widely.

In the United States, the conferences fall under anti-trust legislation prohibiting price fixing. In many cases, conference lines amount to little more than a ship-sharing arrangement among members who compete on price.

"We would like to see strong competition within the SAECS pool, not merely with the independent lines. The only way SAECS member lines compete is in service — one company picks up the phone a little faster than another."

Mr Cowell says the consortium started discounting to fend off the independents, such as Mediterranean Shipping Company and German-owned MACS.

SAFREN (332)

Justified euphoria?

Activities: *Shipping, transport and (through Kersaf) gaming and other leisure related industries.* FM 8/11/91

Control: *Old Mutual holds more than 40%.*

Chairman: *G A Macmillan; chief executive: D A Hawton.*

Capital structure: *53,7m ords. Market capitalisation: R4,44m.*

Share market: *Price: R82. Yields: 2,9% on dividend; 6,9% on earnings; p:e ratio, 14,5; cover, 2,4. 12-month high, R82,25; low, R33,75. Trading volume last quarter, 572 701 shares.*

Year to June 30	'88	'89	'90	'91
ST debt (Rm)	167,1	34,1	21,5	8,2
LT debt (Rm)	716,4	690,0	732,7	821,8
Debt:equity ratio	0,42	0,23	0,03	0,08
Shareholders' interest	0,38	0,40	0,41	0,45
Int & leasing cover	9,0	12,1	76,5	n/a
Return on cap (%)	14,2	18,6	17,9	15,9
Turnover (Rbn)	2,80	3,66	4,0	4,37
Pre-int profit (Rm)	437	643	735	750
Pre-int margin (%)	15,6	17,6	18,4	17,2
Earnings (c)	293	411	487	566
Dividends (c)	135	180	210	237,5
Net worth (c)	1 165	1 390	1 741	2 128

There has been a good deal of euphoria about Safren recently. As the long-term statistics show, much of it is well deserved. But while all appears well, performance in 1991 was not altogether satisfactory.

While turnover of subsidiaries Safmarine and Rennies grew by 7,8% and 1,4% respectively, their operating profits were down: Safmarine's by 11,6% and Rennies' by 8,6%. It was left to Kersaf, which increased turnover by 15%, to pull group operating profit back to respectability by generating operating profit growth of 20,8%.

Notably, in 1991 there was a 61% increase in depreciation, to R243m, which resulted largely from a revaluation of the Safmarine fleet (*Fox* September 20). This was one reason for the weaker operating performance. Group operating profit before depreciation

Continue →

Safren's Macmillan ... *helped by lower tax rate*

FM 8/11/91 (332)

actually rose by 12,1%, but, especially because of the nature of the shipping industry, depreciation is always material in the Safren accounts. From the base year of 1987, Safmarine has increased its operating profit by 178%, Rennies by 254% and Kersaf by 428%.

After-tax profit rose by 19,6%, thanks to a fall in the effective tax rate to 26% (33,2%) flowing from higher investment allowances in Kersaf and nontaxable receipts on the sale of assets by Safmarine. These factors, rather than a better trading performance, were mainly responsible for the 16,7% increase in attributable profit.

Despite diminished trading volumes and sluggish trade in liner operations, Safmarine lifted attributable earnings by 21,9% to 137,1m, 45,3% of the group total. It's still the largest contributor. Again, tax benefits on the sale of assets were the prime reason.

Kersaf kicked in R125,3m, a 17,8% rise. Sun International, its own largest contributor, lifted revenues by 22%. Rennies' freight and travel operations suffered from lower import volumes and the Gulf War, but its contribution was up 12%, to R39m.

Safren is involved in a major capital programme. In 1991, R911m was spent and a further R1,5bn has been approved for investment, mostly in Safmarine and Kersaf, over the next two years. These funds will be sourced internally and from borrowings. Notable changes in the asset mix over the past

FM 8/11/91 (332)

five years are that ships and containers now account for 28% of assets employed, against 41% in 1987. Properties have risen to 37% from 28% in the same period.

Prospects are clouded by the recession and political instability. Some economists are predicting GNP growth of 2%-3% for 1992. If achieved, this would boost import and export volumes, which would benefit Safmarine and Rennies.

On the international front, Safmarine's earnings prospects have been enhanced by its purchase of 49% of the major Belgian container operator, CMB Transport. Should the political situation improve and violence decline, a tourist influx could benefit Kersaf.

The situation is therefore full of ifs. Hawton expects "acceptable growth in earnings." If EPS can repeat last year's appreciation of 16,2%, it will justify the share's re-rating in the past 12 months. *Gerald Hirshon*

Taxi shot at, burnt on N2

332

CT 4/11/91

Staff Reporter

CAPE TOWN'S bloody taxi war — which has already claimed over 30 lives — spilled over to its freeways when a group of unknown gunmen opened fire on a taxi on the N2 on Saturday and set the vehicle alight.

"A taxi driver was travelling alone along the N2 near Khayelitsha on Saturday morning when a group of about four men who were hiding in the bushes opened fire on the taxi," said police spokesman Captain Attie Laubscher.

"The driver stopped the vehicle and ran away," he said.

The men set the vehicle alight after the driver escaped.

Captain Laubscher said the N2 was regularly patrolled by the police, security forces and by traffic officials.

Police are investigating and no arrests have been made.

"We are investigating the possibility that the incident may be part of the taxi war but at this stage it appears to be an isolated incident."

In previous shooting incidents involving taxis, he said, gunmen had opened fire on taxis which had been carrying passengers, he explained.

Khayelitsha taxi operator wins second bail appeal

(332) ARG 6/11/91

JOHN VILJOEN, Supreme Court Reporter

WEBTA taxi operator and Lingelethu town councillor Mr Michael Gubayo, awaiting trial on a charge of murder stemming from the "taxi war", has been granted bail by the Supreme Court.

Last Monday Wynberg Magistrate Mr G Claassen refused Mr Gubayo's application for bail, but yesterday he appealed successfully to Mr Justice C T Howie.

During his application, Mr Gubayo, 40, of Khayelitsha, said he was assisting police when he fired on rival Lagunya taxi faction members on October 2.

Mr Justice Howie ruled that Mr Claassen was not justified in refusing Mr Gubayo bail.

He ordered Mr Gubayo freed on R500 bail on condition that he not interfere with state witnesses and not go near the Nyanga taxi rank before and during his trial.

The judge said that as a councillor Mr Gubayo was a leading figure in the community, but he was not a prominent actor in the taxi dispute.

He had a connection with one of the organisations, but beyond that there was no connection between him and the background to the conflict.

Mr Gubayo had told the magistrate he had been charged before and had stood trial and had every intention of doing so again, the judge said.

Mr Gubayo had also said he had a home and family in the Cape and did not intend leaving. The magistrate had said there was no evidence that Mr Gubayo would interfere with State witnesses, the judge said.

It was quite apparent that the magistrate was concerned with the possibility of further unrest arising from Mr Gubayo's release, the judge said.

But while he appreciated the magistrate's concern for the maintenance of law and order, he could not see the link between Mr Gubayo and further unrest.

The magistrate believed Mr Gubayo's release would lead to violence by the rival faction. But it was not sufficient reason to detain Mr Gubayo merely because there were "wrong-minded" individuals who might pursue the taxi feud on his release, the judge said.

The magistrate also based his decision on the possibility that Mr Gubayo's release could endanger his safety. The judge said he was not aware of any authority for denying an individual his liberty to prevent him from coming to harm.

The probabilities were that if there was further violence in the "taxi war" this would occur in any event.

It seemed that the argument that Mr Gubayo's release on bail would give impetus to violence was far-fetched. Violence could break out for reasons quite unassociated with Mr Gubayo's release, the judge said.

For these reasons, Mr Claassen's refusal to grant Mr Gubayo bail was not justified.

Mr D Potgieter, instructed by Gerald Holmes, appeared for Mr Gubayo, and Mr D Brand of the Attorney General's office for the State.

Debenture issue is on track

B/Day 8/11/91 MARC HASENFUSS (332)

TRENCOR and its pyramid, Mobile Industries, will publish the terms of their R370m debenture issue on November 15, according to an announcement made today.

Trencor and Mobile will hold meetings on November 15 to approve the creation and issue of the convertible debentures and the placing of the ordinary shares required for the conversion under directors' control.

Trencor plans to raise R250m from the rights offer of convertible debentures. Mobile intends raising R120m to follow its rights to subscribe for its entitlement to the convertible debentures to be issued by Trencor.

Taxi rank enters IFP, ANC 'war'

W/Mail 8/11 - 14/11/91 (332)

WEEKLY MAIL REPORTER

HIGH-RANKING Inkatha officials publicly violated the fragile Peace Accord on Sunday at a meeting they called at the Jeppe hostel for taxi owners and operators.

The meeting was open. Everybody present heard top officials say Inkatha is determined to keep the Natal/kwaZulu routes — "because Sabta now flirts with the African National Congress, and they no longer care about us". If anything had to be corrected, it would be done by themselves — not the South African Black Taxi Association, the meeting heard.

Talk was hostile and daring. Moreover, it seemed to come from the table tc the floor.

Violation No 1: "I am not against anybody in particular," said Inkatha Freedom Party hostel branch secretary, Bheki Nzimande, "but you owners must see to it that your drivers don't annoy us with their ANC stickers on their taxis.

"We won't hesitate to alight from a taxi bearing such a sticker — and shoot at that driver," he said, to loud applause.

He claimed a Meadowlands taxi had had its windows shattered because it displayed ANC stickers.

He said all the taxi ranks around Jeppe station were there at IFP's suffrance because "that area belongs to us".

Violation No 2: Nzimande said they "are at war with the ANC, not by choice, but because the Xhosas are killing us".

More tough talk came from the much-feared Merafe hostel "platoon commander", introduced only as Sibisi.

"I am not afraid to die for what I believe in, because, after all, even the one who kills me is himself not immortal. He is not armoured."

The crowd roared its approval.

The meeting had started on a note of hostility to the few pressmen who dared to venture into the hostel.

"All this violence we see around us is caused by the media who write lies about the IFP," said an induna from Mahlabathini indentified only as Dubazana.

None of those present, it seems, knew or wanted to abide by article (iii) of Chapter 2 of the National Peace Accord, which deals with the code of conduct for political parties and organisations.

Although the organisers had invited taxi drivers operating short routes between Reef towns and townships, this gathering was not for them. It was aimed at those who operate between the Reef and Natal/kwaZulu.

The main concern was the escalating number of attacks on Natal-bound taxis.

"More and more Zulus are killed in taxis on their way home," said Dubazana, who co-chaired the meeting.

Again the blame was put on the ANC, not on feuds between rival operators, a possibility that had been raised earlier on.

It it had been the intention of the conveners of the meeting to convince the taxi people that the ANC was responsible for the attacks, it worked. As the meeting came to an end sections of the gathering were vowing "not to sit by and watch our people killed".

"Hey, those people are ruthless neh?" remarked one non-Zulu-speaking tax owner as they prepared to leave.

BY-LAWS INCLUDE TOUGH RESTRICTIONS ON INDUSTRY

Council's new plan to stop taxi feud

332

S/Times [C M] 10/11/91

By KURT SWART

DRAFT traffic by-laws proposing stringent measures to regulate the taxi industry in the Greater Cape Town area have been circulated to "interested parties" for comment.

The city council document, leaked to the Cape Metro by an industry source, is a no-nonsense attempt to halt the Western Cape taxi war which has claimed a high toll in lives, taxis and homes.

The draft document was distributed on Wednesday to all traffic authorities in the Greater Cape Town region and all taxi associations whose passenger routes cross or fall within Cape Town municipal boundaries.

Described as a "discussion document", it is to be debated at a meeting of the Cape Town Peace Committee (CTPC) on November 20 and released for comment later.

The by-laws provide for fines of up to R2 000 or six months' imprisonment or both for operators who contravene the law or interfere with council officials in the execution of their duties.

They also propose revoking or suspending licences and permits when the by-laws are contravened. The by-laws would be "enforced fairly, without fear or favour".

Cape Town Mayor Mr Frank van der Velde emphasised yesterday that the draft document was not an attempt to impose conditions on the taxi associations. It was open to comment.

"It was drawn up by the council at the request of the peace committee and the taxi associations," Mr Van der Velde said.

"We want to involve the associations in the process. We will meet on November 20. Once the provisions are agreed upon, they will be strictly enforced."

Fifteen new posts for traffic officers were approved at a recent city council meeting, in preparation for policing the taxi regulations.

The draft by-laws include:

- The establishment of a taxi liaison committee to advise the council and resolve disputes;
- Permits, without which an operator would not be allowed to accept passengers;
- Permit tokens, which would have to be displayed at all times. Permits and tokens would be revoked as a penalty for infringing the by-laws;
- Strict council control at taxi ranks and facilities;
- Council-appointed marshals to monitor facilities;
- A register of operators and taxis.

It is understood that the operations of the Western Cape's 21 taxi associations, 14 of which ply routes which enter the city, have been studied in detail. The surveys covered routes, the average number of trips, fares and distances.

A surprise finding was that profits are greater on the short feeder-routes in the townships. Less profitable are the longer trips from the suburbs and townships into the Cape Town central business district.

This contradicts the belief in taxi circles that the longer routes — which have been dominated and zealously guarded by Webta — are the most lucrative.

Dispute over the control of the long routes has been cited as one of the major factors in rivalry between Webta and Lagunya.

Third Trencor buy

By JULIE WALKER (332)

TRENCOR — the bluest of blue chips — has bought less-than-truckload carrier Crosscape, its third acquisition since July.

Crosscape has a national depot network complementary to Trencor's transport operations. Although Trencor is listed in the JSE transport sector, only 12% of profit comes from that business. S/Times (BUSS) 10/11/91

Trencor will not rely on the proceeds of its planned R250-million rights offer to fund this deal. Crosscape is valued at R20-million and turns over R40-million.

The other two acquisitions — trailer and tipper maker Poole and component manufacturer Swift — came aboard at net asset value of R14-million.

Trencor shares hit an all-time high of R105 a share this week.

Passengers kill city taxi driver

(332)

CT 11/11/91

Crime Reporter

A TAXI driver was shot dead by two armed passengers on his way to Khayelitsha and three taxis were set alight in separate incidents of violence this weekend, a police spokesman said yesterday.

Major Gys Boonzaaier said Mr Tsukwana Mbulali, 29, died instantly in his minibus on the corner of Duinefontein and Lansdowne roads on Saturday morning, when he was shot while transporting people from Claremont to Khayelitsha.

Major Boonzaaier said a man in a front seat pulled out a gun while Mr Mbulali was driving. A second passenger also produced a firearm and started robbing passengers at gunpoint. Several shots were fired at Mr Mbulali.

The men fled on foot and no arrests have been made.

Major Boonzaaier said that Detective-Sergeant Mick Hlope of the crime investigation unit in Kuils River was shot by unknown gunmen in Khayelitsha at about 3pm on Saturday. He is in a stable condition in hospital.

Earlier in the day three Lagunya minibus taxis were set alight allegedly by Webta members at the Bellville taxi rank, Major Boonzaaier said. A man armed with a .22 rifle was arrested in connection with one of the incidents.

Sapa reports that two people were killed and 22 wounded or injured in attacks on minibus taxis in the Transvaal since Friday night.

● Council to get tough in taxi war — Page 7

Council to get tough in taxi war

Municipal Reporter

THE Cape Town City Council is preparing to take tough action in a new bid to end the taxi war.

A far-reaching proposed new Cape Town taxi by-law gives the traffic manager the power to cancel the permits of all members of a taxi association if they misbehave.

Cancelling permits would in effect exclude the taxi drivers from picking up passengers anywhere within Cape Town municipality, because the by-law requires all taxi-drivers operating in the council area to have permits from it as well as from the Road Transportation Board.

A traffic department spokesman yesterday declined to comment on whether it would be possible to enforce these regulations without help from the police or army. He could only comment when the draft was made final, he said.

Mr James Mafuya, leader of the Western Cape Black Taxi Association (Webta), said yesterday he had heard that draft copies had been sent out, but had not yet received a copy.

"We might well have problems with the by-law, as we don't want anything to restrict us unnecessarily," he said. "We shall have to see."

Mr Headman Nongwejane of Lagunya could not be reached yesterday for comment.

Among the provisions of the by-law are the following:

- Permits may be refused if an applicant is deemed unfit to hold them "by virtue of the number and seriousness of his or his employees' previous convictions or outstanding warrants of arrest".
- The council may require a particular taxi association to employ marshals in respect of a taxi facility that has been allocated or leased to that association.
- Marshals, who have to be "of good character", will maintain order and see to it that only authorised users enter a taxi facility.
- Taxi drivers, conductors and marshals will all have to carry identity documents, and their vehicles will have to be identified by numbers and lettering on the outside panels of both front doors.
- Prior consent of the traffic manager is required if "any other signs, logos or emblems" than those stipulated in the by-law are displayed on or in a taxi.
- If the traffic manager is of the opinion that any taxi is in an unroadworthy condition, he may summarily suspend its operating permit.
- Where taxi facilities are inadequate to accommodate any more taxis, new applicants may be denied permits.

CT 4/11/91 (332)

Clean drivers

Drivers have to be clean, presentably dressed, orderly and courteous. Passengers may not enter taxis while in "an unacceptable state of filth or suffering from any infectious or contagious disease", according to the proposed by-law.

The council may establish a new taxi liaison committee, on which there may be up to three representatives of each taxi association. The council may also co-opt onto this body members of the police, the Local Road Transportation Board, taxi users, and representatives of community organisations, commerce and industry.

Expansion in shipping still elusive

B/Day 12/11/91

WHILE rate levels are being maintained, there seems to be less impetus in the overall market situation at the moment than has been the case of late.

Inquiry in such areas as the Atlantic do not seem to be developing as hoped.

The SA market has hardly changed over the past week. As in other areas there has not been the expected expansion in the market, and if anything the handy sized tonnage might even see an easier tone creep in.

The larger ships, on the other hand, are seeing conditions staying steady, and in the coal trades the Cape sizes are still at rate levels of around $9,25 a ton for cargoes from Richards Bay to Rotterdam. 332

Interest

Panamax vessels can expect to obtain around $11,50 a ton for a cargo from Richards Bay to the Spanish Mediterranean.

Up to 35 000 tons of coal was to be shipped from Durban to Iskenderun by early December, with charterers indicating a rate in the region of $15 a ton.

There was some interest in a contract to lift a total of 120 000 tons of manganese ore in 10 000-ton lots from Durban to Poland over next year.

A cargo of just 4 000 tons of rice in bags was quoting from Durban to Namibia for fairly early loading, with charterers indicating a level in the region of $30 a ton. — Afromar.

Ho
funding
more e
fo
pensi

Split funding your em
excellent idea. That is p
skills of Sage Life - the
team that's been one o
year for the past 10 yea
past four years.* Phone
* Survey by: First Bowring Consul

CONTAC
Tel: (01
Fax:(01

SA
EMPL

Unitrans feels pressure as trading conditions worsen

B/Day 12/11/91 (332)

MARC HASENFUSS

ROAD freight group Unitrans put in a sluggish interim performance, reporting a 5,4% increase in attributable earnings to R15,3m (R14,5m) as trading conditions deteriorated further in the road transport industry.

A 10c (9,5c) interim dividend was declared from earnings a share of 41,9c (39,8c) in the six months to end-September 1991. The dividend was covered 3,7 times.

Turnover jumped 25% to R166m (R132m), but CE Eduardo Garcia attributed this to the inclusion of revenue from two acquired companies, Tankfreight and Much Transport.

Operating income crept up 1,4% to R23,3m as margins fell to 14% from 16%.

Garcia said a surplus of equipment existed in the road freight industry which put pressure on operating margins.

Bottom line was helped by capital profit, representing profits on the sale of vehicles, which contributed R1,1m (previously R100 000).

He said the reduced level of capital expenditure in sympathy with the reduced level of growth, resulted in the tax rate increasing above last year's level. The tax bill rose by nearly 50% to R3,9m (R2,6m) in the period under review.

The group's liquidity has improved despite the two acquisitions, and the balance sheet shows cash on hand of R48m. "This puts Unitrans in a strong position for future investments, including acquisitions, once the economy picks up," he said.

Graphic: LEE EMERTON Source: I-NET

The group's venture into Malawi had proved successful and significant revenue growth was recorded by the Malawi subsidiary, Garcia said.

Unitrans has changed its year end to end June 1992 following Murray and Roberts' (M & R) acquisition of a further 2% of holding company United General Investments.

Unitrans, now a subsidiary of M & R, will declare a second interim dividend for the three month period ending December 1991. Thereafter, the traditional six monthly dividend pattern will be resumed.

Army urged to help end taxi wars

B/Day 13/11/91

CAPE TOWN — The Cape Town peace committee has called on the SA Defence Force to patrol the main transport routes serving the city's townships, particularly Nyanga and Khayelitsha.

The appeal follows an urgent meeting of the committee after renewed outbreaks of violence in the taxi war.

"This call reflects the peace committee's grave concern over the safety of commuters and members of the public in the escalating conflict," the committee said in a statement.

It said roadblocks needed to be set up so that thorough weapons searches could take place.

There was also a need for weapons to be confiscated from all members of the warring taxi associations.

"Unless law and order are restored, other attempts to secure a lasting peace will be of little avail," the statement said.

"The peace committee believes there is no longer an alternative to deploying the SADF in sufficient numbers to bring violence to an end." — Sapa.

New York mayor David Dinkins embraces Siphiwe, 4, at Jan Smuts Airport yesterday. Picture: ROBERT BOTHA

Restrictions in Alex lifted

Business Day Reporter

LAW and Order Minister Hernus Kriel yesterday lifted unrest area restrictions on the magisterial district of Randburg, which includes Alexandra township, after police said violence in the area had declined significantly.

The announcement of the withdrawal was carried by a special Government Gazette yesterday. B/Day

A police spokesman said restrictions still remained in force in eight other townships on the Reef — Soweto, Dobsonville, Meadowlands, Diepkloof, Kathlehong, Vosloorus, Thembisa and Thokoza. 13/11/91.

Mayor gets threat on taxi war role

(32)

By GUY OLIVER

THE Mayor of Cape Town, Mr Frank van der Velde, who is also the Peace Committee spokesman, yesterday received an anonymous letter warning him that his attempts to end the taxi war were "a dangerous thing".

The computer-printed letter was found in Mr Van der Velde's official car after his chauffeur had collected him from his private office in New Church Street yesterday afternoon. CT 13/11/91

TAXI WAR: NEW PLEA TO CALL OUT ARMY

See PAGE 2

The letter accused Mr Van der Velde of taking sides with Lagunya against Webta. Mr Van der Velde dismissed the allegation.

Mr Van der Velde said he saw the letter as a threat to his personal safety but would not increase his security at this stage.

He said he would hand the letter to the police.

The letter said "a war like never seen before" would break out if taxi permits were withdrawn in an attempt to bring the taxi war to an end.

The letter also accused Mr Van der Velde of using the taxi war to boost his position in the community and claimed that he was not aware of the facts of the conflict.

Mr Van der Velde said: "I would dearly like the bloke making the threats to come and speak to me as I am willing to hear any side."

MINIBUS MAYHEM: Left, a policeman restrains a youth near Sizamile service station in Nyanga which was set alight last night; centre, rivals attack each other at the Nyanga taxi rank; and right, a youth wields a panga as KTC residents gather at the rank in protest against the burning of three Lagunya minibus taxis.

ARG

332

Taxi battlefront

Staff Reporters

POLICE are sending 100 extra men into Peninsula townships today and will ask the Defence Force for reinforcements to help end the flaring taxi war.

The Peace Committee trying to negotiate a truce said yesterday there was now no alternative to deploying soldiers in sufficient numbers to sustain a ceasefire and enable negotiations to resume.

The committee wants patrols of all taxi routes and ranks and roadblocks to search all taxis for weapons.

Western Province Command spokesman Lieutenant Johan van Schalkwyk said: "We have taken note of the call, but we cannot act on our own initiative. We can act only on a request from the police".

The Pan Africanist Congress, which has withdrawn from the Peace Committee, rejected calls for the Army to be involved.

Waved sticks, threw stones

[illegible] Webta drivers

Women shot dead at taxi rank: 12 arrested

The Argus Correspondent

DURBAN. — Twelve people have been arrested after two women were shot dead and five wounded at a taxi rank near Durban's Victoria Street market.

The shooting late yeterday is believed to be part of a "war" between rival taxi operators.

The shooting began after two taxi drivers argued over passengers at Brooke Street taxi rank.

An exchange of gunfire caused panic among commuters who fled. The women who died had been sitting in a taxi.

Police seized 10 guns.

ja which was set alight last night; centre, residents gather at the rank in protest

(332)

attlefront

Staff Reporters

POLICE are sending 100 extra men into Peninsula townships today, and will ask the Defence Force for reinforcements to help end the flaring taxi war.

The Peace Committee trying to negotiate a truce said yesterday there was now no alternative to deploying soldiers in sufficient numbers to sustain a ceasefire and enable negotiations to resume.

The committee wants patrols of all taxi routes and ranks and roadblocks to search all taxis for weapons.

Western Province Command spokesman Lieutenant Johan van Schalkwyk said: "We have taken note of the call, but we cannot act on our own initiative. We can act only on a request from the police".

The Pan Africanist Congress, which has withdrawn from the Peace Committee, rejected calls for the Army to be involved.

Waved sticks, threw stones

Violence flared again today when Webta drivers stormed rival Lagunya drivers and chased them from the Nyanga taxi rank.

About 6am a convoy of 30 Webta taxis arrived. When the drivers saw Lagunya members on the Webta side of the rank, they rushed at them, waving sticks and throwing stones, a witness said.

Shots were fired from the Lagunya faction, but no one was injured. The Lagunya drivers fled.

The witness said Webta members then destroyed vendors' stalls belonging to Lagunya members, while police watched, apparently without trying to stop them.

Journalists were chased from the scene and an SABC film crew's vehicle was attacked with sticks and stones after Webta drivers accused them of "filming for Lagunya".

Yesterday a man was shot dead and another was injured by birdshot.

Mr Msokoli Ndibela of KTC died after being shot in the head. Mr Hannes Richard of New Crossroads said he and Mr Ndibela were chased by police as they left the Nyanga rank.

Police said they had no knowledge of the shooting of Mr Ndibela. They said they found the body of a man who had been shot outside a shack.

Mr Mziwakhe Mirhawuli, 40, of New Crossroads was hit by birdshot as he returned home from the Nyanga rank. He had 14 wounds and was treated by Red Cross staff.

● See page 4.

Women shot dead at taxi rank: 12 arrested

The Argus Correspondent

DURBAN. — Twelve people have been arrested after two women were shot dead and five wounded at a taxi rank near Durban's Victoria Street market.

The shooting late yeterday is believed to be part of a "war" between rival taxi operators.

The shooting began after two taxi drivers argued over passengers at Brooke Street taxi rank.

An exchange of gunfire caused panic among commuters who fled. The women who died had been sitting in a taxi.

Police seized 10 guns.

Sticks and stones at the terminus

W/Mail 15/11-21/11/91

The taxi war in Cape Town has moved from sjamboks, pangas and half-bricks and turned into a political quarrel between the ANC and police

332 By GAYE DAVIS

Taxi fares and taxi fears... Political polarization threatens to continue the violence Photo: JUSTIN SHOLK

THE woman was furious, shaking her fist and shouting in Xhosa: "You're lower than a snake's ass!"

Her insult was directed at a group of taxi drivers from the Webta group standing on the far side of the Nyanga taxi terminus, across a windswept no-man's land studded with police vans and Casspirs and two charred minibus hulks.

This was Tuesday morning: the burned out taxis belonged to two taxi drivers from the rival Lagunya group. They had been attacked about an hour earlier; a woman passenger was wounded by a bullet.

Now the mood was tense. Having moved their vehicles to the relative safety of a nearby street, Lagunya drivers, along with crowds of residents, traded taunts with Webta drivers gathered behind the police vehicles.

As the wind whirled the dust into choking columns, residents began a toyi-toyi down the road, towards Webta's position. Sjamboks, sticks and pangas poked the air while youths leisurely tossed half-bricks into the air and caught them again. When a police car drove by there were jeers and curses.

A song started up, urging people to stand by Lagunya and reject Webta, "because the boers are there". Its origins stem back to the murder earlier this year of Western Cape civic leader Michael Mapongwana, allegedly assassinated by Webta members for promoting a selective boycott of their taxis after they reneged on a community brokered agreement to end the war.

Officially, the African National Congress is doing all it can to prevent giving the impression that it has taken sides in the taxi war. But at the terminus this week, it was clear that residents decided long ago whom to champion.

It was also clear that, rightly or wrongly, people see the South African Police as firmly within the Webta camp.

"Why are the police only searching our drivers for weapons?" asked a Lagunya taxi operator. Trying to get a response from Webta driversproved impossible: as members of the press approached, they advanced angrily, shouting that they were "on Lagunya's side".

"For five years we've been fighting but the police have not been involved and we always made peace. Now with the police involved with Webta there will be no stop to the fighting," said a Lagunya driver, sjambok in hand.

Meanwhile, in the Oscar Mpetha High School which abuts the terminus, principal Pam Mehlomakulu watched the crowds outside anxiously. Matric pupils scheduled to write a maths exam that morning had to be crowded into the library: their regular classrooms were in the line of fire. The exam started late: many of Mehlomakulu's pupils travel to the school from distant townships. There were no taxis running that morning.

"Something drastic has got to be done or it will be endless," she said. "When people die and taxis get burned there are bound to be grudges."

Not far away from the tension-laden terminus, the Cape Town Peace Committee was in urgent session. Under the chairmanship of Cape Town's mayor, Frank van der Velde, and Anglican Archbishop Desmond Tutu, it has been trying to get both sides to negotiate in good faith; has proposed a new by-laws regulating the taxi industry — and has been strongly critical of the role of the police.

Yesterday police heeded a Peace Committee call for the South African Defence Force to be deployed to patrol the major routes serving Cape Town's townships.

SAP spokesman Major Gys Boonzaaier said the SAP Divisional Commissioner, General Nic Acker, had asked Western Province Command to supply men. A further 100 policemen would also be deployed, he said.

For the Peace Committee, a ceasefire is crucial so that negotiations can restime. "Unless law and order is restored, other attempts to secure a lasting peace will be of little avail," a statement said. "The Peace Committee believes there is no longer an alternative to deploying the SADF in sufficient numbers to bring violence to an end."

Bringing in the SADF might ease antagonies between the ANC and the police: the ANC is furious over the arrest last week of its regional chief of staff of Umkhonto weSizwe, Mxolisi Petane. Petane stands charged with the murder of a Webta taxi operator and the attempted murder of two others; his co-accused happens to be a policeman. Petane was granted bail; the policeman was not.

ANC regional secretary Tony Yengeni said: "It's a clever strategy by the police to implicate the ANC in the war and show it to be taking sides. We have protested to the minister of law and order: he told us to meet the divisional commissioner and we have refused. Petane's life is at stake.

"We as the ANC are saying we don't take sides because we must bring these people together. But the police are using Webta, making it look like we side with them. The effect is to create more polarisation in the community. The police are making it very difficult for us to cope with the situation.

"The whole strategy is to destablise our communities, making it impossible for us to organise or consult so that we can be ready for the negotiations. We believe the police have used the taxi war to bring violence to the Western Cape, where there is no Inkatha."

The police dismiss allegations of complicity, and are going ahead with establishing a special police unit to probe complaints about the police.

The ANC has criticised the fact that the unit was created without consultation and that its members will be drawn from the ranks of former security policemen. The unit will be based at Culemborg, notorious among activists as the building where detainees were taken for interrogation and torture.

"Anything we do the ANC says it is wrong," said police spokesman Major Gys Boonzaaier.

cide after a shoot-out at Noenieput on the Namibian border. — Sapa.

in Taipei yesterday for a three-day visit. He was accompanied by Nationalist Chinese President Lee Tong-Hui, left. Picture: AP

Violence probe team focuses on Thokoza

B/Day 15/11/91

TIM COHEN

MORE than 500 written requests for information had been sent out by the commission of inquiry into prevention of violence and intimidation, commission chairman Mr Justice Goldstone said yesterday.

The commission would meet in Pretoria today on violence and alleged intimidation in Thokoza since September 8, he said in a statement.

Meetings were being held to discuss violence at the President Steyn gold mine in Welkom with the NUM, the SAP, Anglo American representatives and the Free State Attorney-General.

After these meetings the commission would be in a better position to consider what steps should be taken.

Mr Justice Goldstone stressed that the commission did not wish to inhibit free flow of information. "Indeed, media debate and discussion can only assist it in the performance of its functions".

He pointed out that the Prevention of Public Violence and Intimidation Act prohibited anticipation of the proceedings at an inquiry or the findings of a commission in a manner calculated to influence such proceedings.

Subject to these provisions, it would not be an offence to discuss a matter publicly.

The commission consisted of only five members and could not possibly look into every incident of political violence, he said.

"The Commission was in no way intended, nor has it the power of authority, to replace the normal state structures and mechanisms such as police investigations, judicial inquests and prosecutions by Attorneys-General," he said.

Meanwhile VERA VON LIERES reports that about 150 mineworkers returned to the No 2 shaft at the President Steyn gold mine yesterday.

Anglo American said about 300 employees from the shaft had indicated that they wanted to return to work.

Another 300 had said they wished to leave the mine.

"Management has indicated that those who choose to leave will have to resign," Anglo said.

Sapa reports mine management held talks with NUM and other employee representatives on Wednesday.

Anglo spokesman James Duncan said management had agreed to hold further talks yesterday and, depending on the outcome of discussions, "we hope to have a full return to work thereafter".

Flitestar adds another route

B/Day 15/11/91

LINDEN BIRNS

332

FLITESTAR, SA's new domestic airline, began scheduled flights yesterday between Johannesburg and Port Elizabeth, and expanded its Johannesburg-Durban service from four to five return flights a day.

This followed the arrival earlier in the week of the airline's fourth Airbus A320 from the manufacturers in Toulouse, France.

Flitestar also announced supplements, enabling passengers booked to travel Economy Class on off-peak flights to be upgraded to Business Class.

On single flights to or from Johannesburg, passengers pay R14 for the upgrade if flying to or from Durban; R21 if they are coming from or going to Port Elizabeth; and R28 if they are flying to or from Cape Town.

The airline is offering a corporate discount whereby companies who spend more than R50 000 a year on Flitestar tickets will earn discounts of from 5% to 9% on gross revenue.

Askin latches on to fasteners

The UK buy should boost earnings.

(332) FM 15/11/91

When Julian Askin led his UK-based consortium into a R92m investment by buying control of ailing, debt-ridden, loss-making Tollgate Holdings (TGH), it was as much an act of faith as an acquisition of assets.

The faith aspect of the transaction had two arms. First, having lived, on and off, in SA for more than 20 years, Askin continues to hold an unswerving belief in the country's potential to sort out political and economic problems and then prosper. Second, other members of the consortium, having seen Askin in action when he bought and built up the small Thompson T-Line Plc in 1986, believe in his judgment and ability to cure TGH of its ills and turn it into a healthy profit-earner.

As the past two years show, the TGH assets were in the process of being watered down by serious losses in most of the listed companies it controlled. Askin, however, saw the opportunity that the sound underlying assets and businesses provided. The takeover was anything but riskless, and he and his colleagues knew it.

Askin had to act fast to stop the haemorrhaging. At the outset he stated that his intention was to clean out the organisation, get rid of loss-makers or turn them around as quickly as possible, then inject foreign assets to give local investors a hedge element by bolstering local earnings against inflation and currency depreciation.

TGH is now on the point of concluding the purchase of its first foreign company, Jaton

Continue →

FM 15/11/91 332

Holdings in the UK, for £11,5m (about R58m).

Initially, the transaction engenders a degree of suspicion because Jaton is owned by Chelsworth, a company controlled by Askin, and Guy Sangster, also a TGH director. Jaton was acquired by Chelsworth from Thompson T-Line in 1990 for £11,8m; an additional £600 000m has since been injected, taking Chelsworth's total investment to £12,4m. So Chelsworth will realise a loss on the sale. But a closer look at the rationale for the deal confirms that it makes good sense for both TGH shareholders and the sellers.

Jaton, founded in the 1880s, wholesales industrial fasteners and wire mesh products. With sales of more than £20m it is the largest independent distributor of industrial fasteners to the wholesale merchant trade in the UK. It also makes and distributes electrical installation components and fittings. The joint MDs have 42 years' service between them — evidence of stable and enduring management.

When Askin bought Jaton from Thompson T-Line for Chelsworth, he did so because he knew the business well, he fancied its potential and it fitted with a primary aim of his to avoid capital-intensive enterprises. As a distribution company Jaton is not capital-hungry but, because it was well established, with a stable customer base, the price in 1990 included goodwill of £6,9m.

The latest valuation of £11,5m was independently determined by a London firm of accountants to comply with stock exchange regulations. The sale is thus a kind of Peter-and-Paul transaction because, in little more than a year, Chelsworth will lose £900 000. But since the Chelsworth shareholders have a substantial stake in TGH (about 20%), what they lose on the swings they will gain on the roundabouts.

Jaton is to be introduced into a substantially different TGH from what it was 17 months ago when the Askin consortium took over. Since then, most of the loss-leaders have been disposed of.

Arwa, Norths Industries, most of Gants, a number of small, superfluous operations, and the northern Natal, Transvaal and eastern Cape bus companies have been sold. Group debt has been almost halved to about R180m from R390m. The remaining organisations have been revitalised and remotivated both by Askin's innovations and the introduction, in some cases, of new top management.

The four original, separately listed organisations have been consolidated into one, a step intended as much to obviate unnecessary costs as to recognise the JSE's strong dislike of pyramid companies.

TGH still has many divisions, of which Tramways Holdings has arguably the highest profile. This was the original core business but, partly because of the sale of the bus services outside the western Cape, its importance has been reduced. It nevertheless provides all the scheduled bus services in the western Cape. It runs 980 buses from nine depots on 900 routes. It owns extensive properties and employs 2 600 people. It is profitable, with a healthy cash flow, but is indirectly subsidised and heavily regulated by the State, which recognises it as a social service. The high replacement cost of buses will draw heavily on future capex.

Askin ... *avoiding capital-intensive enterprises*

Askin reasons that in these circumstances he can't justify the retention of Tramways because shareholder returns cannot be optimised. Negotiations to sell it are proceeding; Askin is optimistic that it will be sold by the first quarter of next year.

A study by stockbroker Davis Borkum Hare (DBH) estimates Tramways' underlying value at about R120m — including properties of around R50m. Selling Tramways will reduce TGH debt to R60m; interest payments will fall by R24m per annum, says DBH. Given the profit potential of the remaining major operations, TGH assumes a different perspective as an investment medium.

For the six months to June, TGH showed a pre-tax profit swing of almost R33m — from a loss of R30m for the year ended December to a small but nonetheless positive R2,9m — largely thanks to the substantial interest saved after the sale of entities that were burdening the group with debt.

This profit trend is expected to continue for the rest of 1991, with annual pre-tax profit predicted in the DBH study to reach R13,5m. Attributable earnings for the year, after interest on compulsorily convertible debentures and pref share dividends, are estimated to reach R8,4m, against a R21,8m loss for the whole of 1990. This breaks down to EPS of roughly 30c on the current equity but, fully diluted by the conversion of compulsorily convertible debentures, EPS actually rises to almost 47c to give the share a prospective p:e of 12,3 on the current 580c (the pref shares will be redeemed at end-June 1992 and the debentures are compulsorily convertible on June 30 1993).

The 1992 DBH forecast of EPS improves to 54,5c, or 64,7c fully diluted, for a prospective p:e multiple of 9. Jaton is to be bought on a 9,9 times multiple, based on estimated 1992 earnings.

After Askin bought Jaton for Thompson T-Line in 1987 he moved its attributable earnings from £400 000 to more than £1m in 1989. UK recession then took its toll: attributable dipped to £800 000 in 1990 and is expected to fall further to about £550 000 in 1991. But Askin is confident that the UK recession has bottomed. DBH estimates that Jaton's 1992 attributable will recover to £1,17m as sales improve following certain internal rationalisations.

If these figures are correct, consolidating Jaton will push TGH's attributable earnings up by R7,7m to R23m in 1992. The question is: how will the purchase be funded? Askin is not ready to disclose details but logically the price will be met by issuing new TGH shares priced marginally below the present ruling price. Until these details are known it is not feasible to try to forecast 1992 EPS.

But, if TGH increases profits in accordance with the DBH study (Askin feels the estimates are optimistic), EPS in 1992 will push the p:e to well over 10, based on the current price of TGH. TGH paper to be used to pay for Jaton will therefore be rated similarly to the p:e used to value Jaton.

In the end, it is a subjective matter to decide whether Jaton will be the sweetener for TGH shareholders that the forecasts suggest. But what is very evident is that Askin has achieved a lot in the short time since he led his consortium into TGH, at a time when the recession had not begun to be felt.

He stands to lose as much if not more than most if TGH does not grow. Though the sale of Jaton by Chelsworth may provide him with some insurance, it is small cover when the extent of his exposure through TGH is assessed. In the final analysis, it is important to realise that it is not only his judgment and ability that TGH shareholders are backing. Sound businesses, managed by competent experts in their field, remain in the group and Jaton's inclusion is expected to complement these.

Gerald Hirshon

would probably have kept Sasol even more focused on efficiency.

Whatever the facts may be, it is clear that Sasol is operating in a psychologically hostile atmosphere — and perceptions can be facts in their own right. For this, government is largely to blame. Its obsession with secrecy where oil supply is concerned has been taken to ridiculous extremes. To a point, in fact, where public debate has been throttled. The result is widespread suspicion.

Of course, SA is still subject to an oil embargo, so that the sources of the crude oil that flows into the country must remain secret.

But let that be as far as secrecy goes. There is no longer any reason, when all the world knows and discusses these statistics, for Sasol's output and aggregate SA consumption to be beyond public discussion.

Government is planning a large press conference at Mossel Bay, to be held early next month, at which (it is believed) important information about Mossgas will be divulged and some relaxation of the secrecy requirements announced.

Protectionism in this country is not just a perverse and outdated economic doctrine. It has everything to do with the maintenance, for far too long, of a social policy that was inimical to economic growth.

In countries where it is alleged that protectionism has enhanced economic growth, the nature of protection has been very different. It has been geared to support growth-orientated export industries. Our protection more often than not supports undertakings that import a substantial proportion of their inputs.

The difference is very important. For the latter is based on the saving of foreign exchange, which has never been as economically potent as enhanced foreign earnings.

Sasol seeks to justify its position and its contribution to the economy by claiming that it adds substantial value to its investment each year, even if the value of its protection is calculated at *The Executive*'s figure of R1,4bn, boosting GDP accordingly. The value-added statement in Sasol's latest annual financial report reflects a figure of R4bn, which, after deducting R1,4bn, leaves at accrual of close to R2,6bn.

Bartlett

That of course does not take into account profitability or return on assets. But Sasol's contention is that it underlines a worthy contribution to the economy, which *The Executive* failed to take into account.

A value-added statement is an adornment of progressive accounting that implies the efficient use of resources. Its application, however, applies to an enterprise that operates in a competitive market with little regulation. For the value calculated could just as easily be wastage, if those who consume its goods and services have no other choice.

Moreover, it is a proposition that does not take into account opportunity cost. Those resources that flow by fiat to an enterprise in a regulated market (in Sasol's case, also a secret one) are not being allocated with the superior efficiency of a free market. Simply put, Sasol's claim that its efficiency and utility outweigh the wastage of its protection package is not economically sustainable. In abstract, therefore, the country would be better off without Sasol now that apartheid is gone, for the market would better allocate its resources — provided, of course, there were never the danger that oil prices would rise.

In the real world, Sasol has itself indicated that it could still be profitable without protection in a competitive market.

The process of dismantling its protection (bearing in mind the assurances given to those who have invested in it) and of deregulating the market in which it operates, should, therefore, be given substantial priority by a government which claims to support free enterprise. ■

TOLLGATE HOLDINGS

Askin latches on to fasteners

The UK buy should boost earnings.

FM 15/11/91

When Julian Askin led his UK-based consortium into a R92m investment by buying control of ailing, debt-ridden, loss-making Tollgate Holdings (TGH), it was as much an act of faith as an acquisition of assets.

The faith aspect of the transaction had two arms. First, having lived, on and off, in SA for more than 20 years, Askin continues to hold an unswerving belief in the country's potential to sort out political and economic problems and then prosper. Second, other members of the consortium, having seen Askin in action when he bought and built up the small Thompson T-Line Plc in 1986, believe in his judgment and ability to cure TGH of its ills and turn it into a healthy profit-earner.

As the past two years show, the TGH assets were in the process of being watered down by serious losses in most of the listed companies it controlled. Askin, however, saw the opportunity that the sound underlying assets and businesses provided. The takeover was anything but riskless, and he and his colleagues knew it.

Askin had to act fast to stop the haemorrhaging. At the outset he stated that his intention was to clean out the organisation, get rid of loss-makers or turn them around as quickly as possible, then inject foreign assets to give local investors a hedge element by bolstering local earnings against inflation and currency depreciation.

TGH is now on the point of concluding the purchase of its first foreign company, Jaton

continue

Trencor gives rights offer details

B/Day 15/11/91 (332)

MARC HASENFUSS

TRANSPORT-listed Trencor will issue 2,86-million convertible debentures at R91 each in its rights offer to raise R260,5m, a statement released today says.

The raised capital will be used in the expansion of Trencor's manufacturing, transport, trading, exporting and tyre interests.

Trencor's pyramid, Mobile, will follow its rights in the Trencor offer and will issue 5,7-million convertible debentures at R22,50 each to raise R127,6m.

The Trencor and Mobile debentures will bear an annual interest of 6% payable in arrears at end-December and end-June.

The debentures will automatically be converted into ordinary shares on a one-for-one basis from July 1 of the financial year following that in which the total dividend declared on each Trencor or Mobile share equals or exceeds the annual interest paid on the debentures.

This would amount to 546c and 135c a share respectively for Trencor and Mobile, the statement said.

According to the statement, Trencor and Mobile shareholders can apply for additional debentures in excess of their entitlements of 20 for every 100 ordinary shares held.

UAL has underwritten the portion of the rights in the Trencor offer that will not accrue to Mobile.

Taxi war — youths stone Sabta men

C/Press 17/1/91 (332)

REPRESENTATIVES of the South African Black Taxi Association (Sabta) were stoned by youths in Nyanga on Thursday when they visited the scene of this week's taxi war violence.

Cyprian Lebese, who was travelling with three other senior Sabta executive members and officials of Sabta's Cape Town office, said one of their vehicles was stoned by youths near the Sizamile service station in Nyanga East.

Meanwhile, a meeting convened by Sabta on Thursday morning between the warring taxi associations — Lagunya and Webta — which are both Sabta affiliates, was cancelled because it was considered "inopportune".

Lebese said, however, that Sabta would continue its efforts to broker peace in the taxi conflict, which has already claimed many lives and caused damage amounting to hundreds of thousands of rands.

Separate meetings are being held with Webta and Lagunya this weekend to revive the peace initiative.

Lebese called on all parties in the conflict to "join hands in the search for peace". — Sapa

R260m for Trencor

(332)

S/Times (Buss) 17/11/91

By JULIE WALKER

TRENCOR and pyramid holding company Mobile are to issue 6% convertible debentures at prices respectively of R91 and R22,50.

Members of both companies will be offered 20 rights for every 100 shares held. The R260-million raised will be used by Trencor to expand its manufacturing, transport, trading, exporting and tyre businesses.

The rights to 43% of the Mobile offer have been placed with institutions, implying that the controlling shareholders, the Jowell families, are not following their full entitlements. UAL will underwrite the balance of this and the Trencor offers.

The move may improve the tradeability of Mobile and Trencor shares. This week the two rose to new highs of R120 and R31.

Elliott's on the move in Africa

332

S/Times (BUS) 17/11/91

By DON ROBERTSON

REMOVAL group Elliott International has acquired a majority stake in Swaziland Bearings.

This is its first expansion venture in Southern Africa.

Swaziland Bearings distributes SK bearings and seals. It has an interest in an industrial chemical and packing operation in Matsapha.

Elliott chairman Tom Ansley sees the acquisition as a promising diversification, but regards it as a "guinea pig" in the company's expansion into Africa.

Mr Ansley says that although it seems a strange diversification, bearings are transport oriented and the company services its own vehicles.

"The bearings business is a baseline from which to develop and expand into Swaziland. I am confident this company will soon be a force to be reckoned with."

Early next year, Elliott plans to introduce a removal and storage operation in Swaziland as well as enter the packaging market to produce paper, plastic and cardboard cartons.

"Swaziland has some interesting tax concessions, including a 37,5% corporate tax rate," says Mr Ansley

The company is also investigating investment opportunities in Zimbabwe and Mozambique.

Azapo warns taxi owners

(332)

Sowetan

By MATHATHA TSEDU

19/11/91

THE taxi industry is a shining example of black economic success, but enemies of progress are trying to destroy it, Azapo has said.

Reacting to taxi feuds in which many people have been killed countrywide, Azapo national media officer Mr Khangale Makhado called in a statement for vigilance from taxi owners and operators.

Identify

"Azapo believes the same forces that are destabilising the political situation are also at work destabilising the taxi industry. "We therefore call upon the taxi industry to identify with the efforts of the liberation movement to normalise the situation within our communities," Azapo said.

Crippled

The organisation said the growth of the taxi industry had crippled and now threatened to eliminate state-sponsored and white-owned enterprises, such as trains and bus companies.

This called for a greater understanding by taxi operators of the workings of "the enemy in trying to destabilise the efforts of black people."

CBD support for transport plan

(332) Star 19/11/91

By Frank Jeans

A mass transport system for Johannesburg, proposed in a report by the Department of Transport, has been welcomed by the Central Business District Association (CBDA).

Bernard Snoodyk, deputy chairman of the association, says: "The implementation of the Masstran proposals will stimulate growth across a broad spectrum of the central Witwatersrand and eventually the entire PWV area."

Mr Snoodyk, who is an executive director of Sage Properties, now urges the stimulation of public debate aimed at creating a joint venture partnership between the private and public sectors to control the implementation of the proposals.

"A regional transport company, comprising all parties, municipalities, the State, black taxi associations, private bus companies should be considered," he says.

Commenting on the plan for the reintroduction of a tram system, Mr Snoodyk says trams are "environmentally friendly" and operate with minimum disruption.

"Cities around the world are bringing the trams back and finding they are very effective."

Calling for implementation of the proposals without delay, Mr Snoodyk estimates that the population of central Witwatersrand will increase from the current 4,5 million to about 8,5 million by the year 2005.

By that year 98 percent of the presently zoned residential land will be occupied. High population concentrations will also be seen in south-west, south-east and northern sectors.

Arms seized, arrests in new taxi-war swoop

DON HOLLIDAY, Crime Reporter

A SUSPECT in a taxi-war killing and another man were arrested and a pistol, ammunition and three bladed weapons were seized in the first operation by the mobile police unit formed to curb taxi violence.

Six vanloads of police swooped on the taxi rank at Mitchell's Plain Town Centre yesterday. It was cordoned off and taxis and cars were searched.

Within minutes the police made an arrest for possession of an unlicensed 9mm pistol and six bullets.

They also seized a carving knife, a home made hacking weapon fashioned from a spade and a sword-like weapon.

Police arrested a man in connection with the killing of a taxi-driver in Philippi on November 9. The driver had stopped at the corner of Duinefontein and Lansdowne roads when a passenger shot him.

One of the taxis searched had bullet holes in the windscreen and radiator grille.

Unit commander Lieutenant-Colonel Chris Leodolff described the operation as "reasonably successful considering the short time we had to prepare".

ARG 19/11/91

From today the team would be joined by at least two platoons of soldiers and there would be similar operations daily, he said.

(332)

Flitestar lines up festive discounts

LINDEN BIRNS

FLITESTAR will offer discount fares on all its flights over the December and January holiday season as the fledgling airline starts making inroads into SAA's share of the domestic air market. (332)

The airline, which began domestic operations five weeks ago, has focused on the business travel sector, but is making adjustments to its fare structures for the holiday season while business travel enters its traditional temporary slump.

MD Jan Blake said Flitestar was currently operating on 50% average load factors, having recorded weekly growth of about 15% to 20% since its launch.

Flitestar did not expect high load factors for the first four to six months of operation, he added, while "proving" itself to the market. By the end of January it expected to be running on 60% load factors.

He attributed the airline's growth to a slight shift in the market from SAA to Flitestar. B/Day 20/11/91.

SAA spokesman Leon Els confirmed that since Flitestar began operating SAA load factors had declined slightly from the upper-70% to the low- and mid-70% mark.

On Monday Flitestar took delivery of an ATR 72 turbo-prop airliner for use on west and east coast services. A second ATR 72 is due for delivery towards the end of December.

Presto on the road to recovery

MARC HASENFUSS

TRANSPORT group Presto could be on the road to recovery after being suspended on the JSE for over a year. (332)

Losses for the year to end-July 1991 were reduced to R2,7m or 18c a share from R27m or 179,7c a share in the previous year, group results published this week showed. B/Day 20/11/91

Chairman Kobus Strauss said the new management team had succeeded in turning the group around.

Although losses accrued by Presto's former management were still being worked off, the group was currently operating profitably, he said.

"While conditions remain difficult in the transport industry, rigorous cost control, aggressive marketing and effective asset utilisation should ensure a return to profitability in the following financial year."

The Strauss Familie Trust bought the assets and operations of provisionally liquidated Presto for R6,2m in July last year.

Presto initially ran into difficulties after the former management decided to expand its owner-operator vehicle scheme in the face of high interest rates and weakening demand for container transportation services.

Strauss said group management was working "flat out" to ensure the suspension of Presto's shares, enforced in May 1990, was lifted before the end of the year.

Presto's restructuring included a reduction of expensive depots, a total reorganisation of management and the sale of surplus asset (mainly old trailers).

Taxi patronage picks up after train attacks

B/Day 19/11/91 (332)

WILSON ZWANE

TRAIN massacres had given the SA Black Taxi Association (Sabta) a shot in the arm, Sabta public affairs director Mike Ntlatleng said yesterday.

Ntlatleng said that in the past six months there had been a 6% increase in the number of commuters using minibus taxis in the PWV area, particularly between Johannesburg and surrounding townships.

SA Rail Commuter Corporation marketing manager Coen Van Niekerk confirmed yesterday that over the same period 5,4-million commuters (10%) had deserted trains countrywide in favour of other modes of transport.

Ntlatleng said of the increase in taxi commuters: "A factor in this phenomenal growth has been the violence on the Reef trains. The people feel it is not safe to travel by train anymore".

However, the scenario was different in the western Cape where the number of Sabta commuters had plummeted sharply because of the taxi war in the region, he said.

Van Niekerk said the drop in train commuters was most keenly felt on the Reef — which had been hit by a series of train massacres this year.

He added that as part of his corporation's commitment to making trains safe, more than R250m had been allocated for a programme aimed at upgrading security arrangements at 370 metro stations — the majority of them in the PWV area.

The programme would include improved lighting, security fencing and access control gates and would be completed in March 1993.

Putco MD Jack Visser said his company had not been affected. "Our passenger volumes have been very stable," he said.

Sapa reports that the provision of portable metal detectors at Soweto train stations was part of a joint pilot project in an effort to make rail travel safer for commuters, Van Niekerk said.

He said the corporation had provided police with 50 metal detectors.

They would be used primarily at nine stations near hostels in Soweto "where the problems are".

Soweto police liaison officer Col Tienie Halgryn said although metal detectors had been in use at some stations for a few weeks, yesterday they were in operation at all Soweto commuter stations.

He said police had to use their discretion as it was impossible to search every passenger during peak hours when trains were waiting to leave.

Gunman kills 7 in Vosloorus

JONATHON REES

SEVEN people died and seven are believed to have been injured when a gunman opened fire on revellers at a party in Vosloorus on the East Rand on Sunday night, police said yesterday.

East Rand police said a minibus pulled up outside the party and a man armed with an AK-47 climbed out and fired on partygoers, who fled around the corner of the house. The man continued firing at the fleeing people before driving off.

Police said they found a number of AK-47 cartridges on the scene. No arrests have been made, but an intensive search has been launched for the gunman.

In Soweto yesterday, 15 commuters were injured after they leapt in panic from a moving train when a fight broke out in a carriage between men who police said may have smuggled crude weapons through platform metal detectors.

In another incident in Vosloorus, police said they found two bodies at the Kwesine Hostel yesterday. One had been shot in the chest, while the other victim had been shot four times in the head and burnt.

On the West Rand, a man living on an industrial site near Roodepoort was arrested on Sunday when police, acting on a tip-off, raided his house and discovered an AK-47 rifle and ammunition.

In Alexandra, police yesterday found the body of a man who had been hacked to death. The body was at the same site, outside a hostel, where police had found another body on Saturday.

Meanwhile, Sapa reports that the ANC and PAC are to hold urgent talks after a clash in Munsieville, near Krugersdorp, on Friday when a PAC supporter was killed. The ANC said yesterday it would look into allegations made against its members, and take disciplinary steps if necessary.

PEANUTS By Charles Schulz

ANC, Webta meet on taxis

(332) Staff Reporter

THE ANC and the Webta taxi organisation met yesterday. CT 22/11/91

ANC regional secretary-general Mr Tony Yengeni said the meeting was to open lines of communication between the two groups who had not enjoyed good relations since the outbreak of the taxi violence.

He said the ANC had "better" relations with the Lagunya taxi organisation and would meet its members today.

A spokeswoman for the Cape Town Peace Committee, Ms Helen Zille, said the committee supported anyone who worked towards achieving peace.

PUTPROP FM 22/11/91

Fairly priced (332)

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: R19,8m.*
Share market: *Price: 75c. Yields: 5,3% on dividend; 6,1% on earnings; p:e ratio, 16,3; cover, 1,2. 12-month high, 110c; low, 70c. Trading volume last quarter, 44 000 shares.*

Year to June	'88	'89	'90	'91
ST debt (Rm)	—	0,1	0,3	1,1
LT debt (Rm)	46,7	79,1	49,0	47,1
Debt:equity ratio	0,86	0,88	0,86	0,82
Shareholders' interest	0,52	0,39	0,51	0,51
Int & leasing cover	1,9	1,8	1,3	1,3
Return on cap (%)	4,9	7,7	10,6	11,5
Turnover (Rm)	5,1	10,6	11,6	12,6
Pre-int profit (Rm)	5,0	10,4	11,3	12,3
Earnings (c)	4,6	4,6	4,8	4,6
Dividends (c)	3	3,2	3	4
Net worth (c)	201	203	204	207

Putprop's main business is the ownership of properties leased to Putco. At face value, one could argue that its operations are as precarious as those of the bus operator (see Putco report).

In reality, this is not so for a number of reasons. The first is that even if Putco loses on tenders, as the new mass public transport dispensation is phased in over the next two years, chances are that whoever wins these contracts will still need the facilities owned

FM 22/11/91 (332)

by Putprop, whose income stream would thus be assured. Even if this were not the case, there would still be potential to develop the properties for other uses or sell them.

For shareholders, this last option is probably the most attractive. If values used in the balance sheet mean anything, the property portfolio is worth far more than the value the stock market is ever likely to place on it — as is the case at present, with the share price little more than one-third of net worth.

Valued according to income stream, the problem is that Putprop has shown no growth in earnings since it was listed in 1988. While dividends have increased, in the past year in particular when the payout was raised from 3c to 4c, with cover of only 1,2 times there is little scope for further improvement unless earnings break out of their rut.

Resolution of the transport industry's problems would probably give Putprop a shot

in the arm. Until that happens, there are unlikely to be any fireworks and the 75c share price, yielding 5,3% on dividend, is not an unfair reflection of the company, despite the deep discount to underlying asset value

Brian Thompson

(332)

PUTCO FM 22/11/91

Shrinking services (332)

Activities: *Operates mass transport services.*
Control: *Carleo family (52,5%).*
Chairman: *A Carleo; MD: J A Visser.*
Capital structure: *26,4m ords. Market capitalisation: R52,8m.*
Share market: *Price: 200c. 12-month high, 300c; low, 80c. Trading volume last quarter, 477 000 shares.*

Year to June 30	'88	'89	'90	'91
ST debt (Rm)	3,5	2,3	5,5	4,6
LT debt (Rm)	nil	nil	nil	nil
Debt:equity ratio	nil	nil	0,03	nil
Shareholders' interest	0,68	0,66	0,62	0,58
Return on cap (%)	7,7	(0,3)	(4,0)	(6,5)
Turnover (Rm)	302	346	365	360
Pre-int profit (Rm)	19,2	(0,8)	(8,5)	(7,4)
Pre-int margin (%)	6,4	(0,2)	(2,3)	(2,0)
Earnings (c)	9,1	3,5	18,1	(13,7)
Dividends (c)	24,5	8	320	30
Net worth (c)	636	708	498	431

Even the most hardened Putco-watchers, accustomed to the gradual year-by-year disintegration of the group's operations, must have been surprised by some statistics in the latest annual report.

In the year to June the disintegration took on more of the characteristics of an implosion as the annual loss of passengers accelerated to 31% from the average 12% for the eight-year period from 1983 (when the decline started) to 1990. This, with an 18% reduction in total distance travelled, up from the average of 5% for the same eight-year period, gave a 43% slump in the composite passenger:km ratio, arguably the most accurate measure of activity since it reflects both passenger numbers and total kilometres covered.

Last year's losses brought the cumulative decline in the number of passengers to 75%, from the 396m peak recorded in 1982 to a mere 98m in the latest year. Corresponding data for kilometres travelled reflects a 44% decline over the nine years, from 183m to 103m, while for the composite passenger:km ratio the cumulative drop has now reached 86% — which means in terms of absolute activity Putco's operations have been reduced to 14% of their 1982 peak.

However, while the statistics make depressing reading, there has in the past year been a number of positive developments which could lead to a resolution of some of the major problems confronting the mass transport industry.

In Putco's case, the accelerated slump in its operations reflected not so much continued loss of support (though this was undoubtedly also a factor), as much as a more anticipatory stance by the group in weeding out unprofitable routes, mostly short-distance urban trips. This became necessary after losses totalling R14m were incurred in the six months to December 1990, Success of this exercise was reflected in the fact that by year-end the interim loss had been reduced to R3,6m.

A second effect of the interim loss was to prompt Putco to announce in April that it would withdraw completely from the industry. This, after years of inertia, seems to have been instrumental in jolting transport authorities into action, yielding the proposal that the industry should be fundamentally restructured by the phased introduction, over a 24-month period, of a system whereby operators such as Putco would tender to provide transport services under contract to the Transport Department.

By tendering, operators will gain a significant say in the conditions under which services are provided. And, as chairman Albino Carleo points out, once these four-year contracts are signed, the onus will be on operators to remain profitable according to their respective efficiences and within the cost escalation clauses in the contracts.

There are further benefits to the extent that the new system will force the authorities, as the other party to the contracts, to decide which services will survive, bearing in mind the level of support they will have to provide to ensure continuation.

A side effect of this upheaval, noteworthy in its own right, has been an abatement of the hysteria surrounding the whole question of fare subsidies, commensurate with the growing realisation that either the subsidies are going to survive in one form or another, or the transport services they support will not.

It is an open question as to whether the whole thing will work. Putco was sufficiently encouraged by the new order that it cancelled its planned withdrawal. But that does not provide much of a clue as to what the future might hold. In the end, success or otherwise is likely to hinge on a single factor — ability of the group to structure operations in a way that will provide economic utilisation of resources and, in particular, its bus fleet. (332)

COMPANIES FM 22/11/91

The crux of the problem becomes evident when one realises that, though the group's passenger load has declined by three-quarters over the past nine years, it has so far reduced its bus fleet by only 24%. Even if one were to assume 1982's load factor was 100%, capacity utilisation across the board now cannot be more than 33%.

As regards the share, there is still no certainty as to whether one should consider Putco as a going concern or as a break-up. The group is at a watershed and, until it becomes clearer which of the two applies, the only thing that can be said for the 200c share price is that it is a good round number.

Brian Thompson

cont →

Taxi war 'disarmament

(332) ARG 23/11/91

Hope of lasting peace after 24 hours without report of serious violen

Weekend Argus Reporter

THE photograph shows some of the tools of death and destruction police confiscated from taxi drivers this week.

The crackdown by police and the SADF has resulted in a "drastic" drop in incidents of violence, police say.

Lieutenant Chris van Rooyen, a platoon commander, who holds a 9mm calibre pistol and a panga, was part of the team that made the haul of weapons. The assortment of pangas, knives, sharpened rods, axes, whips, kerries and real and toy firearms along the wall tell their own story.

They are frightening testimony to the violence that has ripped communities apart in the ongoing taxi war.

However, the security forces believe they are winning their own battle — the battle for peace.

Yesterday was a watershed, they say. A day, 24 hours, went past — and not a single incident of taxi violence.

Since SADF reinforcements moved into the troubled townships last week to back up police, things have stabilised.

Police spokesman Captain Attie Laubscher was moved to describe the change as "drastic".

"You could even say we have seen a radical drop in incidents of violence," he said.

Figures were not yet available, but the violence seemed to be on the wane. "Every day we gather details of incidents and it appears that these incidents are less in number."

Statistics would be analysed shortly and then a clearer picture would emerge. "Then we will be able to look at attacks on persons, attacks on property and so on and see if any trend is apparent."

Asked about community co-operation, he said: "Well, the community actually requested the army presence. They have a right to safety." Reaction had been "very positive".

The SADF had helped police provide a "visible presence" that returned a "measure of security and confidence" within the community.

"The idea was to maintain high-density patrols. We have done everything in our power to combat and contain the continuing violence and after a week's intensive patrolling it would appear that we are having an effect."

Meanwhile, talks between the warring taxi bodies continue.

In a joint statement, the ANC and Lagunya taxi association said they had met yesterday for talks on the taxi conflict.

"The ANC met Lagunya with the objective of keeping lines of communication open for ongoing exchange of views," said the statement, issued by ANC regional secretary Mr Tony Yengeni and Lagunya chairman Mr Johnson Martinis.

"The ANC also briefed Lagunya on its meeting the previous day with Webta," the statement continued. "The ANC stresses that it is not attempting to mediate in this conflict, but will assist the two organisations in finding a solution to the crisis."

Picture: OBED ZILWA, We

Secret base in taxi war uncovered

332

South 21/11/-27/11/91

By Mbuyiselo Mtsheketshe

A SECRET base between Khayelitsha and Mitchells Plain houses members of one of the feuding taxi associations that allegedly collaborate with the security forces.

The discovery of the base from where attacks are planned follows claims from residents that police are involved in the taxi conflict.

SOUTH established that entry into the base can only be achieved through secret signs and signals.

A gravel road lined by bushes leads to the main base and if drivers do not give the required signals to guards along the road there is every likelihood that the driver will be shot.

A group of former members of the taxi association occupying the base, which is known as Kuwait, were allegedly assaulted at their homes last week and forced to go to the base.

One of the group, who asked to remain anonymous, spoke of conditions at the base.

Assaulted

"When we were assaulted on Friday we were told that anyone who revealed any information about the base will be shot.

"The base is situated near Khayelitsha cemetery with a group of armed men surrounding the area day and night. When we reached the base we were separated into two groups.

"We were told that our job was to destroy the ANC and the opposing taxi association.

"About 9pm a group of whites who I believe could be security force members wearing private clothes with no name tags visited the area.

"They were carrying some food for us to eat. We held a meeting that night where we discussed the strategies to attack the hostel dwellers who were believed to be ANC members at Nyanga near the taxi rank.

"Immediately after the meeting we were taken to the hostels but we parked the taxis and took a walk to the area.

"The mission was started as planned but we were disturbed by patrolling SADF members.

"We exchanged shots with the SADF and the police who were patrolling when they tried to chase us away from the area.

"They released us late on Sunday and warned us not to talk to anyone about the base."

Further investigation revealed that 10 youths from Crossroads were trained at the base last month.

Recruitment

During their recruitment they were told they would be trained to kill, according to a source.

"The youth were told that their job was to assassinate Mr Jeffery Nongwe and to destroy the ANC in Crossroads. The youth were paid a salary of R800 a month," the informant said.

Two months ago a man known as Ntangana was allegedly kidnapped and taken to the base where he was assaulted.

He was said to be an ANC member. He told them that he knew nothing about the ANC and its operations as he was a migrant worker from Ciskei. He was released the following day, another source said.

Mr Gladstone Ntamo, a member of the Taxi Crisis Coordinating Committee said the involvement of the SADF in the area would be a short-term solution. He said perceptions that the SADF can help quell the violence are wrong.

"In some instances the police came to houses and carried out searches. Immediately after they left the house, people from one of the taxi associations came to attack.

"It seems the police are disarming us in order to create targets for this taxi asociation," he claimed.

Responding to the claims police liaison officer Captain Hendrik Opperman said all the allegations about police involvement in the taxi violence would be referred to the Special Investigating Unit for investigation as a matter of urgency.

He called on all the people with evidence about police involvement to contact his office so that such individuals can be brought to book.

Taxis in convoy after attacks

C/Press 24/11/91

332

By ELIAS MALULEKE

COMMUTERS between Mamelodi and Lebowa are complaining that they are delayed because minibus taxis are travelling in convoys for security, instead of leaving the ranks separately when full.

They claim they are forced to wait in packed taxis for hours until at least seven are full.

"It is worse than waiting for a bus. The worst part is that we are not allowed to leave the taxis once we have boarded," one angry commuter said.

A City Press reporter this week observed how eight taxis travelling the same route left the Mamelodi taxi rank together, followed by a minibus load of security men.

Alpheus Oupa Uonae, a spokesman for Boseka Boejela Taxi Association (Bobta), said lone taxis risked being ambushed by rival taxi operators.

Clashes between members of Bobta and rival taxi operators in Lebowa over the control of routes and the Groblersdal Taxi Rank have claimed the lives of at least 25 taxi drivers this year.

Eastern Transvaal police spokesman Col TJ Mahlangu said police were "doing everything possible to solve the problem.

Taxi group warns Pta 'pirate squads'

Sowetan 25/11/91

332

By MONK NKOMO

THE Atteridgeville-Saulsville Taxi Owners Association yesterday warned "pirate squads" in the Pretoria and Bophuthatswana regions to stop harassing operators who transported passengers into other areas on special trips.

Astoa public relations officer Mr Joseph "Chicks" Chauke said he had received complaints that pirate squads in surrounding townships charged non-members R5 to operate in their territory.

Chauke said he was stopped at the Soshanguve taxi rank at the weekend by members of the pirate squads.

He said: "I was on my way from Atteridgeville to Soshanguve when I was stopped by members of the pirate squads who asked me why I had passengers in my minibus in their territory.

Special

"I explained that this was a special trip but these guys did not want to listen.

"They ordered me to pay R5 for being in that area but I refused," Chauke said.

After a long argument, members of the special squads allowed him to move into Soshanguve without paying the R5.

"I warned them that what they were doing was going to lead to violence."

Taxi bodies deny troops credit for calm

By RAMOTENA MABOTE

BOTH Webta and Lagunya taxi associations were yesterday reluctant to attribute the improved atmosphere in the townships to the deployment of SA Defence Force troops there.

The rival associations were responding to questions raised by their decision to start operating again this week, after about seven weeks of inactivity.

Mr James Mafuya of Webta said that since the intervention of the SA Black Taxi Association (Sabta) in the crisis there had been good communication between the two groups. He thought this had led to their resuming operations.

He did not say the SADF-SAP special unit had played no role, but their presence had stopped only fire attacks, whereas seven Webta minibus taxis had been stoned in the unit's presence.

At least 100 members of the SADF were deployed in the township 10 days ago in response to an appeal by the Mayor of Cape Town, Mr Frank van der Velde.

Mr Mafuya said the unit was not doing enough to protect passengers who were assaulted at Nyanga East bus terminus for using Webta taxis.

Lagunya's chairman, Mr Headman Nongwenjane said the decision to resume work had been taken "unilaterally", because "drivers needed money after many weeks of non-operation".

Although no incidents had been reported yesterday, he said, the strength of the SADF would be tested today when Lagunya returned to the Khayelitsha-Cape Town route, which has been a major bone of contention between the two groups.

A spokesman for the Western Cape command of the SADF, Lieutenant Johan van Schalkwyk, said the army had played a "fundamental" role in restoring the present calm atmosphere. CT 27/11/91 (332)

They had been successful because they had remained impartial, as they had undertaken to be.

Did to get

ANC gives taxi peace effort a major boost

South 28/11-4/12/91 332

By Mbuyiselo Mtsheketshe

CHANCES for a lasting peace between the two warring taxi groups in Cape Town have been given a major boost after the ANC met officials from the rival factions last weekend.

Webta and Lagunya resumed operations on all routes in the townships this week.

ANC regional secretary Mr Tony Yengeni stressed that the ANC was not attempting to mediate in the conflict, but would assist the two groups in finding a solution to the crisis.

A joint statement by the ANC and Webta chairperson Mr James Mafunya said the objectives of the meeting were to formalise the relationship between the two organisations and "to keep lines of communication open".

The ANC said the meeting had created understanding between the two associations and hoped it would assist in achieving peace.

Mafunya said there had been peace since the meeting and attempts were being made to include the PAC in the initiative.

Meanwhile township residents are planning to form a single taxi association. They have called on Webta and Lagunya to disband to make way for the new body.

However Mafunya rejected the idea of forming a unified body. He suggested the executives of the rival bodies oversee the peace initiative. Lagunya could not be reached for comment.

Nyanga Civic Association spokesperson Mr David Mkhize said his organisation would be hosting a mass meeting at Nyanga bus terminus on December 30 to draw up a constitution for a unified taxi association.

He said residents had agreed that both associations should disband.

The clash between Lagunya and Webta that erupted in February this year has claimed more than 40 lives and cost more than R2,5 million in damage to taxi owners.

The clash erupted over routes and ranks and during the conflict about 134 taxis have been torched and some drivers killed.

Commuters were also under constant threat as the taxi groups attacked each other in free-for-all street battles.

The conflict was further complicated when community and political organisations stepped in to end the carnage.

The Taxi Crisis Co-ordinating Commitee was set up when township residents were angered by the bloodshed and violence. Webta pulled out from the committee and accused it of favouring Lagunya members.

Popular leaders like "Pro" Jack and Michael Mapongwana were gunned down seemingly because they were involved in peace attempts.

It has also been suspected that a third force was involved in fomenting the violence and bloodshed.

There have been allegations that a number of minibuses on both sides were owned by the outsiders — whites, police and other businessmen.

This week the ANC accused the police of breaching the peace accord, following an incident in Nyanga where a policeman was found without a name tag as required by the peace accord.

Probe into political agenda in taxi war

CT 29/11/91 Staff Reporter (332)

AN investigation into whether a political agenda has fuelled the Peninsula's taxi war will be undertaken by the Commission of Inquiry regarding Public Violence and Intimidation.

However, a statement from the commission said yesterday that since various organisations and people were engaged in investigation and mediation, "no public inquiry is envisaged at this stage".

Cape attorney-general and vice-chairman of the commission Mr Neil Rossouw will investigate "the nature and causes of the violence and intimidation, whether it aims at the achievement of any political goal, (and) what persons are involved in the violence and intimidation".

The investigation would also recommend steps "to curb or prevent the violence".

The statement said the commission would approach the various interested parties, including members of the Cape Town Peace Committee.

Mr Rossouw declined to elaborate on the press statement.

Mayor calls for 'neutral' taxi rank

ARG 29/11/91

EDWARD MOLOINYANE
Staff Reporter

332

MAYOR Mr Frank van der Velde has appealed to the Ikapa Town Council to ensure the neutrality of the Nyanga taxi rank, scene of taxi war fighting.

Mr Van der Velde said it was essential that the terminus be available to all taxi owners, regardless of which association they belonged to.

The development follows allegations by Nyanga residents that one of the taxi associations claims the rank belongs to it exclusively.

In a letter to Mr J J Olivier, chief executive for the Ikapa Town Council, Mr Van der Velde said it was "obviously unacceptable" that land set aside for public transport should be monopolised by only one association.

The letter said: "The terminus has become a focal point in the taxi war between Webta and Lagunya, resulting in serious clashes between the warring parties at this terminus."

Nosedive for Concorde

B/Day 29/11/91 SHARON WOOD (332)

CONCORDE Travel Holdings yesterday reported a 26% fall in earnings in the six months to September to 4c a share from 5,4c a share in the previous year.

Gulf war hostilities, difficult domestic trading conditions and unrest in the Soviet Union resulted in a 24,3% decline in attributable earnings to R645m during the period from R864m. A statement said these trends and events adversely affected operating income.

"We anticipated that our profits for the next six months will be higher than those of the same period last year," a statement said.

Current liabilities decreased by 32,6% to R5,4bn from R8,0bn.

MICOR FM 29/11/91

Limited disclosure (332)

Activities: *International and domestic freight, travel, finance, insurance broking, and the sale of industrial equipment.*
Control: *Directors 45%.*
Chairman: *C B Kaplan; deputy chairman: M J Kaplan.*
Capital structure: *16,5m ords. Market capitalisation: R11m.*
Share market: *Price: 65c. Yields: 7,7% on dividend; 23,4% on earnings; p:e ratio, 4,3; cover, 3,0. 12-month high, 110c; low, 65. Trading volume last quarter, 89 000 shares.*

Year to June 30	'88	'89	'90	'91
ST debt (Rm)	12,3	18,3	20,5	33,8
LT debt (Rm)	2,8	2,5	2,5	2,5
Debt:equity ratio	0,49	0,56	0,55	0,88
Shareholders' interest	0,38	0,33	0,35	0,35
Int & leasing cover	2,0	2,2	2,4	1,4
Return on cap (%)	10,4	10,4	10,2	11,1
Turnover (Rm)	370	425	492	526
Pre-int profit (Rm)	5,8	8,3	8,9	10,4
Pre-int margin (%)	1,6	1,9	1,8	2,0
Earnings (c)	89,6	147,8	29,1	15,2
Dividends (c)	27,5	49	12	5
Net worth (c)	675	862	167	183

Shares split 5:1 during year.

The fortunes of Micor Holdings, which saw earnings almost halved last year, are firmly blamed on external trading conditions. Yet a group with a similar portfolio of businesses, Rennies, managed to increase its attributable profit by 12% and hold the decline in its operating profit to 8%.

However, direct comparisons cannot easily be drawn. Only selected data is provided on Rennies, which is unlisted and held 75% by Safren. As part of a cash-flush holding group, Rennies is not subjected to the same debt burden as Micor, which paid R7,6m, or about three-quarters of operating profit, in

FM 29/11/91 (332)

interest.

The margins in the Micor freight division were affected by "frequent cost increases by government agencies such as Posts & Telecommunications and Transport." Chairman Cecil Kaplan says bankers are reducing their exposure to international trade and VAT is providing a further incentive for this. Importers are expected to pay VAT upfront when lodging customs documentation, leading to "enormous" additional debt.

The travel interests and the financial services produced improved results. Because of the difficulties in short-term insurance, however, the financial division made a pre-tax loss of R422 000. Bandsawing Services' profit was sharply down, in line with the decline of the engineering sector. Pre-tax profit from industrial interests fell from R380 000 to R118 000.

Micor's local subisidiaries are held in 92%-owned Micor Industrial Corp, which saw earnings decline by more than three-quarters to R725 000. About three-quarters of Micor Holdings' bottom line was derived from offshore interests, whose contribution was in line with that of the previous year.

The share is not well rated. It offers an earnings multiple of 4,6 and a dividend yield of 7,1%. Micor does not disclose any information about the nature of its offshore interests, so it is difficult to judge their prospects. Without such knowledge the increase in gearing from 55% to 88% is a cause for concern. Based on the information available the counter looks unpromising. *Stephen Cranston*

EYE-OPENER: *Commuters on the Honeydew route are surprised to find a white teenager behind the wheel. By RAY NXUMALO*

New kid at the minibus taxi ranks

W/mail 29/11-5/12/91. (332)

AT THE age of 18, William Foster has landed a job most northern-suburbs teenagers would never dream of: driving the dreaded minibus taxis.

He has always liked cars and once cherished the idea of being an automotive computer programmer. He learnt to drive at the age of nine and was bound to work with cars to earn a living.

"The excitement and fun associated with driving taxis absorbed me," he told *The Weekly Mail*. "The prospect of meeting new people daily and mixing with other races was too much to resist."

Foster identifies with the community of taxi drivers he has joined — even down to defending their "creative" driving styles. "I admit we do drive fast sometimes, but we are not the maniacs people make us out to be," he said.

"There is a vast difference between driving fast and reckless driving. The recklessness we are accused of is a prejudiced opinion in people's minds about minibus drivers."

Foster was introduced to the business about five months ago by a taxi driver whom he knows only as Peter, who helped him get from Honeydew to Sandton.

They became friends and Peter eventually allowed him to do the Honeydew route from the terminus at Bree and Sauer streets.

Peter works for taxi tycoon Moses Mbatha, who did not blink an eye about the new casual employee.

'Heita' ... William Foster greets his passengers in township lingo Photo: GUY ADAMS

"Before I knew what was happening, I was driving a taxi — and enjoying it," Foster said, adding that his acceptance by the other drivers has contributed to his enjoyment of the job.

But Mbatha is ambivalent about Foster's status. He is concerned about his safety: "If I give him this job permanently, the other drivers could feel insecure, become jealous and do everything to discredit him. They may even deliberately crash into him," he told *The Weekly Mail*.

Foster is expected to cash in R300 every day, but he admits that some days are not as good as others. "My weekly wage is about R300 and I wouldn't say it's a bad salary."

He is unperturbed about the recent spate of taxi hijackings. "We have a system where at least two taxis depart simultaneously from the rank. In this way we can check on each other along the route," he explained.

Themba Shoba, who operates the same route, had this to say about Foster: "He's different from the whites we are used to. He is a quiet and respectful kid. He knows what another human being is, and it shows in his manners and approach towards others."

The public's response is usually one of surprise: "Sometimes my passengers cannot believe that they have a white person to drive for them."

He can't speak any African language but knows the crucial words, like "Donsa!" — which in taxi language means a driver should take the minibus forward to the loading point and close any gap. Greeting is no problem: the township lingua franca of "heita", "hoezet?" and "sharp" suffice for the more formal "hi", "howzit" and "I'm fine" routine.

He knows that when passengers say "we give you four De Klerks for the backseat", they're not talking about the state president — they mean R8, made up of four of the new R2 coins which were minted immediately after FW de Klerk took office.

"I wish I had learnt at least one African language to be able to figure out what they are saying behind me," he lamented, but pointed out that passengers often bend over backwards in an effort to bridge the language gap: "They speak English or Afrikaans, which is a big plus for me."

Foster drives the 15-seater Toyota HiAce commonly known as a "Zola Budd". He said he is not whiling away the time behind the wheel, but takes his job very seriously.

In fact, by the time he turns 25 he aims to be his own boss driving his own minibus taxis.

"The association gives full membership to drivers after seven years of loyal service," he said.

He works seven days a week but does not mind because "there are some days when the car is taken in for repairs — and that is all the rest I need".

He added that his mother doesn't mind him driving taxis, "as long as I have a job".

"It is a job which I can safely recommend to others — it really is an eye-opener," he said.

Taxi-drivers' war wreaks havoc among community

(332)

LINDA GALLOWAY ARG 30/11/91
Weekend Argus Reporter

RAGING war between Webta and Lagunya taxi-rivals has wrought havoc in the community living and working around the Nyanga bus and taxi terminus, scene of violent and bloody exchanges.

Across the road from the huge terminus, where the rivals are grouped at opposite ends and buses move in and out constantly, is the St John Ambulance primary health care centre.

There, bullet holes in the ceiling attest to the clashes and staff work in fear of their lives. But life goes on, and every day the centre is opened to those seeking help, or attending sewing or knitting classes.

"When the fighting starts, people run here to seek shelter. We could never close the doors on them," said one staff member.

"And those who are wounded come to us for first aid, from both sides. We help them and then take them to hospital."

Next door is the Nyanga day hospital, where patients stream in for treatment. They are also flooded with commuters caught up in the conflict and seeking safety.

Hawkers who desperately tried to ply their wares with bullets flying over their heads, tell horror stories of being shot and having to flee. But they are forced to return, through economic necessity, to continue their trade when things quieten down.

A young woman cooking boerewors over an open fire lifted her dress to show the bullet wound in her leg. She says she was caught in the cross-fire between warring taxi-drivers.

"My stall was in the middle of the terminus. Now I've moved slightly further away but I'm ready to run at any time. It's bad, and its bad for business."

After almost a week of calm, confidence is slowly returning to the harassed commuters who must use the terminus every day. A group of Rastas with an amplifier play music and people are buying fruit, T-shirts, lotions and potions on sale.

The pupils at John Palmer Senior Secondary, across the road from the war zone, were forced to flee their building when the conflict moved on to the premises. A man visiting the caretaker in his cottage was hit by a stray bullet.

The pupils packed their bags, put their desks on their heads and marched to Liwa Senior Secondary, 500 metres away, where they now have classes on a platoon system. Liwa pupils work until noon, then John Palmer pupils have lessons until 5pm.

The only ray of light was that the evacuation allowed time for the renovation of the township school.

The Presbyterian church pre-school next door to the terminus was closed for weeks, because the children's lives were in danger. It re-opened on Monday, but a wary eye is being kept on taxi-war developments.

Nyanga Civic Association spokesman Mr David Mkhize said the community was putting pressure on the local authority to move the taxis and buses from the terminus, if only temporarily, to restore order to the embattled area.

"It is right in the middle of a neighbourhood trying to go about its business," he said. "It can't go on like this."

Picture: LEON MÜLLER, Weekend Argus.

☐ **UPDATE:** Unrest Monitoring Action Committee chairman, MP Mr Jan van Eck, discusses developments with Nyanga Civic Association spokesman Mr David Mkhize. Across the road is the church pre-school which closed during the conflict.

Taxi war flares up once more

CT 30/11/91 (332)

Staff Reporter

THE taxi war flared up again this week after a lull when troops were deployed in the townships.

Police said a number of violent incidents pointed to renewed warfare.

In one unconfirmed incident, a number of commuters were allegedly attacked in Lansdowne Road, Philippi, by the club-wielding occupants of a Webta taxi.

According to a Wetton woman who helped one of the victims, the taxi allegedly stopped at a bus stop and the occupants leaned out of the windows and beat commuters with clubs.

Police could not confirm the incident, and Webta could not be reached for comment late yesterday.

Three other taxi-related incidents occurred in Lansdowne Road, Philippi, on Thursday and yesterday, police reported yesterday.

About 7.45am on Thursday, on the corner of Strandfontein and Lansdowne roads, a taxi driver stopped his vehicle. According to police, two Webta taxis then stopped and two shots were fired at the driver, who ran away. One of his attackers chased after him but the man "became angry", turned around and apprehended his attacker, who was handed over to police who had arrived to the scene.

Police said a Webta driver alleged that about 8.30am on Thursday, at the same place, two rival Lagunya taxis forced him to stop and the occupants then stoned him and his vehicle.

Shots were fired at the Webta driver and he fled on foot. When he later returned to his damaged vehicle, he found that some cash and a radio had been stolen.

At 10.50am on Thursday in Lansdowne Road two groups, presumed by police to be Webta and Lagunya factions, stoned each other. Police dispersed them with teargas and arrested three people for public violence.

In another incident, about 7.30am yesterday, a taxi driver stopped his vehicle at the Wetton circle. A man approached him and fired a shot at him. When the driver fled on foot, more shots were fired at him.

Police have arrested a man for attempted murder in connection with the incident.

● Police seized weapons, including pangas and knobkerries, from a Webta minibus near Cape Town yesterday afternoon.

No charges were laid.

Brothers Jowell add the Top 100 Company award to their own

(332)

S/Times (BUSS)

By TERRY BETTY

1/12/91

TWO brothers are among this year's Business Times Top Five Businessmen.

And their company is the best performer in the top 100 companies awards for 1991.

Joint managing directors of transport company Trencor Neil and Cecil Jowell both received the award because it would have been invidious to single either of them out for their contributions to the firm's success.

The other top businessmen are Peter Wrighton, chairman of Premier Group; David Brink, chief executive of Murray & Roberts; and Peter Joubert, chairman and managing director of Afrox.

Chairman

Neil Jowell, who is also Trencor chairman, said at the award presentation at a banquet in Johannesburg this week that the company's joint chief executive, Ray Hasson, was an indispensable member of the team.

Mr Jowell praised Mr Hasson for Trencor's successful penetration of the export market.

Trencor is involved in the export of freight containers to many parts of the world, motor components to America and a host of SA products to the Indian Ocean and Far East.

The top five were chosen for their efforts in steering their companies successfully through one of the longest and harshest recessions SA has endured. They were also active in socially responsible activities.

The top companies were ranked according the all-in cash return to shareholders on an original investment made five years ago. This includes capital gains, dividends, as well as interest.

Sunday Times Editor KEN OWEN presents the Top 100 Company award to CECIL JOWELL and his brother NEIL at this week's banquet

Past

The tables show Trencor's return to shareholders was 72,19% in the past five years. This was closely followed by Suncrush, Utico Holdings and CNA Gallo.

More than 450 people, top businessmen and their partners, attended the banquet, which included 42 members of the "alumni association" of past top businessmen. They included Liberty Life's Donald Gordon, Eskom's Ian McRae, Piet Badenhorst from Absa and Pepkor's Christo Wiese.

Alumni members go as far back as 1967 when the award was introduced.

TRENCOR DELIVERS THE GOODS AND TAKES TOP AWARD

(332)

S/Times (Buss) 1/12/91

TRENCOR'S WINNING TEAM ... Standing: Deon Blignaut, John Hoare, Rod Clinto, Jimmy McQueen. Seated: Cecil Jowell, Neil Jowell, Ray Hasson

TRENCOR, the Jowell family's extraordinary trucking, trailer, container and tyre group, is Business Times top company for 1991.

An investor who bought R10 000 of Trencor shares in September 1986 would have seen his investment grow to R151 368 in five years — an average compound return of 72,19% a year.

In the past decade, brothers Neil and Cecil Jowell have steered Trencor from its trucking roots in the semi-desert of Namaqualand into heavy trailers, containers and tyres.

Through hyper-efficiency and secrecy-shrouded success in export markets, they have enriched shareholders vastly in apparently unpromising business areas.

Business Times rankings measure performance for shareholders. They are based on capital gains plus dividends over five years (see separate story). Performance depends largely on share-price appreciation.

But, as the table shows, Trencor's shares have soared for solid fundamental reasons. In the past five years, turnover has trebled to R829-million and taxed profit has grown at 46% a year compound from R16-million to R105-million.

Its performance has been no flash in the pan. Trencor was second last year and has ranked in the top five for the past four years.

By DAVID CARTE

It has been by far the most consistent company — even among the Royal companies which have been in the top 20 for three consecutive years.

Business Times top companies tables this year debunk the myth that the institutional blue chips have made the running in the market. In the top 20, the only companies regarded as blue chips five years ago were SunBop and Edgars. You really make money in second-liners due for re-rating.

The runner-up in Business Times top companies rankings is Suncrush, Robin Hamilton's astonishing soft-drink bottler and distributor.

Suncrush has been the beneficiary of national soft-drink volumes growing at 15% a year and some cosy non-competitive market sharing arrangements with other bottlers and distributors, such as SA Brews' Amalgamated Beverage Industries.

Suncrush has expanded from Natal into the Free State, the Transvaal, Lesotho and recently Mozambique.

Through holding company Tempora, Suncrush bought 5,6-million shares in Cadbury Schweppes for R177,1-million this year. Cadswep, also no mean performer, ranks eighth in Business Times, top company rankings.

The upshot of all this has been an outstanding return to Suncrush shareholders of 65,7% a year. Anyone who held shares worth R10 000 five years ago has seen his investment grow to R125 102. Suncrush came up from 14th place last year.

Utico, the company that Rembrandt displaced 25 years ago as SA's No 1 in cigarettes and tobacco, has struck back with Benson & Hedges and a ludrative snacks business.

Utico has increased shareholder wealth by 64,33% a year for the past five years. A R10 000 investment in 1986 is today worth R121 669.

With its share price rocketing from R24 to R59 September-on-September, Utico soared up from 22nd place last year.

As the table shows, three of the top 10 companies benefited by poor performance and low share prices five years ago — Utico, CNA Gallo and Genrec.

All three have recovered spectacularly, providing

☐ To Page Two

Trencor delivers the goods

S/Times (Bus) 1/12/91. (332)

☐ From Page One

an object lesson in the rewards of patience in investing. Stay with a good company through the bad times. It will recover.

Business Times top 10 companies suggest that in straitened economic times South Africans have been slugging soft drinks, guzzling chocolates and snacks, chain smoking (Suncrush, Cadswep and Utico), reading voraciously in front of their television sets (CNA, Argus and M-Net) — and gambling hard in an attempt to pay their bills (SunBop).

Of the top 10, only Trencor and Genrec do not serve consumers. As the redistribution process of the new SA has started, the hottest performers have been those that serve black consumer markets.

Genrec's share price leapt from 460c to 1 525c in the year to September. While rivals suggest it will run out of steam when its Mossgas work is completed, Genrec is full of confidence and looking to build oil platforms for export.

Eight of the top 10 companies are medium-size operations with turnovers in the R500-million to R1-billion bracket. Only Argus and Consol, with sales of R1,8-billion and R2-billion respectively, are true mega-groups.

Fourth is CNA Gallo, described by chairman Doug Band as "the premier supplier of knowledge, information and leisure products — first with the goodies".

Jewels

CNA Gallo has benefited from the education boom, township electrification, as well as its dominance of books, records and compact discs.

CNA Gallo, which hoisted taxed profit from R13,3-million to R55,2-million between 1986-1991, is one of several jewels in the crown of seventh-ranked Argus.

Argus' mainstream newspapers increased profits by only 10% last year. Best performer among them was the Sowetan.

The real sparklers were CNA Gallo, Caxton and the investment in M-Net, which enabled Argus to leap from 19th to seventh spot, ousting Times Media from its top spot among publishers.

It was a great year for media companies. M-Net was the biggest riser on the year, soaring 373% and helping Argus, Perskor and Times Media to more than double their share prices.

Times Media, publisher of the Sunday Times, Business Day, Financial Mail and other publications, is ranked 20th and qualified as a Royal company for making the top 20 for three consecutive years.

Fifth is Berzack Bros, another family-controlled business that diversified out of sewing machines into electrical cables, plastic products, shipping clearing and forwarding.

Berzack's shrewdest move was to form Voltex in association with Elcentre last year.

With South Africans apparently abandoning water, tea, coffee and sorghum beer as thirst quenchers, Consol had a hard job providing enough bottles and glasses for the soft-drink and clear-beer they so evidently prefer.

Consol received a double whammy by absorbing Goodyear and Tredcor into Tycon. Anglovaal's star-spangled bottle- and tyre-maker reported earnings up 23% in its most recent results.

Plunger

W&A Investments, top company last year and the year before and No 9 in 1988, has fallen to 28th spot. Six-time winner Toyota did well in a depressed motor market to hold 25th spot. Two-time winner Waltons ranked 101st.

One of the biggest risers on the year was Christo Wiese's irrepressible Pepkor, up from 73 to 14 shortly before the Checkers takeover.

Murray & Roberts, David Brink's rerated construction and industrial group, soared from 90th to 23rd position on the strength of a share price that doubled in the year.

Biggest plunger was Messina, down from third to 63rd. Nearly every company associated with mining took a big fall.

Fraser Alexander plummeted from sixth to 65th, Trans Hex from eighth to 45th and De Beers from 18th to 72nd. Rustenburg Platinum departed from the table after being 37th last year.

Amic and Gold Fields of SA were other heavyweights to crash out of the top 100.

W&A gave a return of 90% a year in the five years to 1990 and No 2 Trencor returned 74,5%.

Nevertheless, the average return for the top 20 companies this year was virtually unchanged — 57,9% this year against 55,5% last year. The 100th company last year gave a return of 18,1% against this year's 18,5%.

NNING WAVE

Net shares leapt from 142c
c in the year to September.
plus a maiden dividend
shareholders a return of
in one year.
share did not stop rising
September. It has rocketed
re than 800c, which is more
0 times net asset value of

impact on the shares of
companies owning stakes
Net has been astounding,
Perskor and Times Me-
making the top 20.
it been listed, the other
holder, Nasionale Pers,
phenomenally profitable,
would also have been high in the Business Times rankings.

One test of a good portfolio manager is whether he spotted M-Net in the early days.

Sanlam investment chief Ronnie Masson says his team recognised the incredible potential of M-Net shortly after it was listed and bought every share it could get at under 150c.

Scrambled

He says that although always hard to get, M-Net was a sweetener for several Sanlam portfolios.

On one hand, M-Net is a government-granted and protected licence to print money. Broadcasting is still a tightly regulated oligopoly.

On the other hand, M-Net is one of the most cost-efficient pay TV stations in the world. Its technology, based on a scrambled picture being sent out and unscrambled by a decoder, eliminated the need for costly cabling — not to mention licence fee and debt collection.

The ability of the pay station to simply switch off a recalcitrant payer is the envy of the entire business world.

Although programme content may leave much to be desired for some tastes, the business basics are great.

M-Net covered its cap-

Trencor top of pile

TRENCOR, the Jowell family's trucking, trailer, tyre and container group, is Business Times top company for 1991. Of all JSE-listed companies, it did best for shareholders in five years to October 1, 1991.

(332)

The Sunday Times today publishes a Top 100 companies supplement.

Besides describing those companies that have made the top 10 and looking at issues relating to business, the supplement carries several tables about listed companies. Most have been supplied by I-NET, the Times Media electronic financial information service.

S/Times (Buss) 1/12/91.

They include the top 100 companies ranked by: turnover; taxed profit; market capitalisation; return on sales; biggest increase in sales over two years; return on capital; increase in taxed profit; decrease in taxed profit; four-year compound growth in earnings a share and interest cover.

of theft involving R7,4m. Picture: ROBERT BOTHA

Sabta may take over Sandton bus service

(332) B/Day 3/12/91

THEO RAWANA

BLACK taxi organisation Sabta might take over the running of Sandton's municipal bus service when the local authority cancels its contract with a private company in June.

A Sandton Town Council meeting decided last week that the agreement with Comuta Services should be cancelled because the bus service was uneconomical and under-utilised.

The meeting had also been told that "excessive tariffs" paid by the bus service's commuters may have been responsible for the lack of support it was receiving.

The council decided to investigate whether Sabta could provide a regular minibus service within the municipal boundaries of Sandton.

The council will also investigate whether the Johannesburg Transport Department will consider extending its proposed bus routes in Sandton to cover a wider area.

Council spokesman Daleen van Wyk said yesterday the council was investigating an offer from Sabta, but this was among other options open to it.

It would be clear by next April what passenger transport service was acceptable to Sandton.

Sabta national media manager Fanyana Shiburi said the taxi organisation had been running a taxi service between the Johannesburg CBD and Sandton for the past eight months.

Sabta was talking to Sandton and the route agreed upon would be handled by drivers trained through its Project Spear training system. "There will be tighter security on this route, with two trained guards manning each taxi," Shiburi added.

Pik pays tribute to Info-busting Katzin

DAVE LOURENS

THE funeral of top investigative reporter and Sunday Star assistant editor Kitt Katzin — who died yesterday of cancer — will be held tomorrow.

Colleagues — and Foreign Minister Pik Botha — paid tribute to the man responsible for leading the exposure of the Info scandal which brought down John Vorster's government.

Sunday Express editor at the time of the scandal, Rex Gibson, said four qualities particularly distinguished Katzin, 51. They were his unflagging enthusiasm, his doggedness, his total commitment to the notion that the public had to be told the truth, and his courage.

"I worked with him during the momentous days of the Info scandal. His life and his family were threatened as he probed the biggest political scandal of the decade. Not one word he ever wrote about the Info episode has ever been seriously challenged. For a consummate professional there can be no higher tribute."

Botha said that despite differences the two agreed on fundamental issues, such as the moral necessity to remove racially discriminatory legislation.

He described Katzin as "always dynamic, imaginative and resourceful".

SA Union of Journalists president Sven Lünsche said Katzin had set an example to journalists through his commitment to pursuing the truth.

The union's bestowal earlier this year of its Pringle Award on Katzin was a great tribute, as it had been made by his colleagues.

Head of the Rand Daily Mail investigative team into the "Info" scandal, Chris Day, said Katzin had inspired all journalists.

● See Page 8

USINESSMEN
VA, THE OFFICIAL
, IS LAUNCHING A
VELLER
TO 25% OFF
BENA
VORLD AIRLINES

INTERVENTION . . . Police regional operations chief Brigadier Frik Kellerman intervenes during a clash in Nyanga between the warring Webta and Lagunya taxi associations yesterday. He is to meet the taxi groups again today.

Brigadier tries to halt taxi battles

CT 4/12/91 (332)

Staff Reporter

POLICE regional operations chief Brigadier Frik Kellerman intervened in township taxi war clashes yesterday, appealing to the warring Webta and Lagunya taxi associations to stop fighting.

According to a witness, tit-for-tat clashes took place yesterday.

Webta taxi drivers stoned Lagunya taxis in Wetton yesterday morning, he said. Lagunya members retaliated by attacking Webta members at a Guguletu taxi rank, and Webta members then stoned Lagunya vehicles in Nyanga.

Police spokesman Major Gys Boonzaaier confirmed that Brigadier Kellerman went out to the Nyanga taxi rank, where he spoke to the two factions and appealed for calm.

Major Boonzaaier said Brigadier Kellerman is to meet the taxi associations again today.

Plans for taxi body

South 5/12 – 11/12/91.

By Mbuyiselo Mtsheketshe (332)

A DRAFT constitution for a unified taxi body to be known as the Western Cape Democratic Taxi Association (WCDTA) will be proposed at a rally at the Nyanga taxi rank at the weekend.

Nyanga Civic Association spokesperson Mr David Mkhize said Webta and Lagunya taxi associations had been consulted about the new body, but his organisation was "experiencing problems with Webta".

He said an agreement was reached in a recent meeting between civic associations and the SA Black Taxi Association (Sabta) that Lagunya and Webta should be disbanded to form a unified new body.

However, a regional chairperson of Sabta, Mr Basil Nagel, confirmed the meeting but denied that Webta and Lagunya agreed to be disbanded.

Nagel said: "To force the two associations to merge will not solve the problem as the roots of the war have not been properly addressed."

He appealed to the political organisations to give the transport industry a chance to come forward with its proposals for ending the taxi war.

"We have recently elected a 15-member committee comprising representatives of Webta, Lagunya, Sabta's national and Western Cape offices and the Federation of African Business and Consumer Services (Fabcos) to monitor the ceasefire and resolve the contentious issues of routes and ranks."

He said attempts have also been made to include other political organisations.

The Webta chairperson, Mr James Mafuya, rejected the formation of a new body.

He suggested that both taxi associations elect an ad hoc committee of their officials to oversee the peace initiative.

Mafuya said Webta would not attend the meeting on Sunday.

Responding to Webta's position, Mkhize said one of WCDTA's duties would be to try to secure the attendance of Webta.

A senior Lagunya member said the association was willing to go along with any peace initiative in the interest of serving the people who are most affected by the conflict.

He said steps taken by civic associations were very positive and he was "very optimistic that it would result in peace".

The ANC and the Peace Committee committed themselves to supporting the unified body if it would bring peace to the area.

unit prices remain constant and the crop size increases by more than 10%, earnings are expected to rise by a similar percentage.

In this season, Unifruco exported 35m cartons of fruit for gross earnings of R1,4bn, which was 8% up on the R1,3bn earned last year. The most lucrative deciduous fruit crop is apples, which earned R700m on export markets this year.

Kriel says the reopening of overseas markets is unlikely to cause a domestic shortage of fruit or push up local prices. The anticipated increase in the size of the crop will satisfy higher demand. About 60% of the deciduous fruit crop is exported and 40% is sold locally as fresh fruit or for processing.

Doug Stanton, chief executive of the SA Co-operative Citrus Exchange, says that though the next citrus season does not begin until May, he is optimistic it will be as good as this year's. Gross export earnings exceeded R1bn for the first time this season.

He says that though the exchange is looking to open new markets in eastern Europe and the Far East, a domestic shortage is not likely. Last season, the exchange exported 31m 15 kg cartons — the highest figure ever achieved and 1m cartons more than the 1990 figure. The export crop is expected to grow to around 45m cartons over the next few years.

Last month, Unifruco and the exchange announced the rationalisation of their interests in Europe, including the establishment of a joint European head office at Farnham Royal, west of London, and the joint management of financial, data processing, quality control, technical and logistical services. Marketing will remain independent under the trade names Cape and Outspan.

The two organisations say the joint arrangement will result in optimal use of the existing infrastructure and expertise, reduced costs and greater productivity.

Unifruco and the exchange jointly export 68m cartons of fruit a year and the figure is expected to rise to 100m by 1995.

☐ In Stellenbosch this week, Unifruco launched a new company, Vinfruco, to handle overseas marketing for six Cape wine co-ops and four independent estates.

The wine will be sold under a new label, Oak Village. Participants in the venture include Overgaauw, Rustenberg, Vriesenhof and Niel Ellis estates and De Helderberg, Bottelary, Eersterivier-Vallei, Koelenhof, Vlottenburg and Welmoed co-ops.

Vinfruco will target the mid-price range market with high-quality wines. Its competitors will include other "new world" wines from Australia and California. ■

ATLANTIS DIESEL ENGINES

No easy ride

FM 6/12/91

The effort by Atlantis Diesel Engines to get the motor industry to make diesel-powered, 25-seat midibuses, in addition to the 16-seat minibuses used largely as black taxis, is running into roadblocks.

Midibuses would ease congestion on the roads, be more economical for many taxi operators and, best of all for ADE, use diesel engines.

But motor vehicle manufacturers see no reason to change a winning formula. A Delta Motor Corp spokesman says the proposal has not yet been considered and both Toyota and Ford announced they have developed new versions of their minibuses to cope specifically with the demands of black taxi operators.

State-owned ADE has supplied only 160 000 engines to local truck and tractor makers in the 11 years since it was started. MD Fritz Körte believes that if the company can convince only a portion of the taxi operators who serve long routes of 15 km or more, he will reap a big boost in business (*Business & Technology* May 31).

There are an estimated 100 000 black taxis on the road and many of them are used on long routes.

Toyota has not shelved the idea entirely. Director Des Gush says it is still investigating the possibility of making midibuses. One obstacle is that the law must be changed. Fare-paying passenger vehicles with more than 16 seats now have to operate on a schedule approved by the Transport Department.

Dave Scott of Nissan and Sean Bownes of the SA Motor Corp see price as the problem. "We're already building midibuses but aren't selling them to taxi operators," Scott says.

He adds: "They're used for shuttling corporate staff around. Taxi operators would like to see them come in at around R100 000, but that won't happen, particularly because most operators want performance as well, which means fitting the vehicles with turbocharged engines and increasing the price

continued

FM 6/12/91

even more. Another problem is that operators have not been putting anything aside for replacement. Now that many have to replace their vehicles they find that, because of the taxi wars, banks are asking for higher deposits and insurance companies are asking for premiums to be paid upfront.

"Operators can service minibuses at the kerbside but, being diesel-powered, midibuses will have to be serviced by qualified people."

(332)

The Southern African Black Taxi Association (Sabta), however, still likes the midibus concept. Spokesman Fanyana Shiburi predicts that it will take off with black operators catering for white patrons.

"Sabta has been asked to take over some white routes that are being operated at an horrendous loss." He forecasts that blacks will be operating midibuses on routes such as the one between Sandton City and Johannesburg city centre within a year.

However, he warns: "Those buses will have to be fitted out to please the upmarket people who will use them. To do anything less would be suicidal and place their operators in the same position Putco was in when it refused to move away from its uncomfortable plank seats. That opened the door for black taxis to take over the market."

Körte remains optimistic about the midibus issue. "The Argentinian passenger transport system mirrored that of SA's 30 years ago. Since then it has moved to a nonsubsidised *colectivo* midibus system that works very well."

In any event, breaking into the black taxi market is not as vital for ADE now as it was six months ago because business is improving.

Last year ADE laid off workers because of declining orders but rehired 40 of them last month and plans to recall another 50 next month. Export orders are picking up and Körte predicts a 10% growth in the truck and tractor market next year. ADE will make 12 700 engines next year compared with 10 000 this year.

He says ADE is sitting on new export orders worth R35m from Britain, Germany and Brazil next year. These include 40 000 cylinder blocks, 25 000 cylinder heads and 10 000 crankshafts, as well as connecting rods, gear housings and brake drums. ■

ra Mining

blic of South Africa)

ividend no. 98

South Africa (Pty) Limited

Transfer secretaries:
Union Provident Trust
South Africa Limited
20th Floor, 37 Sauer Street
Johannesburg 2001

Registered office:
Fourth Floor
Rio Tinto House
122 Pybus Road
Sandton 2199

27 November 1991

JOHNSONS

continue →

Racy affected by strong competition in transport

(332)

B/Day 6/12/91.

SEAN VAN ZYL

INDUSTRIAL transport and engine reconditioning group Racy Group Holdings produced static earnings of R1,3m for the six months ended September.

Chairman Allan Jacobson said the group's performance was affected by excessive rate of competition in the public transport field and the general downturn in the economy.

Earnings were unchanged at 5,3c a share; no interim dividend was declared.

The reduction in transport traffic volumes during the year restricted new revenue growth, resulting in Racy posting a modest increase in turnover to R32,3m (R32m previously). The group's operating margin also came under pressure, slipping to 10,6% from 12,5%. Operating income fell 14% to R3,4m (R4m).

However, a drop in the group's tax rate to 43% (50%) boosted taxed income to R1,3m, in line with the previous period's.

Graphic: FIONA KRISCH Source: I-NET

Jacobson said the group was able to reduce its long-term borrowings to R3,3m from R5,4m, lowering interest charges for the period to R1m (R1,3m). The drop in liabilities boosted the group's net asset value to 82,4c (76,8c) a share.

Jacobson noted total interest bearing debt had fallen to R8,4m (R11,7m). The benefit of this was reflected in a gearing ratio of 40%, against 65% during the previous period.

Racy is the holding company of a number of subsidiaries operating largely in the industrial transport market, and Diesel City, an engineering workshop involved with diesel engine and component reconditioning. Jacobson said group flagship, Hendler's Industrial Carriers, achieved modest sales growth while Diesel City held turnover at the previous period's level.

Jacobson expected the transport arm to outperform the automotive engineering division during the remainder of the trading year. He said an increase in transport traffic volumes should filter through in the second quarter of 1992, while market rates were expected to harden to a more acceptable level.

Coupled with the strong position of the balance sheet, the expected upturn in the economy next year should result in an "exceptional" 1993 financial year, Jacobson said. He expected Racy's performance for the remainder of the current trading year to be in line with last year's.

M&R in UGI shares deal

ANDREW GILL

MURRAY and Roberts (M & R) has exercised its option to buy the remaining shares in road freight group Unitrans' holding company United General Investments (UGI) for R131m.

In a joint announcement today, M & R and Sankorp said Sankorp would be selling its remaining 49% stake in UGI to M & R for 726c a share, and it would sell its compulsory convertible debentures to M & R for R28m, giving M & R an effective 64,5% interest in Unitrans.

The deal follows M & R's purchase of 49% of UGI from the £2,6bn a year UK services group BET in March this year and a further 2% purchase from Sankorp in July. At the time BET said it was disinvesting as part of a long term strategy to get out of Africa and concentrate on Europe and the US.

M & R will issue 1,85-million new shares to settle the R103m payment for the 49% stake and will pay cash for Sankorp's convertible debentures. Sankorp will retain 2-million convertible debentures.

No material effect on M & R's earnings for the year to end June will occur as a result of the transaction, nor on M & R's net asset value at that date.

Sabta 'disowns' pamphlet

THE Southern Africa Black Taxi Association (Sabta) has disassociated itself from a pamphlet in which the peace efforts of the Mayor of Cape Town Mr Frank van der Velde and the peace committee are attacked.

332 CT 10/12/91

The pamphlet, issued in the name of Sabta and its affiliates Webta and Lagunya, and distributed among taxi commuters, alleges that the taxi war was continuing because "local political leaders will not allow the taxi industry to sort out its own problems".

ANC urges land sales freeze

B/Day 10/12/91

TIM COHEN

THE ANC's first rural conference has called for a moratorium on major land sales, particularly in rural reserves and homelands, until a national land dispensation has been negotiated.

The conference, held in Worcester at the weekend, urged government to call in the debts of unproductive farmers and distribute their land to productive, disadvantaged communities.

More than 300 delegates attended the two-day conference, which was organised to identify development problems in rural areas and strengthen the ANC's organisational structures there.

The conference called for the formation of a land claims court to address the grievances of dispossessed communities and to make legal aid available to help them regain their land.

The conference also resolved to urge the establishment of a permanent land commission to assist rural communities involved in land struggles. Immediate efforts should also be made to acquire vacant land to assist communities facing land shortages.

Communities should "consider occupying such vacant land to highlight their plight", an ANC news release said.

The conference also called for an investigation into ways of limiting the amount of farms which one person could own.

It reiterated the ANC's rejection of local authority structures, such as management committees. Local communities should not, where possible, enter into negotiations "with such puppet structures", the conference decided.

Delegates expressed concern at the restrictions on organising ANC branches in rural areas, where, they said, local ANC structures were often refused access to venues and farmers usually did not allow workers to attend meetings or join political parties.

□ GERALD REILLY reports that the Free State Agricultural Union is to ask government to subsidise farmers' production credit interest rates down to a maximum of 8%.

In a statement yesterday union president Piet Gous said unless government agreed, hundreds of farmers would be unable to work their land with serious consequences for food production. A big drop in production was inevitable with interest rates at current levels. This year alone farmers would pay R2,5bn in interest on massive debt of around R17bn.

Pamphlet 'a fake'

THEO RAWANA (332)

A PAMPHLET directed at peacemakers in the nine-month-old Cape Town taxi war was designed to sow confusion and discredit Sabta, the taxi organisation said yesterday. B/Day 10/12/91

The toll in the war between two taxi organisations was 87 people killed, 58 houses burnt down and R21m damage to vehicles, Sabta national media manager Fanyana Shiburi said.

He said a pamphlet, released on Friday and purporting to have been issued by Sabta, attacked members of the Cape Town peace committee and the taxi crisis coordinating committee as "political fat cats" who should be rejected by taxi operators.

Shiburi said Sabta acknowledged the efforts of the Cape Town committees as partners in the task of working to bring peace and "completely dissociated itself" from the pamphlet.

Body 'monitoring' taxi war

CT 11/12/91 Staff Reporter (332) (245)

THE Cape Town Peace Committee is monitoring the taxi violence and is hoping to broker a solution soon, Mayor Mr Frank van der Velde said yesterday.

Mr Van der Veld[illegible] the South African Black Taxi Association (Sa[illegible]) was trying to negotiate an agreement between [illegible] Lagunya and Webta taxi associations, while the committee was negotiating new regulations.

He said the SADF had brought considerable calm in the townships and hoped that the other measures by the committee and Sabta would bring about permanent peace.

New shipping service by Unicorn Lines

STAR 11/12/91.

Finance Staff (332)

The new year will also see the launch of a direct shipping service from South Africa to Brazil and Argentina by Unicorn Lines.

Monthly sailings from Durban will offer opportunities to Rio de Janeiro, Santos, San Francisco do Sul and Buenos Aires for containerised, breakbulk and bulk liquid cargoes.

Other ports in Brazil and Argentina will be served on inducement.

The service will also offer shippers and receivers transhipment opportunities to Paraguay, while the port of Montevideo in Uruguay will be served on inducement.

Captain Simon Pryce, Unicorn's line manager for South America, says: "The lifting of flag waiver restrictions previously imposed on foreign shipowners has allowed us to cater for the demand by South African exporters and importers for a regular liner service to these ports.

"Initially, the trade will be served by two multi-purpose ships, with MV Unipuna undertaking the first sailing from Durban in early January carrying a cargo of raw paper, steel, non-perishable foodstuffs, ores and minerals."

Import cargoes will comprise exotic timbers, refined papers, soya products, bulk vegetable oils, machinery and parts, steel products and leather goods.

Having recently returned from a visit to Brazil, Captain Pryce is confident of further improvement in trade links between the two sub-continents.

"The new vibrant societies of the east coast of South America encourage an expansion of trade between logical trading partners because of their geographical proximity."

Civics to seek urgent meeting on foreclosures

THEO RAWANA

CIVIC association Cast will seek an urgent meeting with financial institutions to discuss continuing home loan foreclosures despite a joint mechanism between the parties.

A conference of Transvaal civic associations and the Association of Mortgage Lenders, held in September to look into the bond crisis gripping black housing, ended with the formation of a working committee to address the issue.

The conference was said at the time to have averted a threatened bond repayment boycott by township residents.

Cast secretary Dan Mofokeng said yesterday the civics had proposed a moratorium on foreclosures while the committee was attending to the issue.

Rand Supreme Court records show there were about 323 default judgments against black bondholders from the beginning of November to last week.

Association of Mortgage Lenders chairman Tim Hart said he was not aware of the moratorium.

Some financial institutions are unwilling to give details of their exposure to the black home loans market, but recent reports show the Allied has a R1bn investment in black areas.

Brian van Dam of Standard Bank said in October his bank's exposure to black areas was R700m, while FNB's Andre le Tray said his bank, with a total R4,6bn investment in the home loans field, had dropped race classification in granting loans.

The Perm's Denis Creighton said he could not disclose exposure to the black market, but investment in areas "commonly zoned black constitutes 20% of our total home loans investment".

The Nedperm is said to have put up for auction more than 100 houses in Soweto alone in the past two weeks.

Mofokeng said it was clear some branch managers were given a "free hand" to act as they pleased on foreclosures.

Air evacuations for policy holders

LINDEN BIRNS (332)

RENNIES Travel has contracted Medical Rescue International (MRI) to carry out emergency airborne evacuations for holders of a new travel insurance policy who are involved in accidents or who fall ill while travelling in Africa or overseas.

The new policy has been developed in view of the recent sharp increase of business and leisure travel into Africa and the associated health-care risks taken when visiting some of these countries.

Rennies Travel Marketing GM Kathy MacWhirter said the policy provided unlimited medical cover in Africa, and cover up to R250 000 inside SA.

MRI has undertaken to fly ill or injured policy holders back to SA.

"There are no A-grade hospitals in southern Africa outside SA and the importance of being able to evacuate people out of some of those countries has been proven time and again," she said.

MRI carries out about 40 evacuations from African states every month.

Most of the cases handled are vehicle accident casualties, although many snake bite and tropical disease victims have also been evacuated.

Its helicopters also carry a supply of safe blood which has been screened for the HIV virus.

War risks have also been included in the cover, which pays up to 50% of personal accident costs brought about by war.

Webta ups hopes for end to taxi war

(332)

CT 13/12/91

Staff Reporter

CAPE TOWN'S bloody taxi war could be at an end following Webta's unequivocal commitment yesterday to taxi unity.

Following a meeting between Webta, Lagunya and the SA Black Taxi Association (Sabta) in Athlone yesterday, Webta for the first time in nine months agreed to unity with its rivals.

Webta chairman Mr James Mafuya said that although the body had never been against unity it was against the way it was "pushed down their throats" by different mediating parties.

Sabta and Lagunya will meet today to discuss the issue.

Yesterday's meeting in Athlone, which was attended by more than 100 taxi-drivers, was called by Sabta's national body. The group has been in the Western Cape for more than three weeks trying to negotiate unity and peace.

A spokesman for Sabta, Mr Cyprian Lebese, said he was optimistic about negotiations.

Taxi clashes feared as migrant workers take the road home

Sowl 12/12 – 18/12/91

(332)

By Mbuyiselo Mtsheketshe

AS THE festive season approaches, Cape township dwellers fear the return of migrant workers to homelands could lead to clashes on the road between the two warring taxi associations.

They believe the exodus could fuel the already intense rivalry between Lagunya and Webta.

Most migrants are from the Transkei and Ciskei and leave this week.

A senior Lagunya member, Mr Kidwell Magwayi, said his organisation could not guarantee there would be no clash with Webta on the road.

Residents this week said they would prefer travelling by bus to the Transkei because it would be a safer method of getting home, despite taking longer.

While the conflict continued to simmer this week, representatives of political organisations, church leaders and business leadership met to try to rescue the failing peace initiative.

In their first mediation attempt since the outbreak of the war, church leaders and congregations gathered at a rally organised by the civic organisation this weekend at the Nyanga taxi rank.

Attempts are being made by the community to unify taxi associations and the meeting was called to present a draft constitution. The announcement was postponed until both taxi associations could be consulted to approve it.

Magwayi said his organisation would accept any deal from any organisation in the interest of its passengers and the community during the holidays.

"Throughout the conflict we have expressed willingness to go along with any peace initiatives that would find a solution to the problem."

Magwayi said his organisation maintains community and political organisation involvement to ensure "our passengers' security".

Webta could not be reached for comment.

Bloody taxi war hearing peaceful end

C/Press 15/12/91

Lagunya, Webta say no more fighting

332

CP Correspondent

THE nine-month-old bloody taxi war in the western Cape took a giant leap towards permanent peace when the Western Cape Black Taxi Association (Webta) agreed to unite with rivals Langa, Gugulethu and Nyanga Taxi Association (Lagunya) this week.

After a meeting with its mother body, the South African Black Taxi Association (Sabta), on Thursday, Webta made an unequivocal commitment to unity.

Since the violence started in March this year, several political and community organisations have tried to no avail to get the two organisations united.

Over the last three weeks, members of Sabta had been in consultation with several organisations, including the Cape Town Peace Committee, the last mediator to fail in getting the rivals united.

Said Webta chairman James Mafuya: "We have always supported unity, but we did not like the way it was pushed down our throats by different mediating groups."

He said that the mediators were not addressing the issue from a business point of view, but from a political point of view which comes second to our business".

Although the meeting between Sabta and Lagunya failed to take place yesterday as planned, Lagunya also said that it would commit itself to unity after its meeting with Sabta "soon".

Lagunya, which has always been seen as moderate, welcomed their rivals' commitment to peace as "encouraging and pragmatic".

Sabta's Cyprian Lebese said he was overjoyed that the two groups had given a strong indication of willingness to step into a negotiated settlement.

Cape Town mayor Frank van der Velde welcomed the move and said all parties should work hard to realise the much-wanted peace.

In the nine months of the violence, dozens of people died, hundreds were injured, and damage of more than R10-million was caused mainly by burning minibuses and houses.

One of the victims was one of the leading peace makers, and a founder member of the Taxis Crisis Co-ordinating Committee Michael Mapongwana, who was allegedly killed by Webta members.

More than 250 families have been left homeless and teaching in some schools was disturbed during the turbulent nine months, mostly in Khayelitsha and Nyanga East terminus, where more than half of the incidents took place.

The peace talks come at a time when calm had returned to the townships following the deployment of 100 SADF troops in the townships, although the warring taxi groups have refused to attribute the calm to the defence force.

Decision to close informal rank incenses Welkom taxi-drivers

By Paula Fray STAR 16/12/91. (332)

Welkom taxi operators are up in arms after the Welkom City Council's decision to close down an informal taxi rank tomorrow and "remove" operators to a newly developed terminal.

The decision came soon after meetings with the council and Welkom's mayor in which the taxi operators applied for the informal rank to be developed by the taxi industry.

Group 17, an umbrella body for various taxi groups including Sthe Southern African Black Taxi Association, said yesterday there could be hostility if the council persisted.

According to secretary Eliazer Mkonoane, the taxi operaters were against the idea of moving because of a council agreement to review their application to develop the informal taxi rank into a formal one.

According to Mr Mkonoane, it was agreed at a meeting with the council on December 9 that the informal rank which was now being used would remain operative until the application had been reviewed.

However, on December 13 the association was told that the deadline for the operators to move was December 17.

In a letter, town clerk C F A Rademan said the council had not approved an application for the use of the plot as a taxi terminal. "However, the council has authorised me to investigate other alternatives in consultation with Group 17."

He said the temporary facilities would be permanently closed tomorrow and taxi operators would be required to use the newly completed taxi terminal in Power Road.

According to Group 17 more than 2 000 taxi operators would have to be informed if the move went ahead.

Welkom mayor Alwyn Rohrs has distanced himself from Mr Rademan's decision. In a letter to Mr Rademan he said: "In my capacity as mayor I wish to distance myself totally from the latest decision and the plan to act against the taxi people at a time when the issue could have been solved in a more acceptable manner."

He hoped the bid to "remove" the taxis from the plot would not "bring more unrest and resistance to Welkom".

Wheels and deals of road transport

STAR 17/12/91

Diagonal Street

(332)

ANN CROTTY

Speculation that Trencor is negotiating to acquire control of Cargo Carriers highlights the differences in performance of the three listed road transport companies — Cargo, Trencor and Unitrans.

Trencor chairman Neil Jowell denies that there are any discussions between Trencor and Cargo.

Industry sources believe that there would be a lot of logic in such a move.

They also believe that over the past two years, both Unitrans and Trencor have approached Cargo with takeover bids.

One of the parties is thought to have offered around 230c a share for Cargo a few years ago.

But the offer came at a time when Cargo had just suffered a dip in earnings and management reckoned that it would be able to turn things around and then maintain a stronger earnings performance.

It would then presumably have had the option of selling at a premium to net asset value instead of at a discount.

Financial '90 saw a strong improvement, with earnings up from 26c to 37,3c a share.

The EPS performance was achieved despite the major capex undertaken to reduce the average age of its truck fleet. Real earnings growth was forecast for financial '91.

But in financial '91 just about everything seemed to fall apart. Tough conditions, non-renewal of certain contracts, retrenchment costs and high interest payments following the debt-funded capex all combined to knock Cargo's earnings to 0,5c for the 12 months.

The consequent weakness in share price is in sharp contrast to Trencor, which shot up from R36 in May '90 to a current level of R105, and to a lesser extent Unitrans, up from 400c to 675c over the same period.

(Trencor's involvement in non-road transport activities and changes in shareholder profile at Unitrans account for part of the difference in share price movement).

For the Cape-based Trencor, a tie-up with Cargo has certain attractions. Cargo has a strong presence in areas where Trencor does not.

Trencor's road transport activities are concentrated in the Cape, Namaqualand and Namibia. Cargo has good exposure in the Transvaal and Natal.

So the two operations would complement each other.

Against this, some analysts believe Cargo needs management input to get it onto a sustainable profit track. So a tie-up with Unitrans, which has operations and management in the same areas, might be more suitable.

CAPE TOWN TRANSPORT

FM 20/12/91

A slice of taxi action

332

If you're in Cape Town this Christmas, catch a half-loaf to the waterfront. Everybody is doing it. "Half-loaves" — so called because of the compact, rectangular shape of the Suzuki minibuses converted to eight-seater taxis — are the city's latest transport craze.

The service, Rikki's Urban Safaris (RUS), was started just over two months ago by Graeme Bell and Simon Dally-Cooper after 18 months of research. RUS currently operates six vehicles in the city area and carries 1 000 to 1 500 fares a day.

The service fills a niche in Cape Town. The half-loaves are roving taxis and can be hailed anywhere on the road. The more conventional minibus taxis can as well, but they ply set routes whereas RUS's routes are more flexible.

Fares are far lower than for traditional taxis (but about the same as minibuses and conventional buses). For example, a one-way trip in a traditional taxi from the CBD to the upper Gardens area would cost about R12, whereas the RUS fare is R2 to R3. Bell says

FM 20/12/91 (332)

he aims at an average fare of R1/km.

There is also customised service — such as fetching a group from an old people's home, taking them shopping and then transporting them home. Or, as happened recently, taking 40 people from the CBD to a waterfront restaurant for an office Christmas party and then back to the office.

The vehicles are all linked by radio and will fetch passengers on request, but the fare is then slightly higher. The initial idea — and hence the name of the company — was to use three-wheeled, five-seater vehicles imported from Singapore to operate a tourist sight-seeing service around Cape Town.

But the three-wheelers were not suitable for the city and Bell found a local supplier of half-loaves which were converted. RUS still offers the urban safari service, but the main demand is for the inner-city hopper service.

Inevitably, RUS has become a victim of bureaucracy. Its permits are for the three-wheelers and stipulate five passengers, even though the half-loaves are certified by Cape Town's traffic department for eight passengers and have insurance cover for that number. Bell must now limit the half-loaves to five passengers or face prosecution.

Applications for new permits take three months — or possibly longer if there are objections. Meanwhile, the demand for the service is growing. Apart from applying to increase the permitted carrying capacity of the half-loaves, Bell wants permits to operate another 15 or so in a far wider area than just the inner city. ■

British Airways in deal with Flitestar

LINDEN BIRNS 332

BRITISH Airways yesterday became the first airline to recognise SA's newest domestic airline, Flitestar, internationally.

It has agreed to issue tickets for Flitestar and represent it on computer reservations systems in 80 countries.

The agreement comes into effect on January 1 when Flitestar's schedule and tariff details will be made available throughout BA's global computer reservation network and also on the Galileo network being brought on stream. B/Day 20/12/91

SAA has a similar agreement with BA.

BA's southern Africa GM Malcolm Freeman said the airline had already experienced a demand from SA-bound passengers to book onward flights from Johannesburg on Flitestar.

"With a slight alteration to its morning departure schedule, Flitestar stands to take as much as 20% of the 4 000 passengers BA flies into SA every week onto its domestic flights," said Freeman. Of the passengers Flitestar currently carries, only about 1% originate from abroad.

Flitestar MD Jan Blake said the airline would be announcing departure schedule changes "possibly in January, but definitely by the end of March".

Freeman said SAA had always been BA's biggest interline partner in SA, but it was time to share the business.

Blake said Flitestar would also be signing an interline agreement — similar to the one with BA — with Swissair next year.

STAR 20/12/91

Flying start for Flitestar as BA initials accord

By John Miller (332)

British Airways yesterday became the first international airline to sign an interline agreement with SA's newest domestic carrier, Flitestar.

The deal, which will be worth millions to Flitestar, comes into operation from January 1. It also means that reservations on Flitestar can be made from 80 countries.

Flitestar managing director Jan Blake said the airline had worked closely with BA in all its training aspects.

BA manager Malcolm Freeman described the deal as a shot in the arm for the young airline, saying the pact would benefit incoming passengers in that they would now have a choice of airlines when travelling in SA.

Other international airlines are expected to sign interline agreements with Flitestar.

Stephen Davimes

Finance Dept corruption claims to be investigated

STAR 20/12/91

By Michael Chester

Government sources yesterday confirmed the launch of a special investigation into allegations of corruption among certain officials in the Department of Finance.

The probe follows a legal battle that has ended in a R164 000 court settlement with an executive of the Department of Inland Revenue who claims he was blocked from promotion because of his accusations of corruption in the department.

The executive, Trevor Norman Foster, a deputy director in the Department of Inland Revenue and head of special investigations, has resigned with effect from December 31.

Finance Director-General Gerhard Croeser said the probe would be handled by an independent committee.

The rumpus came to a head in the Cape Supreme Court last week when Mr Foster took action against the Department of Finance over claims that he had not been promoted for two successive years because of his allegations of corruption.

A settlement was reached when he undertook to abandon all litigation against the Government department in terms of a settlement made an order of the court by Mr Justice J J Fagan.

Also, the Director-General of Finance would pay R164 000 towards legal costs.

In turn, the Department of Finance undertook to have Mr Foster's allegations "properly investigated". Mr Foster undertook to refrain from any further investigation and agreed to abandon "irrevocably" all claims or court applications in regard to any issues between the parties.

One-man-one-light seen as key issue

STAR 24/12/91.

While most South Africans can afford electricity, it remains unavailable to about two-thirds of the population, according to the SA Institute of Race Relations.

The Institute's latest Social and Economic Update 17 states that homes without access to electricity spent an average of R90 a month on fuel in the form of paraffin, candles and coal, while electricity could be supplied for less than half the cost.

Almost 81 percent of the 7 845 schools under the administration of the Department of Education and Training did not have electricity, which limited their potential to provide a well-rounded education programme, with audio-visual aids or electrical tools for technical courses.

Both the National Energy Council and Eskom aimed at providing energy to all South Africans, and Eskom hoped to provide 80 percent of the population with electricity by the year 2000, reports Update.

It said the pre-paid electricity meter known as the budget energy controller had been widely accepted. The system operated with a disposable magnetic card which was slotted into a meter box in the user's home, and the user bought as much electricity as he could afford.

"Municipalities are making use of this system, and in Durban a plan has been introduced to electrify every home within its boundaries, including shacks, within the next five years, using the budget energy controller. By 1996, it is hoped that 168 000 homes will be electrified."

Update reports that one of the systems Eskom is looking at, to provide electricity in areas without access to the national grid, is the Remote Area Power Supplies (RAPS) system, which would generate its own electricity or use a hybrid of energy sources such as solar power, diesel generators, and wind and hydro-turbines.

Update's business section notes that in March the Government estimated that the informal sector was growing at 8 percent a year, while further research indicates that the number of people involved in the informal sector on a full-time basis increased by 20,5 percent between October 1989 and October last year. Consequently, the job creation possibilities in the informal sector are of increasing importance.

The publication noted that the Johannesburg City Council had convened a group of 10 officials to advise hawkers individually, and intended to expand the programme.

The council had also erected folding shelters in the city for hawkers, and had encouraged private enterprises to make storage facilities available for hawkers' wares.

In Natal, further assistance had been given to hawkers in the informal sector through loans from the KwaZulu Finance and Investment Corporation (KFC). These KFC micro-loans were aimed at small industrialists in the informal sector or moving into the formal sector.

Update notes that the single largest capital investment by an international company in the Small Business Development Corporation (SBDC) is that of German subsidiary Hoechst SA, which invested in shares worth R2,5 million in May. This is linked to the newly launched SBDC hive project in Industria, Johannesburg, the purpose of which is to place small manufacturing businesses in "industry hives" under the tutelage of the SBDC.

Update also reports that applications for over 40 million shares in National Sorghum Breweries (NSB) were received from about 9 000 distributors, consumers, members of the general public and employees, almost 90 percent of these applications coming from the black community.

According to Update, the privatisation of NSB, now the largest black-owned company, could have important implications for the process of black economic empowerment.

"This is the only business entity which affords an opportunity for participating as owners, controllers, managers, directors, shareholders and distributors in a major company."

The publication reports that the minibus taxi industry had increased its share of commuter transport from 29 percent in 1987 to 44 percent last year, with the Southern Africa Black Taxi Association (Sabta) cornering 58 per cent of the total minibus-taxi market.

"But the industry has been hit by increasing costs of petrol and spare parts, as well as a rise in the price of new minibuses. As a result, owning a taxi is no longer the 'money-spinner' it used to be in the early 1980s. As commuters are unable to afford increased fares, profits have decreased."

A transport consultant, Paul Browning, told Update that the average monthly income of taxi owners had decreased from between R2 500 and R3 500 a vehicle owned, to between R1 500 and R2 500.

Drivers employed by taxi owners had also been hit by increased costs. On average, a taxi driver must pay R300 a day to the owner, and anything over and above that was his own, so there was increased pressure to make as many journeys as possible with as many passengers as possible.

In addition, drivers must spend an average of R105 on new brake pads a week, and R6 a day on oil. — Sapa.

TRANSPORT — PRIVATE — GENERAL

1992

JANUARY — APRIL

Trencor and Mobile offers prove a hit

(332)

STAR 3/1/92.

The rights offers of six percent convertible debentures by Trencor and its pyramid, Mobile Industries have been over subscribed, Merchant bankers UAL said yesterday.

Trencor pitched its offer of 2 862 680 debentures at R91 each to raise R260,5 million for the development of its interests in manufacturing, trading, tyres, exports and overseas operations.

Trencor's executive chairman Mr Neil Jowell, who told the company's annual meeting in November that the rights offer was being undertaken largely to take advantage of opportunities in the company's current areas of business, forecast an increase in earnings for the year to June on 1991's record 735c a share.

The offer of 5 672 620 debentures at R22,50 each in Mobile was aimed at raising R127,6 million to enable it to follow its rights in the Trencor offer in full.

The six percent annual interest on the Trencor and Mobile debentures will be payable in arrear on June 30 and December 31 each year.

The debentures will be automatically converted into ordinary shares on a one-for-one basis from July 1 of the financial year following that in which the total dividend declared respectively on each Trencor and Mobile share is equal to or exceeds 546c and 135c respectively.

Trencor, which has 14,3 million ordinary shares in issue, declared dividends totalling 160c a share in the year to last June. Mobile's dividends for the year totalled 40,6c.— Sapa.

70c (incl) TUESDAY JANUARY 14 1992

RUBBER STAMP & ENGRAVING Co.
Also at CNA, instant printers, stamp makers and stationers

Riaan Coetzee damned for harmful business practices

Govt bans trucking tycoon

STAR 14/1/92

(332)

By June Bearzi
Star Line

Controversial and flamboyant "trucking king" Riaan Coetzee has been banned outright by the office of the Minister of Trade from operating his multimillion-rand trucking and cartage ventures.

The ban took effect on Friday and follows a months-long saga initiated by Star Line in which Mr Coetzee failed to stop The Star publishing its findings after an in-depth probe into his Midrand ventures named Truckkor, Conomy, Contruck and SA Rebuild.

An official probe has also revealed that Mr Coetzee raked in about R16 million and that not one of his 250 clients made a profit.

David Graaff, Deputy Minister of Trade and Industry, confirmed to Star Line from his Cape Town offices that he had decided to outlaw Mr Coetzee's operations following a damning report received from the Harmful Business Practices Committee.

Mr Coetzee had come under heavy fire from dozens of financially devastated clients who told Star Line they were cleverly ensnared in his complex trucking ventures.

Crushing blow for truck king — Page 13

He has been described as a "big-spender" and "smooth talker". He lives in a hilltop mansion and owns an R8 million stable of luxury cars.

He is said to use his Mercedes sports as a runabout and drives his Ferraris, Bentley, Lamborghinis and Porsche on more formal occasions.

Mystery still surrounds a black Lamborghini Countach he drives. It is registered in the name of a former client, Robbie Nicholls, who committed suicide four years ago.

While Mr Coetzee is said to live the high life and to surround himself with beautiful mini skirt-clad women, his clients say they have endured heartbreak and lost homes and life savings.

A Dutch immigrant family who arrived in South Africa with R450 000 said they were reduced to begging Mr Coetzee for money to feed their starving children after investing in his scheme.

Although Star Line and the Business Practices Committee tried on several occasions to get Mr Coetzee to state his case, he refused.

He even ignored a summons served on him by the committee to appear before it.

FW to feature in Tussaud's

JOHN CAVIL

LONDON — A replica of President F W de Klerk is to join those of ANC leader Nelson Mandela and Archbishop Desmond Tutu in the Madame Tussaud's waxworks.

"We hope President De Klerk will be able to perform the traditional unveiling of his figure when it is ready, probably in June this year," Juliet Simpkins, a spokesman for Madame Tussaud's, said yesterday. B/Day

The last white SA leader to appear in Madame Tussaud's Grand Hall, where 200 world leaders are exhibited, was Gen Jan Smuts — whose statue still stands in Parliament Square, next to Winston Churchill's. 15/1/92

Nelson Mandela's figure went on display last year, 14 months after his release from prison.

"Madame Tussaud's is about famous people and President De Klerk has become one of the world's best known leaders," Simpkins said.

Work on the De Klerk replica started last November when a Tussaud's team went to Pretoria to sketch and measure the president.

Our Political Staff reports from Cape Town the President's office said De Klerk had given clothes and shoes to the museum to "dress" the image.

Ministry slaps business ban on trucking tycoon

B/Day 15/1/92

332

LINDEN BIRNS

TRUCKING tycoon Jan Adriaan "Riaan" Coetzee has been banned by the Trade and Industry Ministry from continuing his multimillion-rand truck sale and subcontracting operations following the completion of an investigation by the Harmful Business Practices Committee.

Committee chairman Louise Tager led the investigation into Coetzee's scheme, which involved the sale of rebuilt lorries to clients contractually obliged to make the vehicles available to Coetzee's other companies on a subcontract basis.

Tager said in her report that in four years Coetzee entered contracts with about 250 clients involving millions of rands.

According to last Friday's Government Gazette, Coetzee and his Midrand-based companies Truckkor, SA Rebuild, Conomy Truck, Contruck, Condig Civils & Earthmoving and Construction Trucking Service have been ordered not to sell trucks to any person with whom they have agreements regarding the use of the vehicles.

Coetzee and his companies were also directed to cease to have any interest in a business or type of business which involved the sale of trucks, or from deriving any income from that type of business.

Tager's investigation into Coetzee's operations began last August, but Coetzee and his staff refused to co-operate with the Harmful Business Practices Committee. He declined to state his case when summoned to appear before the committee and did not appear before the committee for "examination".

Tager found that clients were led to believe Coetzee's companies were separate legal persons, although they were in fact Coetzee in different guises.

"None of the businesses mentioned are registered as companies or closed corporations," she added.

The committee found Coetzee's clients had been induced to enter prejudicial contracts.

The report explained how, on signing the contracts, clients had to pay amounts of R60 000 a truck as "goodwill" in addition to any amount which later had to be paid as the truck's purchase price.

During interviews, Coetzee showed prospective clients income projection charts showing how they could earn between R10 000 and R12 000 a month from the scheme, the report said.

Tager said in her report that Coetzee's conduct was planned and executed with fluency and painstaking attention to detail, and added the committee could find no justification for his business practices.

A spokesman for the Trade and Industry Ministry could not confirm yesterday whether the case had been referred to the Attorney-General's office or that charges might be brought against Coetzee.

More arrests possible over anti-Simon blast

B/Day 15/1/92

GAVIN DU VENAGE

POLICE said yesterday more arrests were possible in the investigation into the grenade attack on offices of the tour organisers of US musician Paul Simon.

Azanian Youth Organisation (Azayo) president Thami Mcerwa was still in custody yesterday after being arrested on Monday in connection with a handgrenade blast aimed against Simon's tour.

Azayo spokesman George Ngwenya denied Azayo had any connection with the attack on Network Entertainment, which helped organise the Simon concerts.

Police spokesman Capt Eugene Opperman said Mcerwa was being held for questioning on "terrorist and criminal activities", and said more arrests could be made.

I'll keep on trucking, says Coetzee

STAR 15/11/92

By June Bearzi
Star Line

332

Stung by a Government report which dubbed his operation "an alloy of unfair contractual provisions and deception", trucking tycoon Riaan Coetzee has come out of hiding to tell Star Line he proposes to continue operating in the trucking sphere.

Phoning The Star from his car, Mr Coetzee said yesterday that an outright ban had not been imposed on him by the Minister of Trade. He was adamant that only certain aspects of his operations had been outlawed.

If he restructured his contracts and did not force clients who entered deals with him to buy rebuilt trucks from him, he could carry on with his trucking and cartage businesses, Truckkor and Conomy, he said.

After Mr Coetzee failed for months to answer calls, he telephoned Star Line himself yesterday. He explained: "I have not been closed down in effect, and can take on clients if they obtain trucks from independent dealerships."

When asked if he planned to appeal against the Minister's decision, he said he was considering his position. He said he was at present having "informal chats" with the Harmful Business Practices Committee regarding the damaging contents of the report published in the latest Government Gazette.

Throughout the committee's investigation, Mr Coetzee had also declined several opportunities to state his case and give the names of any satisfied clients.

A spokesman for the Harmful Business Practices Committee told Star Line the committee had gone as far as the Act allowed it to go in restricting Mr Coetzee's operations.

"However, we were not in a position to forbid him from earning a living," the spokesman said.

The spokesman added that the committee had an open-door policy and if Mr Coetzee wished to discuss any aspects of the report he was welcome to do so.

Mr Coetzee's moneymaking business entailed canvassing transport contractors who paid large entry fees for the right to use tipper trucks on construction sites. The sting in the deals for many clients came when they were forced contractually to buy from Mr Coetzee rebuilt trucks which were to be used on sites.

Financial institutions refused to grant loans for the vehicles, claiming they were more expensive than new ones. When subcontractors failed to acquire the Coetzee trucks, they fell foul of the contract and had to forfeit entry fees amounting to millions of rands. In a few instances where trucks were acquired, subcontractors said they were not given the promised high-income work on sites.

BUSINESS DAY, Thursday, January 16 1992

Goldstone praised for violence probe

332

B/Day 16/1/92

JONATHON REES

PRETORIA — Widespread killings in taxi wars and violence on commuter trains will be investigated by a committee appointed yesterday by Mr Justice Goldstone as part of his national probe into violence.

Political parties and legal groups yesterday praised Mr Justice Goldstone for his hands-on approach to investigating violence through the Standing Commission of Inquiry into Violence and Intimidation, established last November in terms of the national peace accord.

The judge has, since his appointment as head of the commission, instituted five major investigations.

The latest probe, into taxi wars and train killings which have left scores of people dead in the last 18 months, will be headed by commission vice-chairman Adv D J Rossouw.

He will be aided by commission members G Steyn, advocate M Ngoepe from the Pretoria Bar, and former Association of Law Societies president L van Zyl.

The probe was launched following requests by the national peace committee and the Cape Town peace committee.

The probe is empowered in terms of the peace accord to investigate violence and matters related to it, and has the authority to make recommendations to government on what steps to take to end the killings.

Police said yesterday taxi wars had been a feature of SA for about 15 years, and occurred all over the country. In the latest incident two people were killed near Klerksdorp on Monday in a feud between rival taxi associations.

Lawyers for Human Rights (LHR) acting national director Achmed Motala yesterday praised the judge's "head-on tackling of violence", saying it was crucial that violence be brought under control before a new government took over.

Mr Justice Goldstone saw the urgency of resolving the problem of violence, and had the support of LHR and other non-governmental organisations, Motala said.

The ANC yesterday welcomed the appointment of the committee as a long overdue development following police failures to stop killings on trains and at taxi ranks.

Spokesman Saki Macozoma said the new committee, and others like it, had to introduce witness protection measures to ensure people would not be frightened to give evidence.

He said Mr Justice Goldstone had an excellent human rights record and was seen by the ANC as a judge of integrity.

The DP and the CP also welcomed the probe. DP justice spokesman Dave Dalling said the DP hoped government and its security forces would not attempt to obstruct the workings of the committee by destroying evidence.

Police appealed for witnesses to co-operate with the commission by coming forward to give evidence.

● Comment: Page 4

SAA hopes to dash Flitestar's Kenyan bid

B/Day 16/1/92 (332)

LINDEN BIRNS

FLITESTAR has applied to the National Transport Commission to start flights to the Kenyan port of Mombasa.

However, SAA spokesman Anelda Reinecke confirmed yesterday that the airline would appeal against the application.

The appeal would be on the grounds that a charter service between the two countries would "overlap uneconomically" with SAA and Kenya Airways which operate reciprocal scheduled flights between Johannesburg and Nairobi, even though Flitestar has not applied for traffic rights to Nairobi.

According to Flitestar's application, in the latest Government Gazette, return airfares would cost between R800 and R1 600.

It is not known when the commission will evaluate Flitestar's application.

Another Johannesburg-based charter company, Air Supply, recently had its application for flights on the same route rejected by the commission after SAA lodged a formal objection. SAA argued that the introduction of a 100-seater jetliner on a route to a country served by itself and the national airline of the country concerned would be detrimental to business.

In a recent statement SAA chief spokesman Leon Els said the airline would object to charter applications only if they were not in accordance with the Directorate of Civil Aviation's interim international civil aviation policy guidelines.

The policy was implemented in a bid to deregulate SA's international civil aviation code which previously restricted charter operations and the granting of scheduled flight service licences to SA airlines other than SAA.

French group buys R25-m stake in Grincor

By David Canning STAR 17/1/92

In one of the largest local foreign investments since the ending of sanctions, a giant French shipping group is to inject more than R25 million into Durban-based Grincor group's holding company.

Grincor chairman Murray Grindrod said in an interview that Grinhold and the French SCAC-Delmas-Vieljeux SA had entered a "strategic partnership", which would greatly aid South Africa's growing trade with East, West and Central Africa.

At the same time it would give Grincor additional trading opportunities and help to consolidate Grindrod's international freight forwarding network.

Mr Grindrod, who signed the deal with French representatives in Durban yesterday, said the quoted Grincor group would be making a R50 million rights issue. This would give it the opportunity to increase investment in ships and other ventures.

SCAC-Delmas-Vieljeux (SDV) is a major operating subsidiary of the R12,5 billion giant French group Bollore Technologies. It formally came into existence only this month as a result of a merger of SCAC, the largest freight forwarder and shipping agent in France, with Delmas-Vieljeux which itself is by far the biggest private French shipping company.

This month's merger makes SDV a major player in the international shipping and transportation industry, giving it shipping services on many of the world's major trade routes. It also has a comprehensive network of freight forwarding and ships agency operations and is particularly strong in Europe and East and West Africa.

As a result of the partnership, Grincor subsidiaries will acquire SDV's local investments. The main operation is that of freight forwarder Walon.

The French investment will give SCAC-Delmas-Vieljeux SA a 25 percent stake in Grinhold and enable the local parent company to follow its rights in Grinhold, maintaining its stake at more than 50 percent.

Further taxi talks?

CT 7/1/92

Staff Reporter

THE SA Black Taxi Association (Sabta) hopes to re-open peace talks between Webta and Lagunya in Cape Town's taxi war today — but Lagunya said it knew nothing about the proposed talks.

Lagunya chairman Mr Headman Nongwenjane said he had not been contacted by Sabta.

Mr Cyprian Lebese, Sabta's deputy managing director, said his delegation would meet Lagunya's executive to clear up some of the differences that still existed with their Webta rivals.

● In Pretoria, minibus taxi drivers yesterday unveiled plans for a labour union. — Staff Reporter and Sapa

French buy Grinhold stake

B/Day 17/1/92 JONO WATERS (332)

THE French shipping and transportation giant, SCAC-Delmas-Vieljeux (SDV), has acquired a 25,13% stake in Grindrod Holdings for more than R25m.

Grinhold chairman Murray Grindrod said the investment would be followed by a R50m rights issue in Durban shipping and transport subsidiary Grincor. This would be done without the loss of control of Grincor by Grinhold.

The merger would provide the group with the opportunity to consolidate its international forwarding network in Europe and East and West Africa.

"The strategic nature of the investment will give Grincor additional trading opportunities while giving SDV a meaningful stake in the Durban-based shipping and transport group," Grindrod said.

Unicorn-French link

S/Times (BUSS) 332

UNICORN Lines of Durban and Scac Delmas Vieljeux of Paris have concluded a joint venture for shipping services between SA and the Indian Ocean islands, Sri Lanka and Singapore. 19/1/92.

It will be known as the Unicorn-Delmas service and will be controlled from Unicorn's offices.

The fleet to serve these routes will consist of Flamboyant, Tamarin, Aster and Filaos. Grindrod Shipping has been appointed sole agent for the service, with agency appointments in other countries to be made shortly.

The combination of two of the major carriers in the Indian Ocean basin will provide shippers with improved service at market-related freight rates.

Spate of raids on taxis in Springs

STAR 22/1/92

(332)

By Anna Louw
East Rand Bureau

Two people died and 10 were wounded in three separate attacks on minibus taxis in Springs over the last two days.

Police said the first attack happened at 5 pm on Monday when the driver of a minibus, Themba Maseko, picked up a passenger in Clydesdale Road, Daggafontein.

As he pulled off, a passenger got out, produced a gun and fired a shot, wounding a passenger, Alfred Zuke. Another two shots were fired, wounding Mr Maseko in the back. Both men were admitted to hospital.

Police found .45 cartridges at the scene of the shooting.

At 8.45 pm a minibus on its way from Bekkersdal to Transkei stopped at the Springs Taxi Association's service station in Springs Road.

Gunmen pulled up in a car and opened fire, killing an unidentified woman and a six-month-old baby and wounding seven passengers.

Police found AK-47 cartridges, as well as .45 magnum, 9 mm and 7,65 mm cartridges at the scene.

In the third attack, taxi driver Z T Zondo of the Springs Long Distance Taxi Association was stabbed in the face and shot after an alleged attack by members of the Springs Taxi Association at 6.30 am yesterday.

The attackers smashed the back window of his vehicle and punctured the tyres.

Shortly afterwards members of the Long Distance Taxi Association stopped another driver, B Makoena, a member of the Springs Taxi Association.

They wrecked his vehicle, smashing the windows and removing the seats.

Phalaborwa showdown looms

B/Day 24/1/92

GAVIN DU VENAGE

A SHOWDOWN is looming between right-wingers and the ANC in Phalaborwa, following Tuesday's confrontation between heavily-armed AWB members and local residents.

Bloodshed was narrowly averted when police and business leaders stepped in to mediate between 2 500 residents and about 20 AWB Wenkommando members with rifles, dogs and knives. The confrontation occurred at a taxi rank that the CP-controlled council had previously closed.

Residents, who voted at the weekend to end a four-month consumer boycott, have refused to make use of a new council taxi rank they say is inferior.

ANC northern Transvaal deputy secretary Norman Mashabane said yesterday residents would stage a "defiance march" tomorrow to force the council to meet their representatives and discuss their demands.

Mashabane said residents voted last Sunday to end the boycott because "we are willing to talk to the council". But, following Tuesday's events, he said the boycott would be "considered seriously" again.

He said if residents opted for a renewed boycott it would be used selectively and target only CP-owned businesses. But Mashabane admitted that few such businesses depended heavily on blacks for custom.

He said residents were demanding the opening of all amenities, including schools and libraries, to all races and "the right to free political expression". He said the council had always acted harshly against any black political activity.

Mashabane also said residents wanted a "Koevoet" military unit and a "Renamo training camp" removed from the area. He accused "Koevoet bandits" of having killed seven residents since 1985.

Chamber of Business president Manie Kriel said he hoped the ANC would not march in the town as it would lead to unnecessary confrontation.

Kriel accused the town council of calling in the AWB on Tuesday when it became apparent that demonstrating residents would not leave the taxi rank.

He said he hoped the situation could be resolved peacefully, as a joint forum consisting of business people, the ANC and the NP had been established to discuss common problems. He added that the ANC had assured him the boycott would not be reinstituted.

Local AWB leader Fritz Meyer refused to comment on Tuesday's events, but described news reports of Tuesday's confrontation as "slanderous and insulting".

Tenders keep bus owners on the road

(332)

S/ Times (Buss) 26/1/92

By DON ROBERTSON

A TENDER system for public transport could change the face of the industry.

The impasse between bus operators and the Department of Transport over passenger subsidies will become a thing of the past. Most operators could soon be back in the black.

The new system could rescue several struggling groups and pave the way for their profitable development.

The advantage to the Government is that tendering will cause greater competition among bus operators and give better visibility to passenger subsidies.

One to benefit directly from the new system is Putco. The company has been operating profitably for the past six months. It has also benefited from a restructuring of its activities.

This began before it announced last April that it would close. It suffered a loss of R7,6-million in the year to June.

Managing director Jack Visser expects considerable growth in the next five years, especially for longer routes.

Transfer

Putco, like Bophuthatswana Transport Holdings, has been in continuing debate with the Department of Transport (DT) about passenger subsidies.

The DT's drive to reduce, or in some instances to phase out, passenger subsidies played havoc with Putco's profitability and threatened its existence.

As a result, the company announced that it would close. But it continued negotiations with the department to transfer its operations to other bus operators.

At that stage, the Industrial Development Corporation (IDC) was asked to either help with the transfer of Putco's operations to other bus operators or to consider a direct purchase of the group from the controlling Carleo family.

Purchase of the company was rejected by the IDC. But with its assistance, Pucto decided last August to continue operations. During the six-month hiatus, the company was restructured, costs were cut, top management was trimmed and several employees were retrenched.

The decision to close the company and the social implications it could have had put pressure on the Government and the DT to accelerate the introduction of a tender system for bus routes.

The idea of tenders came from the National Transport Policy Study some years ago, but the recommendation was not implemented.

In the next two years all bus routes will be put out to tender. The DT will pay subsidies in the form of a tendered price over a contracted four years. There will be cost escalations each year to the successful tenderer rather than to commuters.

Putco chairman Albino Carleo said in his latest annual report that although the contract period was short in terms of the life cycle of a bus, "four years of reasonable certainty is preferable to the total uncertainty which prevailed in recent years".

Share

Bus operators are divided about the tender system, but it could result in a beneficial turnaround in the industry, especially when applied to non-profitable operations.

If a tender is lost by any group, it will ensure that unprofitable businesses will not be continued purely for social needs.

With cost escalations built into the contract and payments made on passenger kilometres, commuter losses will become less critical.

The system also means that service networks can be rationalised among bus operators, modes of transport and social needs before tenders are issued. This should lead to cost reductions and alleviate social pressures for unprofitable services to be run.

JACK VISSER: New hope

The new system has one drawback in that should a tender be lost to a competing company, the existing bus operation in that area will be closed.

This could result in employee dismissals.

Dr Visser says The SA Bus Operators Association, the DT and the industry as a whole will have to look at this problem.

Dr Visser says Putco operates 1 900 buses in areas such as greater Soweto, Eldorado Park, Boksburg, Edenvale, KwaNdebele and Natal.

But the company is well positioned to win a large share of tenders offered in the next two years.

Demo violence averted

(332)

CP Correspondent

A CAMPAIGN to defy municipal laws in the conservative north-eastern Transvaal town of Phalaborwa this week resulted in confrontation between AWB members and demonstrating blacks. CIPRES 26/1/92

About 100 armed and khaki-clad AWB members, angered by the demonstrators' hoisting of the ANC Youth League flag, marched towards the protestors.

The 300 demonstrators were defying a decision by the town council to use a new taxi rank which has no facilities.

A 100-day consumer boycott in the town was suspended last Sunday at a heated meeting at Namakgale Stadium attended by a crowd of 10 000.

Phalaborwa Chamber of Commerce chairman Manie Kriel said the boycott committee had played an important role in diffusing what could have been an explosive situation between the boycotters and the AWB.

Goodbye business ... black taxis leave Phalaborwa with angry township shoppers, vowing not to return until treated like "decent people". A protest march on Saturday was stopped by police and 121 people were arrested for contravening public gatherings regulations. Picture: Ken Oosterbroek

Business boycott resumes after Phalaborwa taxi rank row

By Monica Oosterbroek (332) STAR 27/1/92

The black community at the far northern Transvaal town of Phalaborwa voted at the weekend to continue the three-month-old boycott of white businesses if demands over the siting of a taxi rank and other issues were not addressed by the town council.

The boycott was called off last Monday, but the Namakgale Boycott Committee voted on Saturday to reinstate it after a week of rising tensions which ended in the arrest of 121 people at a protest gathering on Saturday morning.

On Tuesday, taxi drivers and passengers arrived in Phalaborwa to find the old taxi rank cordoned off and a new one set up 500 m away. They were offended that the town council had failed to consult them.

The black community planned a protest march on Saturday morning, but it was thwarted by the presence of heavily armed police and right-wingers and 121 people were arrested for contravening municipal regulations governing public gatherings.

Police spokesman Lieutenant Werner Voigt said the group paid small spot fines and were released a few hours later.

Residents in the surrounding townships told The Star that unless the CP-run town council started treating them like "real and decent" people, they would not return to shop "for as many years as it takes for them to change their attitude".

Commuters were also not satisfied with the ablution facilities at the new taxi rank and demanded proper facilities.

The town council wants the large plot of vacant land in the centre of town for development. Phalaborwa residents say township residents do not have to be consulted because it was not their town and they did not pay rates and taxes.

The chairman of the Phalaborwa Chamber of Business, Manie Kriel, said trade had dropped by nearly 80 percent in the past three months and businessmen would not survive if the boycott continued.

He said the PCB did not agree with the conservative way the town was run and often clashed with the town council over various issues.

In a bid to smooth over the thorny problems and to establish proper communications, a forum is in the process of being established with Phalaborwa businessmen and the township community.

Mr Kriel, who owns a real-estate business in Phalaborwa, said the town council had plans to build a filling station, rest room and other facilities at the new taxi rank.

Boycott to go on if demands not met

332

Sowetan 27/1/92

THE black community in the far Northern Transvaal town of Phalaborwa voted at the weekend to continue the three-month-old boycott of white businesses.

The boycott will go on if demands over the siting of a taxi rank and other issues were not met by the local town council.

The boycott was called off last Monday but the Namakgale Boycott Committee voted on Saturday to reinstate it after a week of rising tensions which ended in the arrest of 121 people at a protest gathering on Saturday.

Cordoned off

On Tuesday taxi drivers and passengers arrived in Phalaborwa to find the old taxi-rank cordoned off and a new one set up 500m away. They were offended that the town council had failed to consult them about the move.

The black community planned a protest march on Saturday morning, but it was thwarted by the presence of heavily armed police and rightwingers and 121 people were arrested for contravening municipal regulations governing public gatherings.

Police spokesman Lieutenant Werner Voigt said the group paid small spot fines and were released a few hours later.

Residents in the surrounding townships said unless the CP-run town council started treating them like "real and decent" people, they would not return to shop for as many years as it takes for them to change their attitude".

the NSL.

Peace talks

TWO western Cape taxi organisations, the Lagunya taxi association and the Western Cape Black Taxi Association, yesterday began negotiations to end an 18-month feud.

Crisis meeting

ENNERDALE civic leaders and House of Representatives officials will meet today to resolve the crisis affecting the township south of Johannesburg. The meeting had been due to take place yesterday.

REPORTS: Sapa

B/Day 30/1/92

B/Day 30/1/92

COMPANIES

Venter Trailers makes plans to go public

KARIN FRANKEN

VENTER Trailers is set to go public and will trade on the JSE sometime in February as the country's largest manufacturer of light leisure and commercial trailers.

Venter MD Richard du Plessis said the listing would offer future investors the opportunity of sharing in the company's rapid expansion. (332)

The share offer is expected to open around January 30, coinciding with the release of Venter Trailers prospectus, and is likely to raise between R20m-R30m.

Venter Trailers was started in Naboomspruit in 1963 by Jasper Venter, but in preparation for its transformation from a family business to a listed company the management team has been expanded to include chairman Pienkes du Plessis, deputy chairman Michael Katcs, and MD Richard du Plessis.

Richard du Plessis is a former CE of Murray & Roberts's industrial division while Katcs is a business strategist with expertise in financial engineering, information technology and strategic marketing. B/Day 27/1/92

Pienkes du Plessis was the founder of car transporter Motorvia and CE of Budget Rent-A-Car. He also founded Budget AutoLease.

A Venter Trailers spokesman said the company did not intend competing in the heavy trailer market.

STAR 27/1/92

Venter to seek listing

Finance Staff (332)

Venter Leisure and Commercial Trailers is seeking a listing on the Johannesburg Stock Exchange, the first application of the year.

Venter is a household name in South Africa.

It is the country's largest manufacturer of leisure and commercial trailers.

The group will release its prospectus later this week.

The offer of shares is expected to open by the end of January.

Since 1960, Venter's manufacturing facilities have increased from a small factory near Naboomspruit to three factories in the Northern Transvaal town and another one in Babalegi.

Managing director Richard du Plessis says the funds will be used to allow for further expansion of the group.

The founder of Venters, Jasper Venter, is executive director of the group.

Pinkus du Plessis, founder of Motorvia and former chief executive of Budget, is chairman.

SOWETAN Wednesday January 29 1992

New march planned on Phalaborwa

Sowetan 29/1/92

By MATHATHA TSEDU

TENSION has eased in Phalaborwa following the Saturday incidents in which 109 people were arrested for attempting a march on the town.

And with the old taxi rank that had unusable toilets still barred, local black leaders said yesterday a march was being planned for next week Saturday after which a decision on renewing the boycott will be taken.

One of the boycott committee members, Mr Eric Ngobeni, said a meeting at Lulekani township on Sunday had decided that the leadership look at ways of forcing the "conservative boers in the town to toe the line".

Barbed wire

Matters came to a head last week when the town council unilaterally closed a taxi rank and told people to use a new one that had no toilets. This angered the residents, who decided on a march in the town and the forceful use of the closed rank which was surrounded by barbed wire.

It was during the attempted march that police rounded up 109 people - 25 of them under age - and charged them with disturbing the peace. They were fined R30 each.

Ngobeni said options open to the community included a stayaway and renewing the boycott which was lifted last week after running for four months. Ngobeni however disputed reports in a newspaper yesterday saying the boycott had been reimposed.

"We have applied for a permit to march in the town to protest against several things. The outcome of the march and whether it takes place at all, will determine the next course of action. But for now, we are waiting for the magistrate to indicate whether the permit is granted," Ngobeni said.

The town is controlled by the Conservative Party and the local AWB members have been infuriated not only by the boycott, but also by the move into formerly white areas of several blacks employed by the Phalaborwa Mining Company.

Two of the people who have moved into town have been attacked and their properties damaged.

price war

to be announced in midyear, many regulations are being ignored. Certainly, the airlines didn't wait for SAA or Department of Civil Aviation approval when they filed their latest fares.

KLM's David Pegg explains that waiting for approval would take too long and give SAA an unfair advantage. Pegg stresses that SA needs to create business opportunities.

"The travel industry needs to be stimulated outside the high season." He points out that outbound traffic could be redirected from the regional destinations — Mauritius and Seychelles — to long-haul destinations. Pegg predicts that inbound traffic could well pick up as political problems fade. *Mirryena Deeb*

AIRWAYS FM 31/1/92

Space scramble

332

SA Airways (SAA) and Flitestar will have competition on the Durban-Johannesburg run.

The Air Services Licensing Council (ASLC) is likely to grant Bass Airways, a small Durban-based airline, permission to operate a scheduled service between Durban and Grand Central airport, less than 20 km north-west of Jan Smuts airport and midway between Johannesburg and Pretoria.

Bass Airways applied for permission late last year. It was asked to furnish more information, which it did, and, says an official of the ASLC, "its application will probably be granted this week."

The service will start by July at the latest, if the licence is granted this week, says Bass Airways MD Mike Basson.

De Havilland Dash 8-300 STOL (short take-off and landing) turbo-prop aircraft will be used on the route. The aircraft can

FM 31/1/92 332

take off and land with full complement of 50 passengers on even the hottest day at Grand Central.

The success of the scheme depends on Basson's ability to siphon passengers away from Jan Smuts, which he says is "a disaster that will be five years behind the times, even when its modernisation is completed. It will become a congested international airport that will have difficulty coping with domestic traffic."

He stressed in his application that he intends to provide a regional service. His target market is businessmen in Pretoria, Sandton, Randburg, Midrand and Johannesburg's northern suburbs. Research shows that 21% of passengers who use Jan Smuts come from Pretoria, which is 50 minutes away from Jan Smuts and only 20 minutes away from Grand Central.

But there is a limit to the inroads he will make in his competitors' business. He estimates that even if he reaches his planned maximum of six flights per day in each direction during business hours and even if flights are all filled, he won't be able to take more than 7,5% of SAA's and Flitestar's passengers away from them.

But Flitestar MD Jan Blake estimates he'll take more than 13% away from the two airlines if he hits that peak. Together, SAA and Flitestar can accommodate 2 250 passengers a day each way.

Bass Airway's aircraft will take 12 minutes longer than SAA's or Flitestar's large jets to fly between the two points, but Basson claims passengers will save one-and-a-half hours on a round trip. They will have to check in only 15 minutes before their flight at Grand Central, instead of more than an hour before when they fly from Jan Smuts. This is because parking is closer to the terminal building and because there will be fewer passengers on each plane.

Moreover, the modern terminal will be designed to ease the flow of passengers (Grand Central's multimillion rand upgrading is scheduled for completion in September) so they will be processed more rapidly. This, he says, will compensate for the higher fares he proposes to charge.

Basson plans to eventually use Grand Central as a hub to serve what he terms second-level airports, such as those at Maritzburg, Pietersburg and Skukuza, where the runways are too short for the big carriers' planes.

The application by Lanseria-based airline Air Supply to add a 100-seater or a 130-seater plane to its existing licence to fly to any destination in Africa and its offshore islands, was due to come before the National Transport Commission (NTC) this week.

FM 31/1/92 332

The NTC deliberates on international flights and the ASLC on domestic flights. SAA intends opposing that application, as it did Air Supply's application last year.

"If our application is turned down again, we'll take the matter to court," says MD Bradley Amoils. "We are licensed to fly smaller aircraft to any destination in Africa or its offshore islands where we can get landing rights. We're only asking to be allowed to use a bigger machine. No way will that threaten SAA's domination of the Kenya route."

Flitestar's application for a licence to operate weekly charter flights between Jan Smuts and Mombasa *(Business & Technology January 17)* cannot be heard before March or April, says the NTC.

SAA will also oppose the granting of that licence. Certainly, it is likely to erode its market. Flitestar's return fare will be between R800 and R1 600. SAA's business class return fare to Nairobi is R2 666 and R2 320 for economy class, which would make it attractive for a businessman to fly to Mombasa with Flitestar and get a connecting flight from there to Nairobi.

But, says Blake, "we'll be marketing holiday packages. The airfare will be part of the package." ■

continue →

Grindrod Unicorn to raise R50m through rights issue

B/Day 31/1/92 (332)

WILLIAM GILFILLAN

Grindrod Unicorn (Grincor) is to raise R50m through a rights issue, management said yesterday after reporting an 8% earnings rise for the year to end-December.

A softening shipping market was cited as the reason for the restricted rise in earnings to R20m from R18,5m the previous year. This was on the back of a 13% rise in turnover to R564m from R497m.

The shipping and transport group said the proceeds from the rights issue would be used "in part to reduce borrowings, but also to enable the group to make further investments such as the purchase of ships".

A final dividend of 20c a share (18c) has been declared giving a total dividend of 30c a share (28c) for the year on earnings a share of 78,9c (73,3c).

Despite the rise in turnover, operating profit was 12% lower at R50m (R56m). MD Michael Groves said new businesses, which had made losses largely accounted for this.

He added that if the new businesses were excluded, the operating profit would have been more or less unchanged at R56m. He attributed the narrower operating margin to tight trading conditions.

The interest charge dropped substantially to R11,4m (R15,2m) despite the surge in interest bearing debt to R181m (R90,8m). Groves explained this apparent anomaly by noting the ratio of foreign to local debt had changed in the year. In the 1991 year the foreign debt (at a lower interest rate) portion of the total debt formed a larger part of the debt compared with the 1990 year.

The group's tax charge plummeted to R2,5m from R10m which Glover said related to losses made by the new businesses.

The sharply lower interest and tax charges helped Grincor report the 8% rise in earnings despite the lower operating profits.

Refering to the rights issue, Glover said between R20m and R25m of the R50m raised would be used to reduce short-term borrowings. These had been rising in line with increases in working capital.

Glover said the recently announced acquisition, by the French based SCAC-Delmas-Vieljeux SA business, of a 25% interest in Grincor's holding company Grindrod Holdings, "now means the parent can follow its rights".

He said further details on the rights issue would be announced soon.

Unicorn, 60% held by Grincor, performed better than the freight and forwarding operations which are conducted through 100% held Grindrod.

Included in last year's R125m capital expenditure was the acquisition of a European container shipping line. Also, two ships and a specialised tanker were acquired and progress payments were made on two vessels being built in Poland.

Chairman Murray Grindrod said, until there were clear signs of domestic and international economic recovery, he remained cautious about prospects for this year.

SHIPPING FM 31/1/92

Gearing up (332)

Durban harbour is preparing for a post-sanctions era. Recent weeks have seen the inauguration of a Russian freight liner service between SA and Europe, the acquisition of a new giant container vessel by SA's largest shipper, Safmarine, and the creation of a Franco-SA consortium to trade with Sri Lanka and Singapore.

It is too early to quantify the threat from the Russians to SA-European trade routes, dominated as they are by Safmarine and its

FM 31/1/92

partners in the international container consortium SA-Europe Container Service. Their agreement has just been renewed for another 10 years. The core of their fleet comprises six cellular vessels but it also has three multipurpose ships.

Against this Russia's Baltic shipping line, of St Petersburg, has sent in the 17 000-t ro-ro vessel *Kolomna*. In its inaugural voyage to SA it called at Richards Bay, where it picked up paper and pulp, and Durban where it topped up with a variety of other goods before leaving for Europe. (332)

The Durban-based Unicorn shipping line has also been active. Unicorn, which concentrates on routes in the Indian Ocean and to east and west Africa, South America and the eastern Mediterranean, has formed a joint venture with the French company SCAC Delmas Vieljeux to provide a service between SA and Sri Lanka, Singapore, Japan and other Far East ports, with four ships.

The agreement could be interpreted as a move by Unicorn and its French partner to position itself for trade between SA and the Indian subcontinent when the Commonwealth lifts trade sanctions against SA. Foreign services GM Mike Ford believes that such a move could come as early as April and not later than year's end.

He points out that India and Pakistan are attractive trade areas because they offer two-way business. One of the problems with many ventures into Africa is that they involve one-way traffic and the SA business has to put up the finance for export deals. He also sees Unicorn taking advantage of shipping opportunities to the Persian Gulf.

Safmarine, too, has been gearing itself up. CE Tony Farr says: "SA, along with many of its trading partners, is going through a recession so we shouldn't expect a sudden surge in trade." But Safmarine obviously doesn't want to be caught out. The *Oranje* — its latest addition to the Far East fleet — made its maiden voyage to SA last week. The R100m-plus, 1 800 teu *Oranje* container ves-

FM 31/1/92 (332)

sel, built in Croatia, fits into the *Safari* consortium of shipping companies operating in the Far East. Though Farr points out that the *Oranje* replaces the *Langeberg*, which has been sold, it has a far bigger container capacity than its predecessor which could carry 1 300 containers.

Safmarine is also having a 150 000-t bulk carrier built in Romania — for a joint-venture company with Iscor Safore — and two refrigerator ships built in Poland. ■

B/Day 31/1/92

Kenya route hearing

THE National Transport Commission (NTC) yesterday heard a second application by Johannesburg-based charter flight company Air Supply for permission to use a 100-seater jetliner on flights between Johannesburg and Mombasa in Kenya. The review panel will not make a decision before it has heard a similar application lodged by Flitestar. (332)

Grindrod to raise R50-m

Finance Staff (332)

Grindrod Unicorn is to go to the market to raise R50 million in a rights issue. STAR 31/1/92

It says in its report for the year to end-December the money will be used partly to repay short-term debt and to enable the group to take advantage of investment opportunities.

Earnings a share rose eight percent last year to 78,9c (73,3c). The final dividend is 20c, bringing the total for the year to 30c (28c).

Losses of R6,8 million incurred in the closure of the domestic distribution division and other unprofitable activities were offset by profits on the sale of two ships replaced by two larger and more modern vessels.

Higher earnings in international operations also contributed.

Taxi war 'cost Sabta R24m'

B/Day 3/2/92 332

THEO RAWANA

THE western Cape taxi war had cost the 65 000-member SA Black Taxi Association (Sabta) R24m and landed the organisation in a financial crisis, a source disclosed yesterday.

The financial loss, compounded by Sabta's position as the only income-generating organisation under the 14-member Foundation of African Business and Consumer Services (Fabcos), led to the taxi association laying off 18 junior officials in its marketing arm, Sabta Foundation, said the source, who asked not to be identified.

One of the retrenched workers, who also spoke on condition of anonymity, said more than 30 workers had been retrenched.

A Sabta spokesman denied that the Cape Town taxi war had anything to do with Sabta's woes. The laying off of workers should not be seen as retrenchment, but rather as rationalisation which would enable it more efficiently to attend to its members, he said.

The source said Sabta Foundation lost R24m in the taxi war which raged for 11 months and claimed more than 100 lives. For every taxi burnt, Wesbank took funds from the pool set up to back up taximen's hire purchase arrangements.

He said Sabta had also been carrying expenses of all the other 13 business organisations under Fabcos, as they were not generating any income.

"Another factor was that because of the economic climate, not many vehicles are being sold and this has put a strain on Sabta's financial resources," he added.

The retrenched employee said many of his colleagues were contemplating legal action against Fabcos because the retrenchment package included only one month's severance pay.

The war between Western Cape Black Taxi Association (Webta) and the Langa/-Gugulethu/Nyanga association started with small-scale clashes over routes and ranks and erupted into full-blown warfare last February, with taxis being torched and drivers killed.

Civic associations stepped in after commuters got caught in the crossfire and a boycott of all taxis was initiated to force the groups to merge.

In response to requests for an investigation into the war, the Commission of Inquiry into Public Violence and Intimidation is to investigate and report on the conflict.

Police look for ways to

Taxi clashes gun truce bid

S/Times (CM)

2/2/92 (332)

By KURT SWART

HOPES for a negotiated end to the long-running Western Cape taxi war went up in flames this weekend when renewed violence left one person dead and several wounded.

At least one taxi driver was killed, a policeman was wounded in the leg and eight minibus taxis were destroyed in the fighting, which broke out on Friday night and continued yesterday morning.

The clashes followed a long lull in which the possibility of a lasting peace was reinforced by hopes that this week's negotiations between the rival Lagunya Taxi Association and the Western Cape Black Taxi Association (Webta) would succeed.

These hopes were dashed on Friday night when shots were heard once more at the Nyanga terminus. A man was killed and a taxi destroyed by fire. Police confirmed this, but could not give further details.

Police spokesman Captain Denise Brand said seven taxis had been burnt out in clashes at various locations in Nyanga and Khayelitsha between 7am and 12 noon yesterday. A policeman was shot in the leg during one of the clashes.

An additional police unit was rushed to the area when it appeared that the fighting could increase, but by yesterday afternoon the situation was under control and the unit was put on standby.

Later the situation was calm but tense, but commuters were avoiding taxis and there were queues for buses.

Observers said the violence had begun after a Webta taxi was hijacked on Friday, allegedly by members of Lagunya.

There were three men in the taxi, two of whom were still missing, they said. The third man was apparently shot dead during the hijacking.

About 7am yesterday Webta mounted a retaliatory attack on Lagunya members based at Kuwait, Site C, Khayelitsha, the observers said.

Four gunmen in a minibus — two of whom were armed with automatic rifles and the others with 9mm pistols — opened fire on Langunya drivers.

Four Lagunya members and three members of the public were injured.

Lagunya drivers gathered in force at the Nyanga East taxi rank yesterday and there was a tense standoff with Webta members.

At 8am, a Lagunya member, a Mr Majolo, was shot dead as he and a group of policemen approached the Webta group at the rank.

Jeopardy

Police confirmed the death of one person, but said they had no knowledge of the attack in which the four taxi drivers and three civilians were injured, nor of the later attack in which a taxi driver died.

The two taxi organisations signed a document on Tuesday committing themselves to meet for talks in Bellville the following day.

The negotiations began on Wednesday as planned, but the clashes have placed this 11th attempt at establishing a lasting peace in jeopardy.

Spokesmen for Webta and Lagunya could not be reached for comment yesterday.

Cape Town Peace Committee spokesman Ms Helen Zille expressed shock at the events.

"This is disconcerting news. On Friday there was an announcement that the two groups had agreed to share routes and both sides were apparently committed to negotiations," she said.

"This outbreak of violence comes just as hopes were high that a negotiated settlement was at hand.

"The peace committee calls on all groups to cease the violence."

Two SA firms bid for Maputo port

332

S/Times [BUSS] 2/2/92

By CIARAN RYAN

MOZAMBIQUE is to privatise Maputo port. It has invited companies to make offers to take over the terminals.

At least two SA groups will make offers to run one or more terminals.

This would give SA greater control over the port which has been plagued by operational and security problems since Frelimo came to power in 1975.

One possibility being investigated is a joint venture between the private sector and the Mozambican Government.

Coal

A source says the port authorities are keen to lease terminals to private operators for a specified period. By doing so they would retain control of the port.

It seems likely that the port will be run by several private concerns, perhaps even a consortium.

Until last year, the two coal terminals were managed by SA company TMS.

But in an effort to pare costs, port authorities decided against renewing the management contract.

Since then, coal tonnage handled has declined. An increasing number of Eastern Transvaal exporters are rerouting cargo through Durban.

Tonnage through the port dropped by 23% in 1991 to 2,35-million tons after a record 3-million in 1990. Coal shipped from Maputo was 58% less than forecast.

This is largely because small mines in the Eastern Transvaal have been hit by low world prices for steam coal and many have stopped exporting.

Pilferage and delays caused by breakdowns in terminal handling equipment are blamed for the lower throughput of citrus and sugar.

After a spell of relative stability, traffic from the Eastern Transvaal town of Komatipoort to Maputo was disrupted when rebels sabotaged the railway line late last year.

Tighter security measures were introduced this year and no new attacks have been recorded.

Routing traffic through Maputo as opposed to Durban more than halves the distance to the sea for Eastern Transvaal exporters.

A port refurbishment programme, with loan assistance from SA, was completed in 1990 in an effort to improve turnaround times and ease bottlenecks.

The port relies on traffic from the Eastern Transvaal, Zimbabwe and to a lesser extent Malawi and Swaziland.

Maputo holds little attraction for exporters from the Reef who pay up to R1 100 a ton for containerised rail freight to the port compared with about R750 to Durban.

Maputo cannot handle large vessels and this tends to push up the cost of shipping.

Angela Self of the SA Foreign Trade Organisation says: "The next step is to put Maputo on a commercial footing. This requires fairly long-term development.

"A master plan has been drawn up by the authorities and will be presented to aid organisations for funding."

Wary

Most shipping lines are wary of docking in Maputo and charge large premiums to do so. Only SA Europe Container Services operates a regular monthly service to Maputo. Most exporters charter ships to the principal destinations in the United States and Far East.

Private operators will want some control over plans to stabilise security in the southern part of the country because Eastern Transvaal exporters rely on the safe passage of freight from Komatipoort to Maputo.

Minibus taxis still create tax headache

332

ARG 2/2/92

THERE were still serious problems in asserting effective control over tax revenue from minibus taxis, the Auditor-General said in his report on General Affairs accounts.

He said an investigation indicated that only a very small percentage of minibus taxi owners were registered as taxpayers.

"Although subsequent follow-up investigations by the Commissioner for Inland Revenue have yielded encouraging results, serious problems are still being encountered in asserting effective control, on a countrywide basis, over a revenue source with a potential of hundreds of millions of rand per year."

The Auditor-General also said he had written to the Commissioner for Inland Revenue about the inefficient use of existing tax-collection mechanisms which could result in a loss of revenue.

Assessed income tax for individuals outstanding for more than three months on March 31 1991 was R705 million, an increase of 24 percent on the figure for the year before.

The Auditor-General listed figures which showed that individual income tax for the year ended March 31 1991, totalling R23 billion, was R2,6 billion more than estimated, while company tax was R1,5 billion less than anticipated.

A total of R20,2 million in personal tax had been written off during the year as irrecoverable. — Sapa.

Transnet to issue new fixed rate bond

332

CT 7/2/92

By ARI JACOBSON

TRANSNET, the SA transport company, is to issue a new two-year equity-linked, fixed investment bond to be known as Elfi IV — which will replace the Elfi II issue that matures in April.

The bonds have a bull portion — which provides good returns when the Overall Index on the Johannesburg Stock Exchange (JSE) performs well and a bear tranche — that has the opposite effect of providing an investor with powerful returns if the Overall Index does poorly.

The bear tranche offers high yields or strong income flows but very sharp movements in the bond price. The bull tranche offers low yields but better prospects through capital growth in the bond.

Together the bull and the bear tranche limit the risk of the borrower Transnet and allow them to have a fixed rate bond which is cheaper than normal bond finance in local capital markets.

The issue amount is being left open and the bonds will pay a semi-annual coupon guaranteed by SA.

Elfi IV will be aimed at both local and foreign investors and market sources said international interest would centre on the bear tranche.

● Elfi III was launched in May 1991 and Elfi II, due for maturation, was launched in April 1990. Last November it was announced that the Elfi III issue had risen 26% to R780m against its R618m issue size, with about a third of the total in foreign hands.

● Transnet posted R515m net profit in its first year as a public company. However, as SATS, a R7bn shortfall in its two pension funds was recorded.

● Reuter reports that details of a DM150m Development Bank of SA bond issue to be launched on overseas capital markets are expected today.

The bond will have a maturity of six or seven years and carry a double-digit coupon, DBSA officials said.

They said the bank was tapping the German market "because we maintained good relations with German banks and know the issue will be fully placed."

DBSA CE Andre La Grange said "we are bringing the bond at a time when loans from SA are again acceptable and we can be sure the issue will go well".

The DBSA funds housing, agricultural infrastructure and teaching projects with the aim of boosting the standard of living in the region by creating new jobs.

The ANC has said it will not endorse loans abroad while the current government remains. La Grange said he expected a transitional government to be in place before the end of this year.

The DBSA aims to borrow R500m to R600m a year — half of which would come from international markets.

Taxi war: Call to end violence

(334)

CT 4/2/92

Staff Reporter

THE leaders of Cape Town's warring taxi associations yesterday called on their members to stop fighting and end the violence.

The call by Lagunya and Webta leaders, made at the latest round of negotiations between the two bodies, follows several bloody clashes in the past three days in which two people died and at least 12 were injured.

The chairmen of both groups said at a meeting at UCT that their members should not be misled into fighting each other by "forces intent on derailing the peace process".

Both groups said they were committed to peace and to finding a solution to the taxi problems.

The third round of negotiations will take place today.

New taxi fighting despite peace talks

CT 5/2/92

332

Staff Reporter

TAXI violence continued yesterday despite current attempts by leaders of both Lagunya and Webta to find peace and unity between the factions.

Police said that early yesterday, along Ems Drive in Crossroads, several people stoned and fired shots at a private minibus taxi breaking its rear windscreen.

On Monday morning about four men fired on a City Tramways bus from a Webta taxi at the Nyanga East bus terminus. That afternoon, a group of about 200 Webta and 150 Lagunya drivers clashed near KTC.

Police said that when they tried to intervene, shots were fired at them and they responded with rubber bullets and buckshot. No one was injured.

Meanwhile, the third round of peace talks between the warring taxi groups was hampered yesterday when the Khayelitsha branch of Lagunya refused to attend.

Spokesman for Lagunya and leader of the delegation at the talks, Mr Morris Nomala, said that the group said it was no use talking while the violence continued unabated.

He said however that with the help of Mr Vasu Gounden and Mr Jerome Sachane, the facilitators in the peace talks, the group agreed to go back to the talks and called for full commitment to peace by both groups.

By Mbuyiselo Mtsheketshe

Girl, 8, shot as taxi violence flares again

(332) South 6/2-12/2/92

THE KILLING of two drivers and the shooting of an eight-year-old girl on Wednesday morning have signalled to Nyanga residents that the taxi war has returned to haunt them — with a vengeance.

About 500 Nyanga mothers and teachers from John Pama Primary School marched to the Guguletu police station to demand protection for their children.

The girl, a pupil at the school, was caught in the crossfire on Wednesday morning. She was shot on her way to school at about 8am and taken to hospital by police.

The school is opposite the Nyanga taxi rank — scene of the bloodiest clashes between the Western Cape Black Taxi Association (Webta) and the Lagunya Association.

Taxi drivers of both organisations could not explain why the violence had broken out again.

"Lagunya attacked us," was all Webta members would say.

"Webta attacked us first," said Lagunya drivers at the rank.

The protest marchers demanded the Nyanga rank be moved to another site.

Parents also demanded that police stop kicking open their doors and claiming to be looking for arms.

A further demand was that police stop shooting innocent people and "show respect" for lives.

On their way back from the police station, the group, singing and chanting anti-Webta slogans, were stoned by men carrying knobkerries.

The police, who were nearby when the group was stoned, took no action.

A march organiser was hit on the shoulder by a stone.

Mrs Miriam Ntamo, a KTC resident, said policemen fired at people at the Nyanga bus terminus shortly before the child was shot.

She alleged the police were siding with and protecting Webta while attacking residents.

"We are sick and tired of this violence in our townships," Ntamo said.

Residents called on the police to ban Webta from the ranks to avoid further loss of lives.

Police spokesperson Captain Denise Brand said police were informed by an ANC Peace Committee member that an unknown woman was also shot in the leg at the rank on Wednesday morning.

Brand said police were forced to fire birdshot and rubber bullets to disperse men gathered near John Pama Primary School and firing shots at the police.

Teachers at John Pama and Eliwa Primary Schools demanded protection for pupils during school hours.

Eliwa's principal said a large number of pupils had failed to turn up at school since Monday because of the taxi war.

School activities at John Pama have been disrupted since the outbreak of the war. Last year the school was also under siege while the two taxi organisations clashed at the rank.

The clash between Webta and Lagunya follows several peace meetings between the two organisations.

SPEAKING THEIR MINDS: Nyanga women (above and below) insist that police act to move the taxi terminus out of their township. PICS: YUNUS MOHAMED

Last Friday both associations agreed to operate on the same routes and it was agreed Webta would operate from Khayelitsha while Lagunya held routes from the city.

The two Lagunya drivers killed during the renewed violence were a Mr Majola and a Mr Matyholo.

Lagunya executive member Mr Kidwell Magwayi said his organisation was prepared to identify policemen allegedly involved in the shooting of the drivers at the weekend.

Matyholo was reportedly shot by gunmen in front of police at the Nyanga terminus on Monday.

The ANC has expressed horror at Wednesay's shooting of the schoolchild.

The organisation said the community claimed that a policeman whom they named shot the girl. They demanded his immediate arrest.

The ANC repeated its call to members of the community to support the speedy resolution of the problem and not to be provoked by elements who do not want peace.

Transnet to issue new fixed rate bond

332

CT 7/2/92

By ARI JACOBSON

TRANSNET, the SA transport company, is to issue a new two-year equity-linked, fixed investment bond to be known as Elfi IV — which will replace the Elfi II issue that matures in April.

The bonds have a bull portion — which provides good returns when the Overall Index on the Johannesburg Stock Exchange (JSE) performs well and a bear tranche — that has the opposite effect of providing an investor with powerful returns if the Overall Index does poorly.

The bear tranche offers high yields or strong income flows but very sharp movements in the bond price. The bull tranche offers low yields but better prospects through capital growth in the bond.

Together the bull and the bear tranche limit the risk of the borrower Transnet and allow them to have a fixed rate bond which is cheaper than normal bond finance in local capital markets.

The issue amount is being left open and the bonds will pay a semi-annual coupon guaranteed by SA.

Elfi IV will be aimed at both local and foreign investors and market sources said international interest would centre on the bear tranche.

● Elfi III was launched in May 1991 and Elfi II due for maturation, was launched in April 1990. Last November it was announced that the Elfi III issue had risen 26% to R780m against its R618m issue size, with about a third of the total in foreign hands.

● Transnet posted R515m net profit in its first year as a public company. However, as SATS, a R7bn shortfall in its two pension funds was recorded.

● Reuter reports that details of a DM150m Development Bank of SA bond issue to be launched on overseas capital markets are expected today.

The bond will have a maturity of six or seven years and carry a double-digit coupon, DBSA officials said.

They said the bank was tapping the German market "because we maintained good relations with German banks and know the issue will be fully placed."

DBSA CE Andre La Grange said "we are bringing the bond at a time when loans from SA are again acceptable and we can be sure the issue will go well".

The DBSA funds housing, agricultural infrastructure and teaching projects with the aim of boosting the standard of living in the region by creating new jobs.

The ANC has said it will not endorse loans abroad while the current government remains. La Grange said he expected a transitional government to be in place before the end of this year.

The DBSA aims to borrow R500m to R600m a year — half of which would come from international markets.

A war zone some call home

By KURT SWART

WESTERN Cape township residents, caught in the crossfire of the bloody taxi feud, have had to adapt to life in the middle of a war zone to survive.

For them, the bloody scenes of anarchy and death which — until a few months ago — were part and parcel of life in the war-torn Lebanese capital, Beirut, mean more than just fleeting glimpses on their TV screens.

One resident, who lives close to the Nyanga terminus, scene of the latest violence between the rival Webta and Lagunya taxi associations, said:

"When the shooting starts, we close the doors and the windows and send the children to the back room. Our area is a war zone . . . it is like living in Beirut."

MARAUDERS . . . weapon-carrying Webta members on the rampage watched by SADF soldiers at the Nyanga bus and taxi terminus this week **Picture: FANIE JASON**

S/Times [CM] 9/2/92 (332)

Panic

This week residents told of the hardships they endured as they battled to carry on with their daily lives, braving the terror and constantly fearing for the safety of their children as the taxi war drags on.

The pupils of the John Pama Lower Primary school across the road from the rank have had to learn to deal with the violent flare-ups that have characterised the dispute.

Said principal Mrs Christie Monki: "When the trouble starts the teachers and children lie flat on the floor near their desks.

"At first the children used to panic and run out of the classroom.

"They would try to climb the fence and run away. But now they are almost used to it.

"When we see trouble brewing, we know that soon there will be shots and frightened people will come running onto the school grounds to get away.

"The teachers used to show the kids how to lie down on the floor when this happened.

"Nowadays they don't ask, they just leave their desks and lie down by themselves."

Last month pupils at the school — ranging from Sub A to Standard Two — were forced to write their exams at the nearby Liwa Lower Primary.

"Their education has been badly affected.

"Only two out of 50 Sub A's came to school today. Parents come streaming in when there's trouble to take their children home.

"Sometimes it's safer to close the school at noon," said Mrs Monki.

On Wednesday one of the school's pupils, an eight-year-old girl, was rushed to hospital after being shot during a confrontation between taxi owners and the police.

Mrs Monki, accompanied by angry residents, confronted police — who have denied that they were involved in the shooting — and demanded that the terminus be moved to allow normal schooling.

At a nearby creche Mrs Doris Mpisane battles to soothe 30 panic-stricken toddlers every time the fighting flares up.

Attendance at the creche drops immediately after a skirmish.

"When there's fighting the parents don't bring the kids in.

"When tension is in the air the toddlers become restless," said Mrs Mpisane.

"When the shooting starts, people come running and screaming into the yard and this upsets the kids.

"They shout: 'Mama, the Boere are starting to shoot again'."

Crossroads mother, Mrs Lucy Ntwanambi, whose two-year-old son Amos attends the creche, said: "This is affecting many people, not just those involved in the fighting.

"Even children are getting hurt in the crossfire."

Mrs Ntwanambi constantly worries about her family during working hours.

"If something happens my employer in Crawford allows me to go home to make sure my family is all right.

"I have not ridden in a taxi since the fighting started last year.

"One day while I was standing in the bus queue, I saw a woman who got into a taxi shot dead. Since then I have refused to catch a taxi."

Khayelitsha schoolgirl Sylvia Ngesi, 16, a pupil at Masiyile Secondary School, matter-of-factly told of an incident she witnessed while waiting for a bus earlier this week.

"The police started shooting and everyone started running into the main road. It happens often," she said.

Business at shops and stalls at the terminus has suffered because of the constant violence.

Move

"Business is dead. Customers don't come here from Khayelitsha because the taxis are not operating. Anyway, they are scared to come this way because of the fighting," said a businessman.

"It affects us badly. Our sales have dropped drastically.

"They must move the taxi rank away. The taxi people don't operate from here, they just fight here.

"People don't want Webta here. Why do the police allow Webta to come here?

"The fighting also affects attendance at the three schools in the area. The kids are not in school."

Said a resident of a house overlooking the taxi rank: "I have three children who normally take the bus to school, but when there's fighting I drive them there in the car.

However, he has no intention of moving from the area.

"The fighting has become a way of life. We hope and we pray that it will end. It has to."

Businessmen fly cheap as Flitestar offers more seats

S/Times (Buss) 9/2/92

332

FLITESTAR, SA's first independent domestic carrier, expects to break even within the next month — only five months after starting its service.

The airline operates four GPA-leased A320s on trunk routes to Durban, Cape Town and Port Elizabeth with Johannesburg as the hub.

Two ATR 72s serve the east and west coast.

Managing director Jan Blake says loads are above 40% — between 18% and 22% of the market. Flitestar should achieve breakeven when they rise to 52%.

Overheads

"Much depends on the market. It is 20% to 25% lower than this time last year and still falling. We have detected a preference for economy seating, loads sometimes as high as 80%. We will reconfigure our aircraft to take more economy-class passengers. That could well be the turnaround point for us."

Mr Blake says many businessmen are using economy class on instructions from their companies. They have to pay the difference between business- and economy-class fares if they wish to use the more expensive seats.

Flitestar, geared for the business traveller, is changing seating configurations from 65 business- and 60 economy-class seats to 35 business and 96 economy.

By ROGER MAKINGS

The airline has a low overhead structure.

"We have a staff complement of 300 — roughly about one person for every two seats. SA Airways does our maintenance and ground handling. We will introduce a R1-million AMSYS bar-code check-in and accounting system in a few months.

"These factors enable us to keep staff numbers down in spite of an expected increase in passenger volumes."

Also helping Flitestar are the favourable lease terms with GPA.

"When we signed last year there was a glut of aircraft in a depressed market. Had we signed this year we might have obtained even more favourable terms."

Mr Blake says the airline will avoid high-profile marketing until it has sorted out start-up problems.

Mombasa

"A passenger lost is a passenger gone forever. We have sorted out teething troubles and have a far slicker product. Flitestar will aggressively seek passengers by mobilising our marketing and sales teams and increasing advertising."

The overtraded SA market will not enjoy lower fares.

"We have more aircraft than we need with even more SAA A320s arriving in the next few months. Flitestar is not about to go the way of Compass Airliner in Australia. We will remain competitive by offering superior service."

The airline was launched as a business-class carrier and will extend these services, albeit on a lesser scale, to the economy class.

Flitestar applied to the Directorate of Civil Aviation for a licence to start a scheduled service to Mombasa, but has been opposed by SAA, which flies a weekly to Nairobi. No opposition was lodged by Kenya Airways.

pg 4

DIAGONAL STREET by Julie Walker

Uniserv strike costs a packet

S/Times [BUSS] 9/2/92

A BITTER strike at Uniserv's Sun Couriers has probably smacked group profits for the year to February.

Uniserv is one of the better new listings from the boom of five years ago. Taxed profits of the air courier, shipping, clearing and forwarding group rose fivefold to R13,7-million in the four years to 1991.

It came to the JSE when Burlington Freight Group disinvested in 1987.

332

Chairman Tiger Wessels will not comment on the impending results, but is confident the group's troubles are behind it. Other than the strike, he says, the group has done well in spite of the recession.

Express parcel services in general have been plagued by increasing theft and low productivity. When Sun tried to tackle the problems it was hit with a national strike, violence and damage to property.

It dismissed 200 in Johannesburg and there were retrenchments.

Mr Wessels says that although the strike arose out of a wage dispute there were other factors. One involved the right — and the responsibility — of management to manage the company.

"I have always recognised the importance of participation and consultation, but stand by the responsibility of management to make and implement decisions," says Mr Wessels.

The stand was costly.

Independent auditors appointed by the Transport and General Workers Union reported that Sun Couriers — already a high payer by industry standards — could not afford to meet union demands.

Business dropped off in the strike, but Mr Wessels says it has recovered.

Nevertheless, the penalty will be felt in the results — likely to be down by three-quarters or more on 1991's earnings.

The balance sheet is sound and the share price of 80c is 60c off its 12-month high of 140c reached last July, showing the market has discounted much of the bad news.

Italtile founder's shopping trip leads to a JSE listing

S/Times [BUSS] 9/2/92

GIANNI Ravazzotti of Italtile was doubly blessed when he approached the major shareholder of Audiobuild with a view to buying a ceramic tile operation.

Not only did it wish to be rid of the tiles, it did not want the Audiobuild listing either. Mr Ravazzotti seized the opportunity.

"When you are a small concern it is easy to have a vertically integrated manufacturing and retailing business. But when you grow big, it becomes too difficult to manage."

The founder and chairman of SA's leading producer of tiles and ceramic bathroomware says he had already planned to split his group's assets into two focused parts. Through an arrangement with Audiobuild, those assets will be listed from tomorrow under the original Italtile, holding retailers Italtile Centres and Ceramic Tile Markets (CTM) and under Ceramic Industries — formerly Audiobuild — which houses manufacturing.

Before all this, Audiobuild was called Buildcor. It was a subsidiary of Interboard, now called Abacus.

In a restructure after financial deals were undone by new management at Abacus, it became the pyramid of Audiobuild.

Italtile has paid Abacus for its holding in Audiobuild and Abacus itself now owns the non-ceramic interests previously housed in Audiobuild.

Italtile planned things so that it would distribute as a dividend to its own members one share in Audiobuild for every Italtile held.

The net cost to Italtile, nearly half in cash, is about R7,5-million.

Does Mr Ravazzotti consider he has a bargain at that price for what he really wanted, the Studio Ceramics tile plant at Chamdor? It is out of commission until January next year at the earliest.

"I'll answer you in three years' time," he says.

Mr Ravazzotti retains the chairmanship of both companies, non-executive at Italtile and full time at Ceramic Industries.

Italtile shareholders will have about 95% of Ceramics. Each company will be capitalised at about R50-million.

John Couzis is the chief executive of the retail operations and Peter Swatton the financial director.

"The deal gives both sides of the operation more autonomy," says Mr Ravazzotti. They will still deal with each other to a large degree, but it will be at arm's length.

NEW-LOOK ITALTILE; Gianni Ravazzotti, Peter Swatton and John Couzis: Picture: ROB HADLEY

Capacity at Ceramics will be expanded by the Chamdor acquisition and the plant is newer. Money will need to be spent, but Mr Ravazzotti is confident that exports can become a major force. He says sanitaryware has sold better than have tiles so far.

Mr Couzis is fired up by the retailing prospects from franchising. Italtile has franchised six CTM operations and there are plans for another six this year.

It has 14 stores and two to come. There are four distribution warehouses in major centres.

As with all business, much depends on the economy. But Italtile is not letting the grass grow between the grouting.

Italtile's share price has risen from 375c a year ago to 410c after touching 425c. Mr Ravazzotti hopes that the separate listings of the two arms will help to unlock some of the intrinsic value in the group.

Audiobuild has dropped from 120c last January to 70c and Abacus from 55c to 20c.

Commuters vow to fight

Sowetan 10/2/92

(332)

By MATHATHA TSEDU

BAHWADUBA Bus Service in Pietersburg has applied for a two-phased fare increase for all its routes.

The announcement of the intended increases has angered a commuter organisation, the Far Northern Transvaal Transport Co-ordinating Committee, which has vowed to fight the increases if granted.

The increases, which will be 14 percent to be implemented on April 1 and 12 percent in September, have not yet been approved by the Lebowa Transportation Board, according to BBS general manager Mrs Claudia McLean.

The BBS application would be made in conjunction with the parastatal Lebowa Transport, which is the major transport company in the region.

An attempt to increase fares in 1990 backfired for both companies, with the LT being ordered by the Cabinet to reduce fares.

FNTTCC chairman the Rev Kgotsupo Leputu said representatives from all villages and townships serviced by both LT and BBS would meet soon to discuss the matter.

Taxiwomen blaze away on N1 trail

Sowetan 10/2/92

(332)

By MATHATHA TSEDU

THE taxi industry is, to coin a phrase, a man's business. It is a case of dog eat dog.

With endless fights over routes, licences and pirates, even men think twice before going in.

But not so Mrs Joyce Silima, a 27-year-old mother of one, who is one of two women driving taxis from Sibasa in Venda to Johannesburg.

The N1, known as the notorious death road with gruesome accidents involving mainly taxis, has also had its fair share of taxi wars which have led to shootings between operators.

It is into this deep end that Silima, or Joyce as she is affectionately called, has been thrust.

She shrugs her shoulders and says: "Whatever happens there can happen anywhere."

She has been running the Johannesburg route, a single trip of over 500km, since last November. She was part of the Christmas rush, during which, she says, there is no stopping.

Being a woman in a business where a variety of characters are ferried also creates its own problems. She says men cannot keep their hands off her.

Many men have been forced off her taxi because of making passes at her, but she takes it in her stride and shrugs it off as being one of the hazards of the job.

Joyce started driving taxis in 1984 between Louis Trichardt and Sibasa. She went into the trade because of the challenge.

"I have no fear. I believe I can do anything and if I think of something I go out and do it. There is no such thing as a man's job to me," she says.

> ***'I have no fear. I believe I can do anything and if I think of something I go out and do it. There is no such thing as a man's job to me.'***

It is this never-say-die attitude that has earned her the respect of her male counterparts. She has also been through some hell-raising experiences.

One of them was when, while driving through Potgietersrus, her minibus started wobbling. After bringing the vehicle to a stop she found that one wheel was being held by two nuts.

She likes driving taxis because she is able to go to many places as part of her work, for free in a way, she adds.

Her daughter Rofhiwa stays with Joyce's mother and is used to being separated from her mother for some time.

"When business is slack and you get a load to Johannesburg, you may stay there for three to four days waiting in the queue to load," she says.

During this time, Joyce stays in a flat in Johannesburg's flatland, rented by the taxi-owner for his drivers. Asked how long she expects to keep up this gruelling work, Joyce gives her characteristic bouncy laugh and says maybe forever. "I may stop when I reach 40," she adds.

Joyce and Avy Khoza, the other woman driver on the route, have proved that the saying a woman's place is in the kitchen is nothing more than the fancied imagination of sexist chauvinists.

They are trailblazers in a male-dominated industry of whom all women should rightfully be proud.

Man dies in Thokoza taxi feud

(332)

Argus 16/2/92

By MONWABISI NOMADOLO

A TAXI driver was killed and three others wounded as the East Rand taxi crisis deepened this week.

This follows an attempt on the life of Thokoza Amalgamated Taxi Association (Tata) president Piet Mbele on Sunday as violence continued between two factions of his association.

Taximen said Jabu Hlatshwayo was shot dead on Wednesday night while Moses Zulu, Matthews Zwane and "Prof" Nkosi were wounded.

Unitrans extends operations to the Cape

(332) LINDA ENSOR

CAPE TOWN — Transport group Unitrans is expanding its operations into the Cape through the acquisition of a specialist local transport company, Much Transport.

Formerly owned by Murray & Roberts Supplies & Services, Much Transport, now called Unitrans Cape, operates in a niche market moving products such as emulsions and fuel oil for the oil, road construction and timber-treatment industry.

Unitrans Cape has a fleet of 70 truck tractors and 108 trailers and operates a fleet of ore-mix carrying tippers. It has depots in Cape Town and Port Elizabeth.

B/Day 17/2/92

Cape taxi war toll 3, say cops

Sowetan 18/2/92

(332)

THE official weekend death toll in the ongoing taxi war in the townships in and around Cape Town is three, according to police.

Sources close to the rival taxi organisations claimed six or seven people were killed, but police denied these claims.

The violence started during the funeral of a member of Lagunya on Saturday.

Mr Vimile Kwezi, whose father is a detective attached to the Gugulctu police station, was killed when shots were fired at his taxi as he drove past the mourners. A passenger in the taxi, Mr Joe Maxeke, suffered bullet wounds.

On Sunday the body of a man was found behind a shack near the Nyanga bus terminus. He had been shot in the back with a small calibre hand gun. He has not yet been indentified.

Late on Sunday night police saw a group of men running in the KTC camp. They jumped into five taxis and sped off. Police gave chase. was caused when 15 shacks were destroyed by fire - police suspect petrol bombs were used - at D Block Khayelitsha.

In another incident, two off-duty police constables were stabbed in Khayelitsha. Constable MS Paliso of Khayelitsha and Constable EK Dembede of Lansdowne were discharged after treatment. - *South African Press Association.*

KTC takes a stand against taxi drivers

South 20/2 – 26/2/92 (332)

By Mbuyiselo Mtsneketshe

KTC SQUATTERS took defensive action this week as rampaging taxi drivers threatened to destroy their camp.

Residents complained police and the SADF failed to protect them, forcing them to take measures to ensure their own safety.

They are particularly concerned by the failure of police to intervene in the abductions of youths in the area, allegedly by Western Cape Black Taxi Association (Webta) members.

On Saturday, brothers Xolile and Lindile Madonela and two teenagers from KTC were abducted by men believed to be Webta drivers at the Nyanga terminus.

One of the teenagers, Sithobile George, 13, who escaped told SOUTH he was assaulted by Webta members.

"I was stopped by six men in a taxi while I was on my home through Nyanga on Saturday afternoon," Sithobile said.

He claimed he was slapped in the face, kicked and struck on the arms.

"I was dragged into a taxi and driven away. They drove to the bushes between Khayelitsha and Mitchells Plain and one of them told me that my private parts would be cut off as soon as we reached their base."

"When we reached the base I saw many taxis in the area and a big shack," Sithobile said.

"They left me in the taxi and locked the doors before going into the shack.

"I managed to open the front window and jump out.

"I looked through the shack window before escaping and saw a group of men sitting around a fire.

"I was terrified as I walked down the railway line from Mitchells Plain to Nyanga."

Sithobile said he did not know why the men had abducted him. The other three teenagers abducted had not yet returned home. He did not know what had happened to them.

Another KTC youth, Wongama Qasana, also disappeared after taking a taxi from Nyanga to Langa to register at a school there.

On Wednesday three commuters were attacked at the Nyanga bus terminus by people alleged to be Webta members.

Two escaped while the third, Mr Sandlonke Sibawu, was abducted.

A spokesperson for Webta, Mr Siphiwo Mooi, denied his organisation's involvement in the incidents.

ON GUARD: An armed KTC defence unit "commander" keeps a watchful eye on the beseiged squatter camp

PIC: YUNUS MOHAMED

KTC residents have formed defence units to prevent further attacks to and protect their homes.

A defence unit "commander", an ex-political prisoner who did not want to be named, alleged that police had exacerbated the violence and shown bias in their policing of the conflict which resulted in the formation of defence units.

He said the units patrolled the area day and night to ensure the safety of the community.

The "commander" said residents were demanding that police stop escorting Webta in and out of the area and that Webta be removed from the Nyanga terminus.

"If the police can't remove them, we will take the law into our own hands and remove them," he said.

He alleged the police were directly involved in instigating and maintaining violence in the area.

KTC residents' trust in the police has been eroded as they believe the force does not offer them adequate protection and is partial towards Webta.

One of the residents, who did not want to be named, said on Saturday morning about 14 kombis, believed to belong to Webta, and one police vehicle parked next to KTC.

He said a group of more than 12 men with firearms, backed up by about 15 armed men with axes and pangas, entered KTC. The men set two Lagunya taxis alight.

Two men were killed and six were wounded in the battle between Webta and the Lagunya Taxi Association this week.

Mr Elliot Bolani, an ANC Peace Committee member in KTC, and his son, Sandile, both received leg wounds while watching the shooting through their window.

Bolani alleged he was shot by a white man wearing a balaclava.

"I knew that the man was white because his forearms and hands were bare," he said.

KTC resident Mr Zolile Geld said trust had broken down between the police and the community.

"When we were attacked on Saturday the residents saw the police in the area but they did nothing to stop the attackers," Geld said.

"KTC residents demand policing that ensures the safety of the people."

Some residents could not go to work this week because of fears their shacks would be burned down while they were away.

Said a resident: "It's better to lose my job than lose my wife and children."

About 500 woman marched again this week demanding the removal of taxi terminuses in the townships.

Police spokesperson Colonel Anthony Dewhurst said all complaints lodged in connection with police action will be fully investigated.

Transport takeover

S/Times (CM) 23/2/92

AN aggressive expansion in the Cape has been launched by the Transvaal-based Unitrans Group following its acquisition of local company, Much Transport. (332)

Managing director of Unitrans Cape, Doug Alcock, says Unitrans will embark on a substantial fleet replacement programme to take advantage of considerable growth opportunities in the region.

The Unitrans Group covers a range of transport activities, from the mining, sugar and timber industries to fuel, lubricants and hazardous chemicals.

The group has depots in Swaziland, Lesotho, Botswana and Malawi, and is represented in Namibia, Zimbabwe, Zambia, Mozambique and Zaire.

Much Transport of Table View was previously owned by Murray & Roberts Supplies and Services and operated in a niche market, transporting "black" products such as bitumen, emulsions and fuel for the oil industry, road construction and timber treatment.

With depots in Port Elizabeth and at Milnerton, the Unitrans Cape fleet totals 70 truck tractors and 108 trailers, plus a small fleet of ore-mix carrying tippers.

Flitestar to bid for UK route

(332)

LINDEN BIRNS

FLITESTAR, SA's youngest domestic airline, is to apply for several international routes, including Britain and the Gulf region, MD Jan Blake confirmed yesterday.

Although the airline will not be represented at this week's talks between the UK and SA aimed at establishing a new air services agreement, indications are that Flitestar and the UK's Virgin Atlantic will be allowed to start flights on the lucrative route. This would end the stranglehold British Airways and SAA have held on the route since the 1940s.

Talks will take place today and tomorrow in Pretoria, and will be attended by representatives from SAA, British Airways, Virgin Atlantic, the UK embassy and SA's transport department.

"Absolutely," was Blake's reply when asked if Flitestar was interested in flights to the UK. An airline delegation was visiting the Gulf region and had already visited several other countries which Flitestar is keen to start flights to.

Blake said the airline's applications for several routes, including the Gulf, would appear in Government Gazettes soon.

The airline was considering leasing new aircraft for its planned international operations, but in the interim would use its twin-engined Airbus A320s, which required only one refuelling stop en route to most European and Middle East destinations.

Virgin Atlantic's presence at this week's talks fuelled speculation that SA's soon-to-be-announced revamped international civil aviation policy would open the way to a multidesignation system, scrapping the policy whereby SAA and the national car-

☐ To Page 2

B/Day 24/2/92

Flitestar

B/Day 24/2/92

(332)

☐ From Page 1

riers of those countries it has air links with hold duopolies on their respective international routes.

If Virgin was allowed to compete in terms of the new dispensation, then so should Flitestar.

British Airways' commercial and government affairs head, and leader of the airline's delegation to this week's talks, Robert Ebdon, said in London it was his personal view that no final decisions would arise from the talks. This was because SA's Directorate of Civil Aviation had still not announced its final intentions regarding the new international civil aviation policy.

Although Virgin Atlantic chairman Richard Branson said he planned to introduce flights to SA next year, the airline has already advertised in the trade Press for Boeing 747 crews prepared to fly the route.

Last year the British Civil Aviation Authority gave the airline permission to start flights between Heathrow and Jan Smuts. But SA's Directorate for Civil Aviation was unable to reciprocate as it was bound to the bilateral agreement under which only British Airways and SAA were allowed to operate on the route.

Airline industry leaders are confident that SA's new aviation policy, which is expected to come into effect in April, will also free airlines from restrictions governing price fixing, the number of flights each carrier may fly to and from SA each week, access to alternative SA gateway destinations such as Durban and Cape Town and charter flights.

Airline gets first unrestricted licence

B/Day 26/2/92 LINDEN BIRNS (332)

GOVERNMENT has given Durban-based Bass Aviation SA's first unrestricted domestic airline operator's licence.

Bass Aviation MD Mike Basson said from Durban yesterday it could begin scheduled services between Durban and Midrand by the end of the year.

Although Bass Airways, which will take over from Bass Aviation soon, will start with just the Durban-Midrand flights, its licence opens the way for it to fly any "scheduled operations" within SA.

Bass Airways' fares would be marginally higher than SAA's and Flitestar's because of the convenience of flying to Midrand's uncongested Grand Central Airport, Basson said.

Basson said the airline would probably go ahead with plans to buy three De Havilland Dash 8 50-seater turbo-prop airliners. These would initially fly six return flights a day, giving the airline up to an 8% share of the Durban-Johannesburg market.

"We have only to finalise the financing ... and then we will go to America to pick up the planes," he said.

Basson said total start-up costs were in the region of R100m.

The new licence is the first scheduled air services licence issued under the new domestic civil aviation dispensation. The new licences do not specify the points between which holders may fly. Flitestar's licence, granted under the old Air Services Act, restricts it to specific routes and number of flights. SAA and Flitestar, which must renew their domestic service licences by the end of June, are likely to get similar licences to Bass Aviation's.

SAA spokesman Leon Els said the national carrier welcomed competition.

Overseas operations help Trencor to defy recession

B/Day 26/2/92 (332)

LINDA ENSOR

CAPE TOWN — Overseas operations and exports enabled the diversified Trencor group to defy recessionary trends in the local economy and produce a 22,8% rise in earnings in the six months to end-December.

Trencor is involved in the manufacture and export of containers. It manufactures trailers and operates in the transport and tyre sectors.

An interim dividend of 42c (35c) was declared on earnings of 312c (254c) a share.

An improved year-on-year performance in foreign currency terms was made by Trencor's overseas operations which, together with exports, contribute about 60% of the group's total earnings.

The world container market had been stable and the export of containers buoyant, Trencor chairman Neil Jowell said yesterday.

On the local market the group's broadly spread transport interests — which represent about 10% of bottom-line earnings — did better than last year, but the engineering and tyre divisions fared worse as the recession took its toll on these sectors.

Turnover rose 22,8% to R479m (R390m) but as the mix of business changed in favour of the high turnover low-margin tyre business, margins slipped to 14,8% (15,6%) and operating income showed only a 16,4% rise to R71m (R61m).

A sharp cut in interest-bearing debt saw finance charges drop to R11m (R10m). Attributable income of R45m (R36m) was notched.

Trencor's convertible debenture issue to raise R260m happened too late to have much effect on the interim results, but Jowell said the money raised would contribute an estimated net income of R13m to the final results.

Plans were in place to spend the money raised on expanding existing businesses. Opportunities were being "actively developed" but Jowell did not believe the bulk of the money would be spent by year-end. About R52m of the funds were used to cut interest-bearing debt to R40m, bringing gearing down to 6% (27%).

Year-end results would show an improvement but would be lower than last year's 28,5% increase, Jowell said. A slowdown in the rate of growth was forecast for the next six months.

The international container market was weaker because more capacity had come on stream. In the final two to three months of the financial year containers would be exported on contracts concluded on less favourable margins.

Trencor's parent, Mobile Industries, which has a 48% stake in Trencor, produced interim earnings of 78,1c (63c) and declared a dividend of 10c (8,2c). Its 74%-held subsidiary, Mobile Acceptances, which is involved in financing and leasing, produced "satisfactory" profits.

BUSINESS

Overseas activities boost Trencor

STAR 26/2/92

Marc Hasenfuss (332)

DURBAN — Diversified transport group Trencor maintained its growth record on the back of another strong performance from its overseas operations in the six months to December.

Executive chairman Neil Jowell expects similar trading conditions for the second half, pointing to an improvement in earnings for the full year.

He says various opportunities are being actively developed in the wake of Trencor's successful rights offer, which raised R260 million for expanding current areas of business.

He says the contribution of overseas operations improved during the interim period in foreign currency terms, but that weak domestic markets continued to constrain the performance of South African divisions.

The dividend payout has been lifted 20 percent to 42c a share from earnings of 312c (254c), or R45 million (previously R36 million).

Bottom line

Although turnover rose 25 percent to R479 million (R390 million), margins were squeezed, limiting the increase in operating profit to 16 percent.

However, the bottom line was bolstered by a reduction in outside shareholder's interest and marginal increases in the tax and interest bill.

Mr Jowell says transport interests fared better — bucking the weak trend in the industry.

However, engineering and tyres, in the absence of any upturn in the economy, failed to achieve last year's contribution.

Trailer manufacturer Henred-Freuhauf experienced a severe decline in sales.

While export operations, largely based on containers, performed well, Mr Jowell cautions that the impact of a weaker container market will be felt in the second half.

Night flights for Flitestar

Staff Reporter STAR 28/2/92 (332)

Flitestar, South Africa's first independent domestic airline, has announced night flights.

This week the airline adapted timetables, fares and seating arrangements to meet passenger demand by increasing the economy class from 60 to 96 seats, and reducing the size of business class from 65 to 35 seats.

After a few months of operating, Flitestar found that an increasing number of flyers were booked on its economy class.

Night owls will get the same standard of service as their daytime counterparts at a 40 percent discount, and with convenient departure and arrival times.

Flitestar's night flights will operate on a daily basis except on Saturdays, and will have full staff.

Initial flights will be on the Johannesburg/Port Elizabeth and Durban/Port Elizabeth/Cape Town return routes.

On March 15 the Johannesburg/Cape Town run will get off the ground.

US conflict expert to help solve taxi war

South 2-4/3/92

(332)

By Mbuyiselo Mtsheketshe

THE SEARCH for a solution to the Western Cape's tragic taxi war has been widened.

Local peace committees couldn't stop the taxi war, even the mayor went unheeded — now the yankees are being called in to do the job.

Americans are sometimes accused of sparking conflict around the world, but now they've been asked to solve it.

The Institute of Future Research (IFR) at Stellenbosch University's Business Department has organised a workshop for Thursday, to be facilitated by an American conflict resolution specialist, in an attempt to find ways of ending the war between Webta and Lagunya.

Professor Russell Ackoff, chairman of the board of the Institute for Interactive Management in Philadelphia, USA, has received numerous awards for his work in the fields of operations research, planning research and human development.

Ackoff visited South Africa for the first time in April last year and held seminars with audiences from the public and the private sector.

One of the workshop organisers, Mr Clifford Mtsomboti, said the IFR believed the presence of Ackoff could make a significant contribution in solving the conflict.

Mtsomboti said the workshop aimed to give participants a new insight and understanding into the nature of deep-rooted conflict and the art of resolving problems and conflicts.

He said community organisations and trade union representatives had been invited to attend.

Webta and Lagunya have not been invited, Mtsomboti said, as organisers feared they were not yet ready to solve their differences through conflict management and might bring their conflict to the meeting.

Trust Feed witness tells of conversion

B/Day 28/2/92.

Own Correspondent

MARITZBURG — SA Police Capt Brian Mitchell yesterday told the Supreme Court he had decided to tell the truth about his involvement in the 1988 murders of 11 people at Trust Feed because he had become a Christian while in prison.

Mitchell also told Mr Justice Wilson and two assessors he wanted to study to become a minister and was in the process of negotiating for funds. He hoped to establish a ministry for prisoners in jail.

While awaiting trial he had become involved in a Bible study group and organised church services for fellow inmates.

Last year Mitchell and co-accused Capt Jacobus van den Heever, Sgt Neville Rose and four former SAP special policeman pleaded not guilty to 19 charges of murder and attempted murder. But on Tuesday Mitchell's advocate gave notice that Mitchell would amend his plea.

Mitchell agreed during cross-examination yesterday that he had known that the special constables who arrived in Trust Feed on November 30 were there as a "backup force" for Inkatha leader Jerome Gabela, with the aim of eradicating the UDF elements in the area. In effect he knew they were there to "kill people", he said.

He deduced this from an earlier conversation with the head of the riot unit, the late Maj Deon Terblanche, who told him about "certain elements" within the unit that assisted Inkatha to take over UDF areas and defend Inkatha areas by "unlawful means".

Similar remarks were made by Gabela after a meeting at Marawa House in Pietermaritzburg involving Maj Terblanche, well-known Inkatha member David Ntombela, and the three Trust Feed Inkatha leaders (Gabela, Johan Nxumalo and a Mr Majozi).

He believed Gabela was instructed at the meeting to act more "forcefully" against his opponents at Trust Feed as a result of a report by him (Mitchell) that Gabela was a "weak" Inkatha leader who had no backbone. It was his belief at the time that the UDF was gaining the upper hand in Trust Feed and making the area ungovernable.

Mitchell also testified that a so-called prevention of crime operation carried out by the riot unit the day before to the massacre was aimed solely against members of the UDF. In his opinion, the aim of the operation was to remove a number of young men from the so-called UDF fighting force and to seize weapons belonging to UDF supporters so that the UDF would be vulnerable to attacks from Inkatha that night. He believed the special constables had been brought in to assist Inkatha with these attacks.

He testified that he had been drinking heavily before leaving for Trust Feed on the night of the massacre. He had no intention at that stage of ordering an attack by the special constables. This idea had only come to him while he was in the area. He then instructed two special constables to attack or kill UDF members, expecting them to seek out groups of comrades who may have gathered in the area.

"I didn't expect the specials to just shoot indiscriminately into a house ... I didn't desire the killing of women and children."

The hearing continues today.

Police ultimatum in Cape taxi war

B/Day 28/2/92

CAPE TOWN — Police have flown in reinforcements from Pretoria and given rival Cape taxi organisations a week to end violence which has claimed 25 lives this year.

Both groups had agreed to consider a suspension of services while a unified body was formed, an ANC spokesman said. The ANC western Cape region yesterday met the Western Cape Black Taxi Association and the Langa, Guguletu and Nyanga Association in an attempt to resolve the conflict.

Eighteen civilians and 14 policemen have been injured in the fighting which has caused an estimated R1m damage, mostly to minibus taxis.

Police had flown in 150 policemen and deployed more than 500 personnel in the main trouble spots of KTC squatter camp, Khayelitsha, Nyanga and Crossroads, according to regional internal stability head Brig Frik Kellerman.

Five permanent SAP checkpoints have been set up around the Nyanga taxi rank. Kellerman said the rank would be closed if the violence continued.

Police have met representatives of both organisations, who undertook to convey the seriousness of the situation to their supporters.

Three policemen were injured on Wednesday when shots were fired at their vehicle as they patrolled KTC.

The ANC has organised a peace march through the troubled areas for Saturday. — Sapa.

Tourists flocking back, say operators

B/Day 28/2/92

DARIUS SANAI

FOREIGN tourists are flocking to SA in unprecedented numbers and 1992 is set to become a record year for tourism, say leading airlines and tour operators.

A spokesman for British Airways yesterday described booking volumes on flights from London to Johannesburg as "excellent".

"The number of forward bookings southbound over the next few months is very, very good, and January and February have also been excellent months," the spokesman said.

She said she was unable to confirm whether the past two months had seen the greatest number of tourists ever to visit in January or February, but said bookings were "better than we've seen them in a very long time".

Rennies Travel spokesman Kathy McWhirter said yesterday there had been a "significant increase" in tourist numbers.

Business had also increased dramatically at Rennie's Travel bureaux de change, indicating a notable increase in the numbers of foreign tourists, the spokesman said.

Accurate figures on the numbers of tourists are only available from Satour, which has not yet released figures for this year. But smaller operators yesterday echoed comments from Rennie's and BA.

Mike von Kotze, MD of independent Incentive Touring, said yesterday that numbers of tourists so far this year "are definitely higher than in any previous years", with an increase of around 15% over last year's numbers.

Von Kotze said the referendum would not adversely affect tourist numbers unless the outcome was negative, and a positive outcome might help tourism by giving SA good publicity.

The BA spokesman said the value-for-money factor in SA was a definite drawcard.

Flitestar unveils new fare discounts

332

B/Day 28/2/92

LINDEN BIRNS

FLITESTAR would offer 40% discount fares for its soon-to-be introduced evening and late night flights and had increased discounts in several categories of daytime flights, it announced yesterday.

The airline, which like its opposition SAA has been struggling to increase load factors, recently reconfigured its Airbus A320 cabin layout. The new seating plan features a Business Class which has been almosthalved — 35 seats instead of 65 — and a 36-seat increase in the economy class.

Flitestar's last late-night departure is 11pm, with its latest arrival time 00.45am. The earliest evening takeoffs, which qualify for the 40% discount, are 7.15pm. These will operate every day except Saturday.

The late night flights will initially link Johannesburg to Port Elizabeth and Durban to Port Elizabeth and Cape Town. Flights between Johannesburg and Cape Town will begin by mid-March.

Early morning flights have also been rescheduled, with the earliest Johannesburg departure moving from 6.30am to 6.50am. The first flight from Durban to Johannesburg will depart at 8.15am instead of 9am. Changes have also been made to the Durban-Johannesburg midday schedule.

Flitestar said it had reacted to the recession by increasing weekend discounts for sports teams, their spouses and people under 25 (25%), and people on government pensions and senior citizens (30%).

Starpex 25% discount fares have been made available to all travellers.

Meanwhile, Flitestar is hoping to start flights to India and the Persian Gulf region within weeks if it gets approval for its proposals from the Directorate of Civil Aviation (DCA).

Flitestar MD Jan Blake said the airline was also interested in starting long-haul flights to London. He said it was evaluating the acquisition of long-range aircraft to augment its medium and short-range fleet.

A management delegation led by GM Reinhart Mecklenburg this week took part in a Safto visit to Oman. Mecklenburg said Flitestar had identified the Gulf as a region of vibrant economic growth.

He said Gulf travel agents had shown particular interest in southern Africa's casino resorts, health spas and luxury game lodges. Flitestar has proposed a once-a-week direct flight linking Johannesburg to Bombay and Delhi.

DCA spokesman Maurena Nel said yesterday an intergovernmental bilateral air services agreement was not required for Flitestar to begin services to India or the Gulf.

She said it was free to negotiate a purely commercial agreement on air links with carriers registered in those countries, similar to the arrangement SAA has with Lufthansa.

TRENCOR FM 28/2/92

Foreign boost (332)

Trencor's earnings performance remains as consistent as ever. EPS rose 22,8% in the six months to end-December and prospects for the second half are looking good.

As could be expected, it was mainly the contribution from the overseas operations and exports that helped the group to achieve real growth. This division is responsible for about 60% of pre-interest earnings, and its

Continue →

FOX FM 28/2/92 (332)

STILL ROLLING

Six months to	Dec 31 '90	Jun 30 '91	Dec 31 '91
Turnover (Rm)	390	439	479
Pre-int profit (Rm) .	61	87	71
Pre-tax profit (Rm)	51	81	60
Attributable (Rm) ..	36	69	45
Earnings (c)	254	481	312
Dividends (c)	35	125	42

performance is aided by any weakness in the rand. Chairman Neil Jowell still refuses to go into detail about the functions of the division, but adds that once sanctions are lifted fully he looks forward to disclosing all.

In the local context, the smallest division, transport, did well. The recession has apparently weeded out some smaller competitors who depended on a cut-rate service. Shippers who have been tempted to use them in the past have reverted to Trencor because of their reliability. Some small acquisitions were made, cost controls were kept tight and margins widened in this area.

Understandably, the engineering and tyres division suffered as a result of the downturn but there was little to be done.

Turning to the current six months, Jowell says the international container market has become more competitive, as growth in international trade has slowed and, more importantly, new factories in the Far East have come on stream. Consequently, the margin is expected to suffer as contracts negotiated in a more contested market take effect. Though Jowell does not say so, he seems less confident that second-half trading income will grow at the rate seen in the first half.

To compensate for any decline at trading level, there will be income from the R180m cash held since the rights issue late last year. Jowell says this should produce net additional pre-tax income of about R13m. Assuming second-half trading incomes rise by, say, 10% to R96m, pre-tax profit for the period will amount to R109m, taking the year's total to R168m, or 27% up.

Given the earnings record and positive prospects, it is understandable that the price has more than doubled from R56 a year ago to the R125 now. The chart shows no indication of the price topping out. And why should it, if the company is perceived to be able to maintain real growth in a tough recession? Add to this the prospect that the cash has yet to find a home, and the share is interesting.

Gerald Hirshon

Webta's woes

WEBTA chairman Mr James Mafuya denies that the taxi association's members have been involved in attacks on KTC residents.

He said this week KTC residents harboured Lagunya drivers and that attacks on Webta had been launched from the settlement. (332)

"Our houses are being burned from New Crossroads to Khayelitsha, yet we are always accused of being Inkatha and gunmen who shoot people," he said.

He accused civic associations of siding with Lagunya.

Webta wanted to negotiate, but it regarded community boycotts against taxis as intimidation.

"The boycotts take away the bread and butter from the children of our drivers.

"We are not running with the police. Last Thursday, when the shacks were burned, 11 of our members were shot by the police with rubber bullets and birdshot."

Mr Mafuya accused the police of pandering to the ANC and of failing to take action to stop the violence.

"I don't know if it's true that white men are involved in the attacks on residents, but I believe people are hiding behind the taxi war to make trouble. I really don't know what is taking place in the townships any more."

S/Times (Cm) 1/3/92

Same old story

POLICE spokesman Captain Attie Laubscher issued the standard response to allegations of partiality: "We dismiss these allegations with the contempt they deserve.

"Police have a responsibility to the large majority who want to see peace and stability. We will monitor the situation for a week, then we will reassess and decide whether to take more drastic steps."

Asked about repeated allegations that whites have been involved in attacks, Captain Laubscher said: "That allegation is so old.

"We can't ignore it altogether, so we appeal to the public . . . to come forward. No one has come forward. If the allegations are true, it's a cause of concern."

PEACE MARCH . . . about 200 ANC supporters marched on Guguletu police station yesterday to protest against alleged police collusion in taxi war-related violence. The march was part of an ANC campaign for peace in the townships Picture: JACK LESTRADE

Guguletu pleads for closure of taxi rank

S/Times (CM) 1/3/92

ABOUT 200 people marched to the Guguletu police station yesterday to call for the closure of the Nyanga taxi rank and to protest against alleged police collusion in the Western Cape taxi war.

The ANC's regional secretary, Mr Tony Yengeni, handed a memorandum to acting station commander Lieutenant Joseph Petersen. A memorandum had been handed in earlier at the offices of the Ikapa Town Council.

"We are asking the SAP to remove itself from the bus terminus and to stop the shooting of our people," Mr Yengeni told Lieutenant Petersen. (332)

"There are schools around the terminus and children, many of whom have been shot, are in danger."

In one of several incidents this week, ANC Nyanga branch chairman Mr Lucas Mbembe and three members of the Western Cape Hostel Dwellers Association were wounded when gunmen fired on their car.

The ANC has demanded that leading police officers in the affected areas meet it within the next seven days to discuss the role of the police in the townships.

☐ See Page 3

Safren makes headway

STAR 2/3/92

Safren had a good six months to December and has reported a substantial increase in profits.

Earnings attributable to shareholders was R133 million, compared with the previous R120 million. 332

Earnings per share were 240,3c (224,5c). An interim dividend of 65c (60c) has been declared.

However, the board says profits are continuing to be affected by the deteriorating economy.

It says Safmarine continued to experience reduced cargo volumes which, together with the relatively stable rand during the period, resulted in a lower profit growth rate.

Tax paid was down at R106,7 million (R122,2 million) as a result of the lower company tax rate.

Turnover was up at R2,3 billion (R2,1 billion), while interest received fell to R42,8 million from the previous R56,8 million.

The board feels that given economic conditions, results for the year should be satisfactory. — Sapa.

Recession shows in lower profit

B/Day 2/3/92 (332)

LINDA ENSOR

CAPE TOWN — The severity of the domestic and international recession is starkly reflected in the fact that Safren subsidiaries, Safmarine and Rennies, both suffered a 5% decline in operating profit in the six months to end-December.

A stronger performance from Kersaf helped at operating level, but it was only stringent cash management and a favourable tax dispensation that enabled the group to convert a 6,4% increase in operating profit after depreciation into an 11% increase in attributable earnings before extraordinary items.

"Cash management and tax played a vital role," Safren deputy chairman and CE Buddy Hawton said.

Due to capital investment allowances in Kersaf and the lower rate of company tax, the group's tax rate fell to 31,7% (38%), enabling it to convert a 5% rise in pre-tax profit to R336,8m (R320,8m) into a 16% increase in after-tax income.

Group turnover rose 9,3% to R2,3bn (R2,1bn) and operating profit by 10% to R435,7m (R396m). After a 24,4% increase in depreciation to R98m (R79m), and after the reversion to paying a small amount of interest rather than receiving interest, the group notched up a 5% increase in pre-tax profit.

Safmarine's contribution to group attributable earnings of R133,3m rose 8,7% to R45,2m (R41,6m), Rennies' by 11,3% to R21,6m (19,4m), and Kersaf's by 13,7% to R65,4m (R57,5m). The contribution of other interests suffered a 26,7% drop to R1,1m (R1,5m).

Commenting on the performances, Hawton said shipping volumes had been lower than at any time since the introduction of containerisation 15 years ago. Bulk freight rates were weak in all sizes and were likely to remain so.

Hawton did not see volumes turning up in the short term, but did expect the rand to start sliding against the dollar, which would give Safmarine a rand hedge benefit in the current six months.

The bulk shipping division could receive a fillup from SA's planned import of maize.

The performance of Rennies, which is involved in cargo services and transport, marine services, freight, terminals, travel and trading, was aided by its tight cash management and developments in central Africa.

The terminals division performed well but travel had not returned to the levels expected. Increased foreign travel allowances had helped the foreign currency division which performed well. Prospects for freight and travel remained tough, but Hawton thought Rennies would continue to show a profits improvement.

It was too early to gauge the value of Safren's 37,5% stake in the fledgling airline Flitestar, but volumes were building up nicely and international opportunities were opening up.

Graphic: LEE EMERTON Source: I-NET

Suspended taxi groups suffer

THE voluntary suspension of operations by warring city taxi associations is crippling them, according to Webta.

"I would not mind if I had to suspend my operation and go hungry — if it was for peace," Mr Joe Serame, Webta's spokesman added.

The suspension of services by Webta and Lagunya includes all townships except Langa.

332

Venter to hitch up to the JSE today

MARCIA KLEIN (332)

THE shares of Venter Leisure and Commercial Trailers (Ventel) will be listed on the JSE today following its R25,5m share offer at an issue price of 150c a share.

Ventel, SA's major light leisure and commercial trailer manufacturer, will appear on the transportation sector of the JSE today at 11.30am, and analysts expect the shares to trade at between 150c and 170c. Generally, analysts do not expect the share to trade at much of a premium, and the group itself has said the offer of 150c was fairly priced. B/Day 4/3/92

Ventel's listing follows its offer of 17-million ordinary shares at an issue price of 150c a share. The company said the private placement of 13-million shares was fully subscribed, and the public offer of 4-million shares was 11% oversubscribed.

Ventel said some financial institutions reduced their allocations in terms of the private placing in order to allow public offer applications to be allocated in full.

Chairman Pienkies du Plessis said directors were "extremely satisfied" with the reaction from institutions and the public, in spite of the tense investment climate and political uncertainty.

He said the group had met the warranted net profit before interest and tax of more than R12m for the year ending December. The results "augured well" for the company's future, and subsidiaries were trading in line with projections.

Du Plessis said Ventel had a competitive edge because of its fully integrated manufacturing process, its quality products, dominant market share, established distribution channels and strong cash flow. It would focus on expanding existing markets and developing export opportunities.

Boeing banks on air travel growth

B/Day 4/3/92 (332)

LINDEN BIRNS

BOEING Commercial Airplane Group yesterday said worldwide traffic growth in revenue-generating passenger miles would triple between this year and 2010, necessitating the delivery of $857bn worth of airliners over that period.

This favourable forecast of an average 5,2% growth per year follows an unexpected heavy downturn suffered by the airline industry last year which caused several companies to reschedule new aircraft deliveries from Boeing.

In its long term market outlook, Boeing said jetliner deliveries were projected to grow from the 467 annual average between 1980 and 1991, to 655 a year between 1992 and 2000, and 580 a year in the next decade.

During the past 21 years the jetliner manufacturing industry averaged $18bn (1992 dollars) a year in deliveries. Boeing expects annual deliveries to average $45bn during the next 19 years.

Seattle-based Boeing's marketing vice-president Richard James said he expected the world economy to recover at an average annual growth rate of 3,4% in GDP between now and 2000.

Boeing predicted that world travel would grow an average of 5,5% a year until 2000 and then slow to about 5% for the next decade. James said the industry was focusing on crises like the record debt reported by airlines last year, resulting reluctance to extend credit to airlines and low consumer confidence.

However, with the Cold War over and the Middle East more stable than a year ago, there was justification for a bright outlook. Expected were:

- ☐ A rebound in travel growth after unforeseen disruptions;
- ☐ Solid economic growth, resulting in more personal income;
- ☐ Improved financing capabilities;
- ☐ Oil prices would remain low up to the turn of the century;
- ☐ Airlines would use their aircraft more efficiently and experience modest cost decreases and a return to profitability;
- ☐ Consolidation and integration of airlines, which would mean fewer carriers would have the advantage of economies of scale;
- ☐ Technological improvements and more skilled labour would improve productivity.

James said he felt the US economy had bottomed out and that traffic would grow as consumer confidence and economic growth resumed. US domestic traffic — the industry's barometer — should grow between 5% and 7% annually, resulting in US airlines recovering by 1994 to annual profit margins between 4% and 6%.

Although Boeing last year predicted 300 airliners would be retired from service, only 91 were. However, it

ıected that about 800 jetliners cur-
tly grounded by several airlines
ıld never return to service.

'he company assumes that 4 200
iners will be retired by 2010, with
ut 2 750 of these on the ground by
0. A large percentage of these will
first and second generation
ing 747s, McDonnell Douglas DC-
Airbus A300s and Lockheed L1011
stars. About 10 600 jetliners are
rently on airline inventories.
eral airlines will be forced to re-
older noisy aircraft in keeping
h international noise regulations.

Boeing predicts that from now un-
2000, 65% of aircraft delivered will
to meet traffic growth, and 35% to
lace aircraft taken out of service.

Quiet first day as Venter moves up 5c

B/Day 5/3/92

MARCIA KLEIN

THE first day of Venter Leisure and Commercial Trailers (Ventel) on the JSE yesterday was characterised by a reasonable amount of trade, but not much in the way of share movement.

The share opened in the morning at 150c, in line with the issue price, and closed just 5c higher at 155c.

Soon after opening Ventel went up to 155c and stayed at this level, although some stags tried to get 157c, with no takers.

Analysts said yesterday that the day's trade was in line with expectations, and the listing had not created much excitement in the market.

The last trade of the day was a bear sale at 155c, which suggests that some investors think the share will go down. (332)

Yesterday's listing follows a R25,5m share offer of 17-million ordinary shares. The private placement of 13-million shares was fully subscribed, and the public offer of 4-million shares 11% oversubscribed.

Flitestar dismisses claims of pending coup or problems

B/Day 5/3/92 LINDEN BIRNS (332)

FLITESTAR MD Jan Blake yesterday scotched rumours that the fledgling airline was facing tough financial headwinds, and said it could continue to operate at current passenger loads for another two years before fresh capital was required.

The airline wanted to enlarge its domestic fleet, but had put its plans on hold because an addition to the current domestic surplus would lower fares to levels where only SAA could operate.

Blake dismissed claims published in a recent edition of an Afrikaans financial weekly that Flitestar's major shareholder, Safren, was about to execute a coup against its partner shareholders, Rentmeester Beleggings and the Meulklin Trust.

"The three owners have been partners for a long time, and their relationship is very good. There is no truth in the coup allegations, or in the magazine's claims that we owe any of our shareholders money," he said.

Between SAA and Flitestar, 10 new aircraft have been added to the domestic fleet. SAA bought four new Airbus A320s (with three more on order), to replace some of its older aircraft, but it has not sold its older equipment.

Meanwhile, SA's domestic passenger market shrunk by 15% last year, with no sign of recovery, said Blake.

"When the economy recovers, the market will recover, but until then over-capacity is what comes into play.

"If SAA puts all of its aircraft into the sky, then all the other domestic carriers' loads will drop to 40% and fares will be depressed a further 10%. This will push costs above break-even and it will be impossible to carry on operating," he explained.

Flitestar's aircraft run on a 55% load factor, about 2%-3% above break-even for its fleet of four Airbus A320s and two ATR 72 turbo-prop airliners.

Compounding the situation were the increases in landing and parking fees announced last week, and SAA's hike in aircraft ground-handling fees. SAA is the sole handling licencee for domestic flights at the nine state-owned airports.

Blake said the recent reconfiguration of Flitestar's A320s, in which Business Class seating was halved and the Economy Class extended, was not due to any financial heamorrhaging.

He said people were still flying for business, but in the current economic climate they favoured Economy Class.

The airline recently said it was to start night flights on its Johannesburg-Port Elizabeth and Johannesburg-Cape Town routes. Unlike SAA's similarly priced midnight flights, Flitestar will be offering a full snack and bar service.

SAFREN FM 6/3/92 (332)

Choppy waters

An earnings undertow is evident in the results for the half year to end-December. Both the fall in world trade and local recession are apparent in the skimpy turnover and earnings growth produced by all three of the major divisions.

Safren's Hawton ... *prudent measures*

FEELING THE BITE

Six months to	Dec 31 '90	Jun 30 '91	Dec 31 '91
Turnover (Rbn)	2,11	2,26	2,31
Operating income (Rm)	318	363	338
Pre-tax profit (Rm)	321	362	337
Attributable (Rm)	120	182	133
Earnings (c)	224,5	341,0	248,3
Dividends (c)	60	177,5	65

(332)

As always at the interim stage, Kersaf was the main contributor to attributable earnings. It pushed its contribution of R65,4m up by 13,7%. But, as group CE Buddy Hawton emphasises, the leisure and hotel organisation was unable to escape effects of the poor economy. The number of visitors to the new Carousel resort at Babelegi met expectations, Hawton says, but they spent considerably less than expected. Hotel occupancy was also well down.

On the shipping front, Safmarine is vulnerable to reduced international trade. While exports have seen some growth — fuelled by the softer rand — lack of demand has dampened imports.

Half-year results show attributable earnings growth of 8,7%, to R45,2m, but do not take into account Safmarine's most important cargo — movement of southern hemisphere fruit to the north. These will feature in the second six months and boost earnings for that period. But the weakened global trade may result in Safmarine's full-year attributable earnings being below that of Kersaf's for the first time.

Safmarine will not receive any profit contribution from last year's purchase of an interest in Compagnie Maritime Belge Transport in Belgium. On the contrary, Hawton says this investment has required higher up-front non-recurring expenditure. As a "prudent measure," the R78,5m investment has been written off as an extraordinary item. It is not expected to break even for another two to three years, though this was apparently in line with initial projections.

Rennies, according to Hawton, has shown resilience so far this year. He says it has managed its book and cash flow well but is likely to remain under pressure for the rest of the year. Its contribution to the group rose to R21,6m from the year-ago R19,4m. Unless the economy improves markedly, it's difficult to see its earnings contribution rising materially above last year's R39m.

Hawton makes no bones that the recession "is clearly biting into group business," and he does not see much of an improvement in the economy during 1992. Earnings growth should continue, but at a lower rate. Barring one or two possibilities that might enhance Safmarine's performance — such as a large slice of the maize imports now required, improved exports after the referendum or a much weaker rand — it is difficult to see a substantial improvement in EPS.

Having all but doubled since this time last

year, the share, at R95, stands on an historical dividend yield of 2,5% and a p:e of 16,8. With earnings growth slackening, the share has probably entered a consolidation phase and may even weaken. However, given a positive referendum result, the inherent long-term strength of the group should attract buyers before too long. *Gerald Hirshon*

Continue →

New transport academy will improve black management

A NEW transport academy aimed primarily at training blacks for management and entrepreneurial opportunities in transport has been established in Newtown, Johannesburg. The National African Federated Transport Academy (Nafta) opened its doors this month at the National African Federated Transport Organisation (Nafto) College in Newtown. S/Times 8/3/92 (Touch Times)

The academy, which will be run on a non-profit basis, offers Nafto members and the community at large a variety of multi-modal transport training programmes, both full-time and part-time.

By MAX BRAUN

Permanent employees are catered for with after-hours classes and there are semi-correspondence courses for those requiring limited tuition.

Taped audio and audio-visual courses will be available for students with a low level of literacy. These will be in English initially, with other languages following.

The courses cover four main areas at varying entry levels of advancement:

- Fundamental business processes and tasks;
- Business skills;
- Management development; and
- Strategic management.

332

SKILLS

The courses are designed effectively to counter the lack of formal education among adult employees, entrepreneurs and prospective entrepreneurs, and are geared to provide a high level of usable, transferable knowledge and skills in the short-term.

Among the specific courses offered are:

- Diploma in Road Transport Management — three one-year courses designed for effective road transport management;
- Owner-driver course — a self-paced course at four levels providing the necessary skills to start a business or improve skills of employees;
- Passenger transport management — a short correspondence course to equip businessmen with business skills to operate a small-scale passenger transport undertaking;
- Personal development course — a four-level course for personal development in management skills and behaviour; and
- Road transport technical management — a two-year course to provide for effective management of technical functions in transport.

Other programmes and courses deal with security management and basic economic principles.

Full details can be obtained from Nafto (011) 492 1304, or the Research Unit for Transport Economy at RAU (011) 482 1877.

Nafta's acting principal, Natise Matlhoko, gives an example: "Prospective entrepreneurs can be equipped with basic business processes and tasks (level one), and then be provided with business skills (level two) in order to start their businesses."

Professor Wynand Pretorius, of the Research Unit for Transport Economy and Physical Distribution at RAU, has been appointed project manager of the academy. He has been involved in developing and managing road transport management training for the past 12 years.

The establishment of Nafta is seen as an important step in providing facilities and effective training for Nafto members and anyone already employed in, or interested to start, a career or business in the transport industry.

Taxi inquiry: Rivals absent

Staff Reporters (332)

WARRING taxi associations Webta and Lagunya did not attend the first hearing of a committee under the Goldstone Commission which will investigate the taxi conflict — so it has been postponed for a week.

Cape attorney-general Mr Niel Rossouw, Goldstone Commission member and chairman of its taxi war committee, noted the "unfortunate" absence of the taxi war groups in his opening speech in the city yesterday. (275) CT 7/3/92

Taxi war escalates

By DAN DHLAMINI C/Press 8/3/92

THE taxi war, which has already claimed five lives in Klerksdorp, has spread to the homes of taxi owners.

Last week taxi owner J Mkhalipe's home was petrol-bombed and two weeks ago TT Balete's house was gutted.

(332)

Nobody was injured.

One taxi official, who wished to remain anonymous, said police were reluctant to catch the perpetrators. However, Western Transvaal police spokesman Lt P Ramatsoele denied this.

Meanwhile, Klerksdorp taxi commuters, angry at the war, have formed a committee to help stem the violence.

Committee spokesman Solly Rasmeni said the committee would negotiate with the warring factions. If the matter was not resolved soon, commuters would consider boycotting the taxi service.

Chapman quits Fabcos, Sabta posts

B/Day 10/3/92 332

THEO RAWANA

JAMES Chapman, who as Sabta's national adviser built the black taxi industry into one of SA's economic miracles, has resigned as MD of the marketing arm of Sabta's mother body Fabcos.

Confirming this last night, Chapman said he would also ask the Fabcos board of directors to relieve him of his position as Sabta's national adviser.

Fabcos marketing chairman Gaby Magomola said in a statement yesterday the board had accepted Chapman's resignation, which he tendered on March 6.

Last November Chapman was named as one of the Ten Outstanding Young People of the World by the US-based Junior Chamber International.

Asked what his plans were, Chapman said he would look at the market and might start a consultancy.

His resignation came soon after Fabcos embarked on a restructuring programme after suffering financial losses caused by countrywide taxi wars.

Fabcos had had to retrench 46 employees and trim down seven of the eight regional offices.

Fabcos CE Jabu Mabuza confirmed at the weekend that the violence and resulting damage to minibuses had drained the organisation's financial resources. Fabcos had its own insurance scheme for Sabta vehicles.

Sources had earlier put the overall loss in the Cape Town taxi war — which first flared up in February last year — at R24m by January this year.

The wars had also affected vehicle sales, an important source of income for the organisation, Mabuza said.

He said some of the 13 business organisations under Fabcos, which were not generating enough income for themselves, had had to be "carried" by Sabta.

And because some of these organisations failed to live up to sponsors' expectations of their performances, funding for projects had slowed down.

Fabcos management had embarked on measures to strengthen the income-generating segments to help the faltering ones, Mabuza said.

5 200 teachers face axe as parents vote on system

(332)

ARG 11/3/92

The Argus Correspondent

PRETORIA. — Parents in the Transvaal have less than three weeks to decide the fate of thousands of teachers.

By March 27 parents must decide whether to convert to model C schools or remain model B and status quo schools.

Indications are that 5 200 teachers in the Transvaal could lose their jobs if all parents opted to continue as model B schools or maintain the status quo.

Should all parents accept model C the number of posts to be abolished could drop to 2 700.

According to a spokesman for the Transvaal Education Department it is not possible to give exact figures on how many teaching posts will have to be abolished as these figures will be determined by the actual number of pupils enrolled on April 1.

Letters, compiled by the Department of Education and Culture, giving information about the conversion to model C, have already been distributed to parents at model B and status quo schools.

According to the letter, state funding for comparable model C, model B and status quo schools will be identical.

In model C schools the whole ammount would be spent on salaries but in the other two cases the money would have to cover salaries as well as administration and running costs.

Should parents decide to retain their present management type, the State would pay staff and operating expenses, however, in order to balance the books, fewer teachers will be provided than at a comparable model C school and the size of classes will increase.

Parents at model B schools could employee additional teachers at their own expense which would have similar financial implications to model C schools, but without the management advantages of model C schools.

The letter emphasised that the cost of model C will vary from school to school.

What makes Jo'burg tick

S/Times 15/3/92. (332)

Zambian journalist CHRIS CHITANDA recently spent a few weeks working on the Sunday Times. This is his view of the big city

FIRST there is the bustle and the traffic; then there is the spectrum of races and sheer numbers of humans crowded in the streets, on buses and trains and cars snaking behind each other in long chains.

Careful here, my Zambian mind says, it would not do the old folks back home any good to hear that their chap got run down by a milk cart because he developed paralysis crossing one of the minor roads in a town where others have made fortunes.

This is not to be, for when the traffic lights say "pedestrians, cross the street" the motorists step on the brakes and give the foot plodders a chance to go about their business. Colour language is clearly understood here; red means "stop" and green indicates "proceed".

The buses are efficient and run on time. At least one gets to work on time with less queueing — that is, if one lives in the exclusive suburbs serviced by the double-deckers or some of the township routes serviced by the public bus company.

Then are the black taxis, for blacks? My question received a variety of answers, but I think that is what the idea is. In other circles they are called Zola Budds. These are the 16-seater mini-buses which ply their trade with the trademark recklessness of privately owned public-service vehicles in this part of the continent.

One such bus has a candid sticker on its back: "Careful this taxi can stop any time" — and indeed it can.

These are the guys who guard their bus routes so jealously that they would make our own bus drivers look like traffic wardens. Apartheid pushed the blacks so far from the town centre that they have to leave their various townships sometimes as early as 5am to be on time for work two or three hours later. Commuter transport is therefore mining gold of its own.

The taxi wars are so fierce that police have to move in with guns to disperse the warring factions, and most times temporary peace returns only after blood has been shed and a few lives taken.

Back to the city centre. One has to do a waltz through the wares piled high on the streets by a new wave of fortune-seekers on the gold-rich reef of Johannesburg. The vendors have become a part of Jo'burg and appear to be there to stay. Oh, they come in all colours here, too: Indians, whites and blacks hawking food, clothes and general goods.

And a new colour has joined the street vendors. These are the Orientals with their tin and plastic watches and trinket jewellery piled on the makeshift tables at literally every street corner.

This phenomenon is a result of the scrapping of the hated pass laws and other restrictions which barred blacks from the city centres unless they were in active employment. When the police relaxed their fight against vendors all races moved in for the kill.

Johannesburg is truly cosmopolitan; race issues, I discovered, have been relegated to the exclusive clubs, schools, some hospitals and maybe corporate offices.

On the street everybody appears to treat everyone else equally. Not once was I "boyed" on the street, though I must admit not everybody warms up to strangers of another race in this city. Even the ANC stalwart and leader of the Communist Party, Chris Hani, has been able to move into a conservative suburb with little or no hindrance. An unimaginable act a few years ago.

The history of South Africa is so clouded with mistrust between races that the country's people have been at each other's throats for the past two centuries.

The whites probably decided never to trust the man they found on the land from the time the Zulu king Dingaan mercilessly executed envoys sent to pay homage to him as the Boers were trekking north.

One thing I realised from the images that were staring at me in real life and in their frozen state from the newspapers and magazines: South Africans do a lot of their things with a great deal of passion.

They revere their God, love their women like mad and would die before giving up their land — both white and black. And when they decide to hate they hate with a totality that is final. Ironically, the blacks believe their sangomas — witchdoctors and wizards — so utterly that you wonder if they have ever heard of Jesus Christ.

● *Chris Chitanda works for the Zambian Weekly Post*

UNFARE ... concerned cabbie Ernest McDonald says some taxis in Cape Town are overcharging tourists Picture: TERRY SHEEN

Taken for a ride by rip-off taxis

(332)

S/Times (CM) 15/3/92

A CAPE TOWN taxi fleet owner has hit out at the wide range of cab fares in his city resulting in tourists and locals being charged fares ranging from R2,60 to R4 a kilometre.

This means that a trip from the city to the popular Waterfront can cost anything from R12,40 to R22, and an airport journey between R58,20 and R94.

Mr Ernest McDonald, who charges the lower tariff and doesn't believe either tourists or locals can afford higher fares, says that many hotels, which get 20 percent commission on taxi fares initiated by them, call the more expensive cabs in order to collect higher commissions.

Other hotels, he claims, use the more costly taxis in exchange for staff being taken home free.

"Guests are paying more so the hotel can get a higher rake off," he said.

"Taxi-users don't realise there are up to nine fare rates in Cape Town. As well as variable rates per kilometre, start fees differ, as do charges for the first kilometre.

"So they often pay more than necessary. Passengers could also be in a difficult position if they assume the fare on a homeward journey will cost the same as on the outward journey.

"They could find themselves with not enough cash to pay the taxi home and end up at the police station.

"I don't want to put my fares up, but I may have to, just to get business from hotels so they continue to earn a higher commission."

He said that discussions with many interested tourist parties in Cape Town, including hotel and tourist associations, to try to rationalise fares had been unsuccessful.

"They don't seems to understand the problem, maybe because they are not taxi-users."

I contacted Captour, the organisation in charge of tourism in the Cape, to ask if it was aware that tourists could be spending more on taxis than necessary.

But its chief executive officer, ex-mayor Mr Gordon Oliver, is overseas, "and no one else can speak to the media" according to his secretary.

(That seems a bit daft to me, right in the middle of Cape Town's tourist season.)

However, the Cape Sun's general manager Mr Simon Morpuss was aware of the situation and had already taken steps to combat it.

"For this reason we put our taxi business out to tender four months ago to ensure professionalism and consistency on tariffs and cleanliness.

"Since then feedback from guests has been positive. We can now keep a firm control. In the past, using a wide range of taxi companies we never knew which company was to blame for complaints."

Just be aware, folks, that when you call a cab in Cape Town, you need to ask the cost.

Taxi rivals join forces in Codeta

332

CT 10/3/92

RIVAL taxi associations Webta and Lagunya have formed a committee called the Convention for a Democratic Taxi Association (Codeta), reliable taxi industry sources said yesterday.

The association will look at the complete unification of the two bodies, allocation of routes and a conduct code for drivers.

A Webta source said if the new body succeeded, it could end the taxi war.

Webta and Lagunya agreed in principle to unify at a series of meetings convened by the UCT Centre for Intergroup Studies.

The talks were initiated by the SA Black Taxi Association (Sabta).

The ANC's Western Cape region, which recently decided to call a boycott of taxis unless the two bodies merged, has offered its guarded approval. — Sapa and Staff Reporter

Senior ANC man denies Cape taxi war charges

(332) LINDA ENSOR

CAPE TOWN — ANC regional executive comittee member Mxolisi Petani, who appeared with two others in the Cape Town Supreme Court yesterday on charges of murder and attempted murder related to Cape Town's taxi war, claimed he had been framed.

He refused to enter a plea, saying the trial was an abuse of the legal system and that in fact it was the ANC which was on trial. B/Day 13/3/92

Petani's advocate Siraj Desai read out a statement by Petani saying at 2pm on October 18 1991, the day the crimes had been committed, he was at the Unisa examination centre in Goodwood writing an exam.

"I accordingly could not have been physically present at the scene where the alleged offences were committed. I deny any involvement whatsoever in the commission of the offences referred to in the indictment," Petani said in his statement.

The court entered a plea of not guilty for Petani. His two co-accused, policeman Tutuse Gubeni and Lagunya Taxi Association member Honey Kupiso, also said they were not at the scene of the crime and denied guilt.

The three men are accused of shooting dead Zwelmzima Ntanyama in Nyanga on Friday October 18 and with attempting to kill Ralph Kaleni, Stanford Mangali, Ellen Nondumiso Ncinane and Clifford Ntyikwe by shooting at them at the same time and place.

The State alleges the accused were members or supporters of the Lagunya Taxi Association. On Friday afternoon on October 18 they allegedly approached a parked taxi belonging to the rival Western Cape Black Taxi Association (Webta) at the Nyanga bus terminus.

"The accused were armed with fire-arms which included automatic rifles and a shotgun. Upon nearing the taxi, the accused opened fire on the occupants killing the deceased. The other occupants of the taxi were able to hide in the taxi or escape and were not injured," the summary of substantial facts said.

The accused also allegedly opened fire on the occupants of a nearby hut used by members of Webta, injuring four people. They were also alleged to have fired on the occupants of nearby stationery taxis belonging to Webta resulting in two of these taxis being destroyed by fire and two others being severely damaged.

Mr Justice Fagan and two assessors were on the bench.

Taximen threaten to block city roads

STAR 16/3/92

By Julienne du Toit (332)

Taxi-drivers in Johannesburg are threatening to blockade the city if management committee member Paul Asherson does not meet them to discuss new by-laws regulating taxis.

Roses Taxis, Goodhope Taxis and Maxi Taxis, all members of the SA Metered Taxi Association (Samta), told The Star they were angry at the by-laws passed last year, but suspended until this month.

The by-laws state that all metered taxi signs must be uniform, and that the vehicles should all be yellow.

Theo Schonfeldt, managing director of Maxi Taxis, and Cliff Blackburn, chairman of Roses Taxis, said the association had left numerous messages for Mr Asherson, but that he was avoiding them.

Samta threatened they would block Jan Smuts Avenue, Oxford Road and Rissik Street if Mr Asherson did not meet them to discuss the by-laws.

"We want to build up the industry and they want to destroy it," said Isaac Gumede, managing director of Goodhope Taxis.

Mr Asherson sent a fax in reply to inquiries by The Star, saying none of the three operators had tried to contact him and that if they tried to block major roads, the taxis might be mistaken for a junkyard.

He said the vehicles would be impounded.

Mr Asherson added: "All taxis don't look the same and this new by-law (unfortunately) doesn't do that either — it stipulates sign size on the roof (long overdue) and illumination thereof, instead of the disgusting signage many of them use.

"Cardboard isn't unknown, especially to Maxi Taxis. The metered taxis bring no credit to this city. Every visitor attests to that."

Taxi link to violence feared

(332)

WILSON ZWANE

THERE are suspicions that elements in the taxi industry could be behind Reef train violence, a key player in a Soweto committee on train violence says.

Barry Jammy, chairman of the Greater Soweto dispute resolution committee subcommittee on train violence, said yesterday police had cited such involvement as a possible reason for the violence.

Jammy felt this was plausible because the taxi industry was "benefiting when people don't use trains". Efforts were being made to involve taxi associations in the subcommittee.

Former SA Black Taxi Association (Sabta) public affairs director Mike Ntlatleng said recently there had been a marked increase in the number of commuters using minibus taxis in the PWV area. "A factor in this phenomenal growth has been the violence on the Reef trains. People feel it is not safe to travel by train any more," Ntlatleng said.

Jammy acknowledged that his subcommittee — made up of representatives from the SADF, the police, Inkatha, the ANC, Cosatu and civic and church organisations — was not making much headway in reducing the level of train violence.

He said the reason for the lack of success was the lack of commitment to peace by the key players — Inkatha and the ANC.

Jammy said if his subcommittee was

☐ To Page 2

B/Day 18/3/92

Taxi

B/Day 18/3/92 (332)

☐ From Page 1

anything to go by, the whole operation of setting up local dispute resolution committees "seems sterile".

PWV dispute resolution committee chairman Charles Nupen said yesterday a steering committee appointed by the Greater Soweto dispute resolution committee had failed to set up a peace committee in Meadowlands because some members were not able to "galvanise themselves".

The steering committee was appointed earlier this year.

However, the committee had invited representatives from various organisations to a series of meetings to discuss establishing peace committees in seven Soweto surburbs. The first meeting, to be held tomorrow, concerned Orlando.

Reef townships were reported calm yesterday after being hit by a wave of unrest which the ANC and the SACP have said was aimed at driving whites into voting "no" in yesterday's referendum.

'No go' swings to 'yea stay'

W/Mail 26/3/92 (332)

By RAY NXUMALO

THE director of international operations for a major international removal company expects an inflow of returning emigrants in the wake of this week's overwhelming yes majority.

Last week, Stuttafords Van Lines' Louis le Roux reported a 35 percent increase in inquiries from people considering emigrating in the event of President FW de Klerk's reforms not getting a mandate.

But yesterday, he said although it was still too early for predictions, he expected a rise in business — in the opposite direction.

"Multi-nationals may consider re-investing and they will have to move personnel and equipment," he said.

He noted there might be less emphasis on the brain-drain that has plagued the country in the past few years. "People who are likely to move will be those who want to retire overseas," he said.

The telephones were also a bit quiet yesterday at Pickfords removals company, which reported an upsurge in emigration inquiries prior to referendum day.

Pickfords export manager Susan Carstensen said there had been no inquiries after the the results were announced, but "it's too early to tell anything distinct".

For the time being, removal companies will deal with the usual volume of business: "People are always on the move," said Le Roux, "referendum or no referendum."

Flaunting a South African Communist Party T-shirt Jeremy Cronin casts his vote

Photo: GUY ADAMS

Inside the lion's mouth of the taxi war

332

Sowetan 20/3/92

Taxi ranks in Cape Town's townships are no longer a hive of activity and the taxi business is not a money-generating machine anymore - thanks to the never-ending clashes between rival taxi groups. Millions of rands, in profits and property, have been lost in the city's bloodiest taxi war. *Sowetan* Correspondent VUSI KAMA reports from Cape Town.

FOCUS

SQUATTERS in a camp near the Nyanga taxi rank, the scene of most of the violent confrontations between taxi drivers, have dubbed the rank the "lion's mouth".

Once you get in, you never come back.

Along with the hundreds of thousands who use taxis every day, residents of the KTC squatter camp have been at the receiving end of the war.

Elderly people face difficulties in collecting money from Zolani Centre on pension day, and pupils and teachers from a nearby primary school have to contend with conducting classes only a stone's throw away from the battlefield.

The Khayelitsha Business Association has predicted that if the war does not end by April, several businesses face closure and at least 500 jobs will be lost.

One grave feature of the senseless war is that it has claimed scores of innocent lives, while hundreds of thousands of commuters experience unprecedented inconvenience.

On the opposing ends are the Western Cape Black Taxis Association (Webta) and Lagunya. The war is simply over lucrative routes. Lagunya has about 3 000 members while Webta's membership is estimated at 1 000.

Formerly pirate taxis, Webta are intent on defending and expanding their empire, which they acquired after heavy struggles for recognition, mainly with the traffic police who harassed them for lack of licences.

The association was officially formed in 1987, amid a high profile publicity drive. They later joined the South African Black Taxi Association.

Webta's power-base is mainly in Khayelitsha, where many of their members live. Most of the members came to Cape Town as migrant labourers and occasionally visit the Transkei and Ciskei.

Lagunya (named after the townships of Langa, Gugulethu, Nyanga) is mainly based in the three townships and has won much of the support of the residents in times of trouble, as residents believe that Webta is in collusion with the police.

Both organisations claim to stand for peace, but history has taught township residents not to take them on the strength of their word.

Bloody clashes were sparked by failure of the taxi groups to agree on rescheduling routes, after Lagunya opened a new taxi rank in Khayelitsha last March.

Among the first casualties were commuters and there were clear indications that the war was not about to end, as daily reports pointed to an escalation in hostilities.

The police seemed unable to contain the increasing turmoil, amid calls from residents for an end to the war and the launch of an investigation into the war.

Suddenly buses and trains became the "in-thing", but it was evident that nothing could replace the minibuses.

A blanket boycott aimed at "disciplining" the warring factions was launched in April last year, but ended hostilities for a relatively short period.

In an attempt to attain a lasting peace, an inter-organisational body called the Taxi Crisis Co-ordinating Committee called the factions to a meeting, where a 10-point plan was agreed on.

The plan was aimed at sealing all the holes that had previously led to clashes, and help the two organisations form a single body.

But rumours of war re-emerged when youth in Khayelitsha, believed to be under the leadership of an ANC group, refused to recognise the 10-point-plan because they had not "mandated" their representatives to take such a decision.

On the other hand, accusations were flying in the face of Webta. Some TCCC members accused Webta of breaching the terms of the plan, by refusing to reduce fares and to disband and help form a single body.

There were also concerns in the community that Webta had refused to register their taxis and identify the owners, in terms of the 10-point-plan, because the taxis were owned by faceless whites who had no interest in community affairs.

War erupted again in June after there were calls to boycott Webta for not sticking to the terms of the 10-point plan.

The TCCC distributed about 100 000 pamphlets calling for a boycott of Webta taxis.

For their part, Webta accused the TCCC of siding with Lagunya, and rumours of a terror campaign against TCCC officials abound.

Following the assassination of civic leader Michael Mapongwana, who had advocated a boycott of Webta taxis, and ANC activist Mziwonke "Pro" Jack, residents anger welled up against Webta.

The association's taxis were constantly burnt and houses of members torched.

A Webta driver is facing charges of murder for the Mapongwana murder.

As the saga continued, prominent members of the Cape Town community also added their voices, but all in vain.

Not even that of Archbishop Desmond Tutu, who, along with Mayor Frank Van Der Velde, advocated a plan to end the gruesome war.

There were also calls that South African Defence Force troops be deployed in the township to help end the violence, as the police had "clearly failed", and were perceived to be in favour of Webta.

In its latest attempt, the ANC has called on the community to boycott both taxi associations, until they unite. Since the call was made two weeks ago, there have been no signs of such a boycott being implemented.

The organisation also called on the police and the army to withdraw from the townships and allow residents to resolve the conflict on their own.

Transport policy forum

(332)

B/Day 20/3/92

THEO RAWANA

TRANSPORT organisations Sabta, Nafto and Saboa would withdraw from committees set up by government, in line with the wishes of the National Transport Policy Forum, forum co-ordinator George Negota said yesterday.

The forum, established last month to prepare an alternative transport policy to that of government, had learnt that Transport Minister Piet Welgemoed had formed "ad hoc" committees to which he had invited these transport bodies, Negota said.

At a meeting yesterday the forum asked the organisations to withdraw from such bodies as government, intending "to fragment transport in SA, wished to co-opt them into ad hoc committees that would work counter to our goal".

The forum, which had drawn up a programme of action, was receiving input from transport and other organisations. It intended formulating a policy document by October for forwarding to government.

It would hold a conference in June, inviting the ANC, the PAC and Cosatu to attend.

KENNISGEWING 255 VAN 1992

DEPARTEMENT VAN MANNEKRAG

WET OP ARBEIDSVERHOUDINGE, 1956

INTREKKING VAN REGISTRASIE VAN 'N WERKGEWERSORGANISASIE

Ek, Gerhardus Coenraad Papenfus, Assistentnywerheidsregistrateur, maak hierby kragtens artikel 14 (1) van die Wet op Arbeidsverhoudinge, 1956, bekend dat aangesien ek rede het om te vermoed dat die South African Machine Tool Manufacturers' Association nie as werkgewersorganisasie funksioneer nie, sy registrasie ingetrek sal word, tensy redes daarteen binne 'n tydperk van 30 dae vanaf die datum van publikasie van hierdie kennisgewing aangevoer word.

G. C. PAPENFUS,

Assistentnywerheidsregistrateur.

(20 Maart 1992)

NOTICE 255 OF 1992

DEPARTMENT OF MANPOWER

LABOUR RELATIONS ACT, 1956

CANCELLATION OF REGISTRATION OF AN EMPLOYERS' ORGANIZATION

I, Gerhardus Coenraad Papenfus, Assistant Industrial Registrar, hereby notify, in terms of section 14 (1) of the Labour Relations Act, 1956, that as I have reason to believe that the South African Machine Tool Manufacturers' Association is not functioning as an employers' organization, its registration will be cancelled unless cause to the contrary is shown within a period of 30 days from the date of publication of this notice.

G. C. PAPENFUS,

Assistant Industrial Registrar.

(20 March 1992)

KENNISGEWING 256 VAN 1992

DEPARTEMENT VAN MANNEKRAG

WET OP ARBEIDSVERHOUDINGE, 1956

AANSOEK OM REGISTRASIE VAN 'N WERKGEWERSORGANISASIE

Ek, David William James, Nywerheidsregistrateur, maak ingevolge artikel 4 (2) van die Wet op Arbiedsverhoudinge, 1956, hierby bekend dat 'n aansoek om die registrasie as 'n werkgewersorganisasie ontvang is van die Mamelodi Progressive Taxi Operators. Besonderhede van die aansoek word in onderstaande tabel verstrek.

Enige geregistreerde werkgewersorganisasie wat teen die aansoek beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriftelik by my in te dien, p/a die Departement van Mannekrag, Mannekraggebou 123A, Schoemanstraat 215, Pretoria (posadres: Privaatsak X117, Pretoria, 0001).

TABEL

Naam van werkgewersorganisasie: Mamelodi Progressive Taxi Operators.

Datum waarop aansoek ingedien is: 11 Maart 1992.

Belange en gebied ten opsigte waarvan aansoek gedoen word: Werkgewers betrokke by die Huurmotorbedryf in die landdrosdistrikte Pretoria en Wonderboom.

Vir die doeleindes hiervan beteken "Huurmotorbedryf" die bedryf waarin werkgewers en hul werknemers met mekaar geassosieer is om pendelaars van een plek na 'n ander te vervoer teen vergoeding.

Posadres van applikant: Posbus 77511, Mamelodi-Wes, 0101.

Kantooradres van applikant: P/a Mobil Garage M. C., Denneboom Service Station CC, BZ Ndlaziweg, Mamelodi-Wes.

NOTICE 256 OF 1992

DEPARTMENT OF MANPOWER

332

LABOUR RELATIONS ACT, 1956

APPLICATION FOR REGISTRATION OF AN EMPLOYERS' ORGANISATION

I, David William James, Industrial Registrar do hereby, in terms of section 4 (2) of the Labour Relations Act, 1956, give notice that an application for registration as an employers' organisation has been received from the Mamelodi Progressive Taxi Operators. Particulars of the application are reflected in the subjointed table.

Any registered employers' organisation which objects to the application is invited to lodged its objection in writing with me, c/o the Department of Manpower, 123A Manpower Building, 215 Schoeman Street, Pretoria (postal address: Private Bag X117, Pretoria, 0001) within one month of the date of publication of this notice.

TABLE

Name of employers' organisation: Mamelodi Progressive Taxi Operators.

Date on which application was lodged: 11 March 1992.

Interests and area in respect of which application is made: Employers engaged in the Taxi Industry in the Magisterial Districts of Pretoria and Wonderboom.

For the purposes hereof "Taxi Industry" means the industry in which employers and employees are associated for the transportation of commuters from one place to another for reward.

Postal address of applicant: P.O. Box 77511, Mamelodi West, 0101.

Office adress of applicant: C/o Mobil Garage M. C., Denneboom Service Station CC, BZ Ndlazi Drive, Mamelodi West.

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

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

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

D. W. JAMES,
Nywerheidsregistrateur.
(20 Maart 1992)

Attention is drawn to the following requirements of section 4 of the Act: (332)

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

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

D. W. JAMES,
Industrial Registrar.
(20 March 1992)

KENNISGEWING 257 VAN 1992

DEPARTEMENT VAN LANDBOU

KENNISGEWING VAN AANSOEK OM GOEDKEURING OM KRAGTENS ARTIKEL 12 (1) VAN DIE WET OP DIE KOMMISSIE VIR VARSPRODUKTEMARKE, 1970 (WET 82 VAN 1970), 'N VARSPRODUKTEMARK TOT STAND TE BRING

Kennis geskied hiermee kragtens artikel 12 (1) van die Wet op die Kommissie vir Varsproduktemarke, 1970 dat mnr. D. C. Wanckel, Posbus 220, Oos-Londen, 5200, by die Minster van Landbou aansoek gedoen het om goedkeuring om 'n varsproduktemark op 'n perseel bekend as Erf 2064, Victoriastraat, King William's Town, tot stand te bring.

Iemand wat vertoë of besware in verband met die bogenoemde aansoek wil rig, moet sodanige vertoë of besware aan die Voorsitter, Kommissie vir Varsproduktemarke, Privaatsak X250, Pretoria, 0001, rig binne 'n tydperk van vier weke vanaf datum van publikasie van hierdie kennisgewing en op die wyse uiteengesit in die regulasies uitgevaardig kragtens die genoemde Wet. Aandag word gevestig op die bepalings van regulasie 20 (6) van die genoemde regulasies wat vereis dat iemand wat besware teen 'n aansoek aan die Minister voorlê, 'n afskrif van die stuk waarin sy besware uiteengesit is, op die betrokke applikant moet bestel.
(20 Maart 1992)

NOTICE 257 OF 1992

DEPARTMENT OF AGRICULTURE

NOTICE OF APPLICATION FOR APPROVAL TO ESTABLISH A FRESH PRODUCE MARKET IN TERMS OF SECTION 12 (1) OF THE COMMISSION FOR FRESH PRODUCE MARKETS ACT, 1970 (ACT 82 OF 1970)

It is hereby made known in terms of section 12 (1) of the Commission for Fresh Produce Markets Act, 1970 (Act 82 of 1970), that Mr D. C. Wanckel, P.O. Box 220, East London, 5200, has applied to the Minister of Agriculture for approval to establish a fresh produce market on a stand known as Erf 2064, Victoria Street, King William's Town.

Any person intending to submit representations or objections in regard to the above-mentioned application, shall forward such representations or objections to the Chairman, Commission for Fresh Produce Markets, Private Bag X250, Pretoria, 0001, within a period of four weeks from the date of publication of this notice and in the manner set out in the regulations published under the said Act. Attention is invited to the provisions of regulation 20 (6) of the said regulations which require from any person who submits objections to an application to the Minister, to serve on the applicant concerned a copy of the document in which 'his objections are set out.
(20 March 1992)

KENNISGEWING 258 VAN 1992

DEPARTEMENT VAN MANNEKRAG

WET OP ARBEIDSVERHOUDINGE, 1956

VERWYSING VIR VASSTELLING INGEVOLGE ARTIKEL 76

Hierby word ingevolge artikel 76 (5) van die Wet op Arbeidsverhoudinge, 1956, bekendgemaak dat die Nasionale Nywerheidsraad vir die Leernywerheid van Suid-Afrika (Natalse Distrikskomitee) kragtens artikel 76 (3) gelees met artikel 76 (1) van gemelde Wet die volgende vraag vir vasstelling na die Nywerheidshof verwys het:

Of CNB Industries (Edms.) Bpk. van Portlandweg 31, Scottsville, Pietermaritzburg, gedurende die tydperk 18 Oktober 1989 tot op hede betrokke is of was by die Leernywerheid (Skoeiselseksie) in die landdrosdistrik Pietermaritzburg.

NOTICE 258 OF 1992

DEPARTMENT OF MANPOWER

LABOUR RELATIONS ACT, 1956

REFERENCE FOR DETERMINATION IN TERMS OF SECTION 76

It is hereby notified in terms of section 76 (5) of the Labour Relations Act, 1956, that the National Industrial Council of the Leather Industry of South Africa (Natal District Committee) has, in terms of section 76 (3) read with section 76 (1) of the said Act, referred the following question to the Industrial Court for determination:

Whether CNB Industries (Pty) Ltd of 31 Portland Road, Scottsville, Pietermaritzburg, is or was engaged in the Leather Industry (Footwear Section) within the Magisterial District of Pietermaritzburg during the period 18 October 1989 to date.

FM 26/3/92 · 332

that retained income at the beginning of the period was reduced to R9m from R13,6m.

Shareholders' interest nevertheless increased to R26,7m from R23,8m. This was because of the five-yearly revaluation of assets. The revaluation coincided with the need to fund further borrowings because of the large cash drain that the organisation had faced, and the need to demonstrate a secure asset base.

The cash flow statement shows a net R721 000 deficit in cash generated by operations. It marked a swing of R15,1m from the positive flow in 1990.

On an annualised basis, the deficit includes roughly the same amount of depreciation as the previous year, though there was about the same number of vehicles. As depreciation was not increased the operating income benefited, but there was not an accompanying rise in cash flow. After interest, tax and the dividend, the cash retained from operations showed a R7,4m deficit (1990: R7m positive).

Without the revaluation of assets, year-end total borrowings would have taken the debt:equity ratio to 1,14. But assets and an investment in an associate — with a combined book value of R4,8m in 1990 — were revalued to R12,8m. As a result, even after the 55% increase in interest-bearing debt, the debt:equity ratio stands at 0,82.

No real improvement in the economy looks imminent. Laser's margins are expected to remain as tight as ever. Cash flow could again come under pressure, especially as borrowings of R21m could push interest costs to between R3,5m and R4m for the year. Attributable earnings for 1992 cannot be expected to reach much higher than breakeven.

Three years ago the share price was 350c. It has tumbled to the present 100c, while the Industrial index has moved in the opposite direction. There are no indications of a reversal of this trend.

Gerald Hirshon

Uphill struggle

Activities: *Transportation and storage of household goods, freight forwarding and insurance services.*
Control: *Directors 64%.*
Chairman: *P R S Thomas; MD: D H Kaye.*
Capital structure: *10m ords. Market capitalisation: R10m.*
Share market: *Price: 100c. Yields: 5% on dividend; 19% on earnings; p:e ratio, 5,3; cover, 3,8. 12-month high, 140c; low, 100c. Trading volume last quarter, 72 000 shares.*

Year to Sep 30	'88†	'89†	'90†	'91‡
ST debt (Rm)	—	3,0	0,8	2,9
LT debt (Rm)	14,9	9,4	13,5	19,4
Debt:equity ratio	0,9	0,56	0,59	0,82
Shareholders' interest	0,38	0,38	0,39	0,35
Int & leasing cover	6,7	4,7	3,4	2,6
Return on cap (%)	24	26	15,2	10,4*
Turnover (Rm)	90	106	107	87
Pre-int profit (Rm)	12,4	14,6	9,3	6,0
Pre-int margin (%)	13,8	13,7	8,7	6,9
Earnings (c)	66	62	33,9	25,1*
Dividends (c)	25	25	13	6,7*
Net worth (c)	164	214	237	267

‡ Nine-month period.
* Annualised.
† Year to Dec 31.

The recession has hauled transporters of all descriptions into the arena where it is kill or be killed when it comes to quoting for business. MD Denis Kaye says the group held off from tendering for some unprofitable contracts.

While annualised turnover rose by 9%, annualised operating profit dropped by 14%. Pre-tax profit and attributable earnings (also annualised) fell more than a quarter in the nine months to end-September.

In the interest of conservative accounting, management wrote off R6,9m for prior years' tax still unpaid. The amount is subject to a legal dispute with the Receiver of Revenue. This write-off, with other items, meant

continue

Taxi rivals for violence hearing

332

S/Times (CM) 22/3/92

By EVELYN HOLTZHAUSEN

SENIOR members of the two warring Cape Town taxi organisations are expected to give evidence to a Committeee of the Goldstone Commission of Inquiry into the Prevention of Public Violence and Intimidation which begins its hearings tomorrow.

The sitting of the Committee was delayed this week when no one directly connected with the groups involved in the conflict appeared to give evidence.

"We have made every effort to contact those concerned and I am confident we will be able to hear evidence from tomorrow," said the chairman of the committee, Mr Niel Rossouw.

Other factors which had been taken into account in postponing the hearings included the unavailability of the venue for two days and the referendum, said Mr Rossouw.

Protect

He "expected" members of Webta and Lagunya to attend the hearings "otherwise we may have to resort to a subpoena under the Act to ensure their attendance".

"This committee recognises that the community served by the taxi associations is an important party to any investigation.

"Therefore, I invite any person who has personal knowledge that will explain why there is violence surrounding the taxis, to write to the Commission's counsel, Mr Johan Slabbert at Private Bag X9120, Cape Town 8000 or ☎ (021) 23 5508."

Mr Rossouw confirmed that arrangements had been made for evidence to be heard in private to protect the identity of anyone who feared victimisation.

The Committee has been formed to ascertain the nature and causes of violence surrounding the taxi industry in the Western Cape and to establish what needs to be done to stop it.

The other members of the committee are Mr Gert Steyn, a retired Regional Court President of the Eastern Cape, Mr Louis van Zyl, a senior attorney in Cape Town and Adv Bernard Ngoepe of the Pretoria Bar.

● The hearings, which are open to the pubic and which will be held for three weeks, are being conducted at the NG Synod Hall, corner of Upper Ornage Street and Grey's Pass at the top of Queen Victoria street from 9am tomorrow monday.

BRINGING IN THE MONEY: Container ship Cape Bonavista is a first

Dorbyl sails strongly to its export earnings target

S/Times (BUSS) 22/3/92

(332)

Business Times Reporter

WHEN the 10 000-ton container ship, the Cape Bonavista, sailed out of Durban a fortnight ago, Dorbyl achieved nearly a quarter of its export target for the year.

The ship, built in Durban to the standards of her German owner, Columbia Ship Management, brought in R100-million of the R450-million Dorbyl plans to export this year.

Another identical ship for the same owner will be handed over late in September, bringing Dorbyl Marine's contribution to exports to R200-million this financial year. A third identical ship will be delivered next year.

Dorbyl Marine hopes that, over and above repair work for foreign owners, it will pick up orders for another two ships.

Dorbyl's tubemaker, Tosa, will soon load its first 3 000-ton shipment of steel pipes for the US since the lifting of sanctions late last year.

Last year, Tosa exported 70 000 tons of tube worth R90-million to 33 countries. When the new R130-million seamless tube plant opens in 1993, exports are expected to rise to 120 000 tons a year.

Last year, Dorbyl Structural Engineering won a contract for the design and erection of a Boeing 747 hangar in Tel Aviv, Israel.

The company has tendered for a large bridge in Germany, a power station in Israel, a mining mill for Bolivia and numerous bridges in Angola and Mozambique.

Dorbyl Heavy Engineering has exported mining mills, winders and rolls for the steel industry to Zimbabwe, Zambia, Mauritius, Zaire, Chile and the UK.

One Dorbyl Automotive Products subsidiary is tooling up to produce 350 000 jacks a year for Opel of Germany. It is already exporting 100 000 aluminium jacks to Daimler Benz for the W124 car world-wide.

Several DAP companies are benefiting from Volkswagen of SA's order to supply 10 000 Jettas to mainland China. They hope the order will expand to 40 000 cars in three years.

The trading arms of Dorbyl, Stewarts & Lloyds and Baldwins Steel are exporting aggressively into neighbouring countries.

S&L, which sells the engineering products that Dorbyl makes, exports diesel engines, pumps, valves and windmills into Africa and South America, while Baldwins Steel is finding its way right across southern Africa.

Flitestar wants to set course for East

LINDEN BIRNS

FLITESTAR has proposed fares of R2 000 return for its envisaged flights to India and the United Arab Emirates.

The fares were published in a recent Government Gazette as part of the airline's application to have the scope of its operating licence widened to include international routes. (332)

A delegation from the airline, which only began domestic operations last October, visited India and several Arab states last month. There they held discussions with civil aviation authorities on the possibility of inaugurating flights between those countries and SA. B/Day 24/3/92

If the application is approved, Flitestar would be allowed to start non-scheduled, weekend flights to Bombay, Delhi, Bahrain, Abu Dhabi and Dubai.

Flitestar MD Jan Blake said in a recent interview that initially the airline would operate these flights on a non-scheduled basis, but that once sufficient demand had been built up, it would apply for a scheduled licence on the routes.

He said the airline would use on the routes its 135-seater Airbus A320s, as they were underutilised at weekends. This would necessitate a refuelling stop in either Kenya or the Seychelles.

SAA and Air India are known to be having talks aimed at establishing a scheduled service between SA and India.

minority stakes.

Interference is making task difficult, says SAP

B/Day 24/3/92

LINDA ENSOR

CAPE TOWN — The SAP's task in combating the taxi war had been made difficult by the interference of the Joint Forum on Policing, the Maitland Stability Unit's Lt-Col Phillipus Nel told the Goldstone Commission yesterday.

The commission is investigating the nature and causes of, and possible solutions for, the violence stemming from the taxi war. The parties to the conflict — the taxi associations Webta and Lagunya — committed themselves to a peaceful settlement at the weekend.

The forum was established by a range of organisations including the DP, Black Sash, Unrest Monitoring Group and the ANC to monitor the role of the security forces in violence in the Cape.

Nel claimed the forum had openly sided with one of the groups involved in the conflict. "Members of this organisation, who in all probability have not undergone any training in the prevention and combating of unrest violence, prescribe to members on the scene how they should behave. If the members do not behave to their full satisfaction, the members are even threatened that their actions would be brought to the attention of the Goldstone Commission."

But forum spokesman Rachel Brown yesterday denied these allegations as "absolute nonsense". She said the forum had been responsible for the SAP appointing a special team to investigate allegations made against the police and had worked closely with this team at one stage.

Nel said the deployment of the Stability Unit to search taxis for weapons from mid-November 1991 had been enormously successful and violence had waned. The unit was withdrawn from December and no further violence occurred until February when it was again redeployed in Nyanga and Khayelitsha.

He said the taxi conflict had led to many deaths, widespread damage to taxis and other property and the use of unlicensed and stolen firearms by the warring groups.

He attributed the conflict to the inflow of taxis from the Transkei and Ciskei which had led to stiff competition. This was exacerbated by a lack of proper facilities at taxi ranks; unwillingness of members of the different organisations to reach agreement, or when agreement was reached to get it endorsed at ground level and the permit system.

Nel said proper facilities should be established in each local authority area; a uniform permit system must be applied; the two taxi associations should amalgamate and there should be stronger law enforcement by local authorities. There was a lack of co-operation from the two associations which were not prepared to negotiate with the SAP at scenes of violence or potential violence.

Electricity cuts set off stonings

B/Day 24/3/92

ADRIAN HADLAND

BURNING barricades were erected and vehicles stoned in troubled Ennerdale township south of Johannesburg yesterday as council workers, protected by police, cut residents' electricity cables.

A local development committee spokesman said three committee vehicles were stoned by angry residents while "illegal electricity supply wires" were being severed.

He said the committee, which is part of the House of Delegates' Development Board, would begin disconnecting the supplies of residents who had outstanding account arrears within the next few days.

Civic association chairman Farouk Jardine said a meeting last week between his association and the committee had resolved to take no action until further talks.

The committee had agreed to write off electricity arrears and were in the process of seeking funding for the proposal, Jardine said.

The arrears total about R10m.

Jardine said the association had suggested an interim flat rate be paid while problems were sorted out, but this had been rejected by the committee. "There is widespread dissatisfaction because the people are not happy with why the rates are so high for the services provided," he said.

Meanwhile, the Johannesburg City Council will meet the Noordgesig Civic Association today in an attempt to resolve the recent rent and service payments crisis.

The company has an estimated 10% share

Board blamed for 'taxi war'

STAR 25/3/92 (332)

CAPE TOWN — There was gross mismangement or corruption in the issuing of taxi permits by the Road Transportation Board, a committee of the Goldstone Commission of Inquiry into the Cape "taxi war" heard yesterday.

Giving evidence to the committee, Helen Zille, a consultant employed by the Cape Town City Council to investigate the taxi war, said permits issued to former pirate taxi operators for lucrative routes between the townships and white areas seemed to favour the Western Cape Black Taxi Association (Webta).

Permit applications with the Webta stamp on the back of them had a high success rate with the board, she said.

Insufficient records were kept of unsuccessful applications and the board was also not able to provide a list of licensed taxi operators.

One of the reasons for the violence was that the Lagunya Taxi Association saw a far higher success rate for Webta operators than for members of other organisations, she said.

The granting of permits pointed to gross mismangement at best and corruption at worst, Ms Zille said.

She said it seemed the violence was contained when pressure from peace committees or the community was applied.

Another of the reasons for the violence was that authorities were trying to introduce regulations in a vacuum where no rules for minibus taxis had existed before.

Previous attempts at trying to achieve peace among the taxi operators broke down because Webta saw dispute resolution as a means to enforce existing regulations while Lagunya wanted the regulations changed.

Ms Zille said she had heard the allegation that City Tramways had bribed civic associations to get people to continue using buses. This had been from a journalist who had been given the information by police.

"There was a police perception that they were up against an ANC strategy, and that is why they could be seen to be siding with one side," she said.

The ANC, she added, had worked hard to end the conflict.

The committee resumes its hearing today. — Sapa.

332

Delisting plan

Longmile plans to sell its 18 percent holding in Contred, delist its shares and make a cash distribution. Star 25/3/92

The directors say its remaining assets, the silencer and clothing division, offer little prospect of growth.

An offer of 250c a share to minorities is proposed. — Finance Staff.

Tollgate sells bus operation ahead of releasing results

(332)

B/Day 25/3/92

EDWARD WEST

TOLLGATE Holdings is to sell its commuter transport operation Tramway Holdings to a consortium of investors controlled by the Tramways management.

An announcement from Tollgate published today says the sale of Tramway — involving just under 1 000 buses — is effective from April 1 1992. In a separate, but related transaction, properties occupied by Tramways will also be sold.

The sales would positively affect Tollgate's gearing and earnings, the announcement said, and as a result the publication of Tollgate's annual results had been delayed so that the financial effects of the disposal's could be incorporated as post balance sheet events.

Details of the amounts involved had not been published because the transactions had not yet been finalised, a company spokesman said yesterday.

Tramway's operations consist of commuter bus services City Tramways, which operates in Cape Town, Boland Passenger Transport in Paarl, Hottentots Holland and Malmesbury areas and Southern Cape Transport in the Mossel Bay area.

Tollgate sold its Transvaal commuter bus operations early in 1990 and its Port Elizabeth commuter operations in December 1990.

In his 1990 review chairman Julian Askin said it was not Tollgate's task to operate a high-cost commuter division on the basis of providing an extensively regulated social service against virtually unregulated competition.

(332) 25/3/92

UK cut-fare flight plan

Staff Reporters

THE boss of Virgin Airlines is planning to include Cape Town in his plans for a cut-price air route to London.

Yesterday Mr Richard Branson, who was in Cape Town to discuss his plans with the Minister of Transport, Dr Piet Welgemoed, said he had been given the go-ahead, but Transport Ministry officials said the minister had not given his full approval.

Mr Branson emerged from his meeting with Dr Welgemoed yesterday to announce that he expected to launch regular cut-price flights between South Africa and London by October.

He said Virgin was expected to fly five days a week and so far the Johannesburg-London leg had been confirmed with a direct connection between the Cape and London under discussion.

He told the press that fares for return flights to Britain could be cut between 20% to 60% in terms of his airline's policy. These would depend on a variety of circumstances.

Generally, however, people flying first class would pay business-class rates for first-class travel — a cut of about R3 700 from R12 805 — and economy prices for business class — a drop of about R3 000 from R9 095. Economy class fares would on average be cut about 40%, but these could vary.

An SAA economy class ticket from Cape Town to London return costs about R7 800.

SAA said in a statement it had no comment on Mr Branson's announcement because formal negotiations between the British and South African governments on the issue had not been completed.

Transport Director-General Mr Skippie Scheepers said Dr Welgemoed could not and did not grant Virgin final approval, but that the licensing committee would not be averse to considering Virgin's application.

He said his department did not want to give the impression that it was repudiating Mr Branson's statements but, as a matter of fact, the minister could not preempt the committee's decision.

IN TOWN . . . Virgin Airlines supremo Richard Branson shows his delight after meeting with the government yesterday. Picture: BENNY GOOL

Insurance scheme for commuters

(332)

STAR 26/3/92.

An insurance policy scheme aimed at protecting road and rail commuters in the event of death or disability in accidents or violence was launched in Johannesburg yesterday.

Robin Pogir, a director of the company behind the Safe Journey Commuter Policy, says it is aimed mainly at black commuters, but whites who travel by bus, taxi, aeroplane or train also qualify.

The policy covers any fare-paying commuter for a fixed amount, payable in cash, to his/her nominated beneficiary in the event of the policy holder being killed or permanently disabled while commuting.

It costs R50 a year, is paid in full on issue and provides cover of R10 000.

Individuals may purchase up to 10 policies and increase the cover to a maximum of R100 000.

Children over the age of five and under 16 qualify for the policy, but are only eligible to R5 000 life cover, irrespective of the number of policies bought.

Disability cover for children will increase from R10 000 to a maximum of R100 000, depending on the number of policies purchased.

The riots and strikes limitation clause has been removed from the provisions of the scheme, Mr Pogir says, adding that the policy has been undersigned by certain underwriters at Lloyd's of London.

Branson discusses SA deals for Virgin with Kerzner and Hawton

B/Day 26/3/92

LINDEN BIRNS and SYLVIA DU PLESSIS

BRITISH tycoon Richard Branson has held talks with hotel magnate Sol Kerzner and Safren deputy chairman and CE Buddy Hawton concerning possible co-operation on several issues, including the £55m sale of a 20%-25% holding in Virgin Atlantic airline.

Hawton, whose company has diversified interests in leisure, transport and insurance, said the talks focused on areas of "possible opportunity and co-operation" and were not limited to Branson's airline.

The three men met at Jan Smuts Airport on Tuesday evening shortly before Branson returned to London.

Hawton indicated that Safren, through its interests in Flitestar, Safair, Rennies Travel, Sun International, Interleisure, Ster-Kinekor and numerous other companies, presented an attractive partner to Branson's Virgin Group.

Kerzner was involved in the talks from the Sun City point of view, since there was the possibility of providing package tours linked to Sun International tourist destinations, Hawton said.

Mo Foster, a spokesman for the Virgin group of companies, confirmed that talks had taken place concerning the possible sale of a 20% holding in Virgin Atlantic.

Branson said on Monday he was interested in expanding his broadcast, film, video and music distribution interests. Hawton said talks between Virgin at the Interleisure level were also taking place and centred on the video business. Safren, through Kersaf, has a 76% stake in Ster-Kinekor, Interleisure and television production facility Toron.

Hawton said Safren would like to learn more about Branson's company before entertaining ideas of taking a direct stake.

Apart from talks with Safren and Kersaf, Branson has also met Allied Bank MD Bob Aldworth, and according to sources, is involved in negotiations with Future Bank.

Involvement with Safren presents several opportunities in the travel and leisure industry for Virgin Holdings, the ultimate owner of Virgin Atlantic.

Safren, through Safmarine, owns Safair Freighters and has a 37,5% stake in Trek Airways, which trades as Luxavia and Flitestar. Virgin and Safair have extensive interests in air freight and are active in the aircraft maintenance industry.

The UK-based airline has already asked Safair if it would be prepared to service its Boeing 747s at Jan Smuts Airport and handle freight carried on those aircraft.

Safair's human resources and administrative services GM Eric Visser said yesterday that irrespective of talks between Safren and Branson, Safair would be interested in co-operating with Virgin in terms of cargo capacity on their aircraft and other services.

Through Safren's 75% stake in Rennies Travel, Virgin would enjoy greater exposure on the local travel market for its air-

☐ To Page 2

332

Virgin

B/Day 26/3/92

332

☐ From Page 1

line, hotel and holiday packages.

Co-operation between another subsidiary, Virgin Mailing and Distribution, and Safren's other air, land and marine freight subsidiaries could provide Branson with the infrastructure he needs if he is to set up Virgin Megastore retail outlets in SA.

☐ CHRIS BATEMAN reports from London that British transport department spokesman Paul McKie said yesterday Virgin's cut-price air route to SA was "anything but sewn up", and depended on the outcome of the SA government's air policy review and negotiations between competitors. He was responding to claims by Branson that SA Transport Minister Piet Welgemoed had given him the go-ahead.

R11,7 billion.

Net income rose 16,9 percent to R988 million.

Sales to mining dropped five percent, while those to traction dropped 6,9 percent. But sales to industrial and rural users

Eskom had been able to achieve a higher-than-budgeted net income.

Non-payment of electricity bills by certain local authorities remained problematical. But Dr Maree was hopeful that solu-

ond power station at Cahora Bassa.

Some money had been obtained for the rehabilitation of the line from Cahora Bassa to South Africa.

STAR 26/3/92

Safren denies it will take stake in Virgin

By Derek Tommey (332)

Safren had no plans to take an equity stake in Richard Branson's Virgin airline, said Safren's chief executive, Mr Buddy Hawton, last night.

He was commenting on a report in a British newspaper yesterday that Safren, the country's 12th biggest commercial group, could end up taking up to a 20 percent holding in Virgin at a cost of £55 million (R275 million).

Mr Hawton said the proposal was new to him. He had held discussions with Mr Branson about ways Safren could work with Virgin. But at no time had the possibility of Safren taking an equity stake in Virgin been discussed.

Talks about how the two groups could co-operate were still in the exploratory stage. But there were a number of areas where opportunities for co-operation existed.

FliteStar, in which Safren had a 37,5 percent stake, and Trek could also co-operate with Virgin.

Flitestar's Mombasa bid reviewed

LINDEN BIRNS

THE National Transport Committee (NTC) is expected this morning to review an application by Flitestar for charter flights between Johannesburg and the Kenyan coastal city, Mombasa.

Once the NTC has heard Flitestar's application, it will probably adjourn for several weeks before making a final decision on which carrier — SAA, Flitestar or Air Supply — it will award the route licence to. B/Day 26/3/92.

Air Supply first applied last year to start charter flights on the route, but the NTC upheld an objection lodged by SAA on the grounds that charters would be uneconomical and would threaten SAA's revenue on the Johannesburg-Nairobi route.

Shortly after the NTC made its initial decision, Flitestar lodged its own application for a charter service on the Mombasa route. SAA repeated its objection, but because Air Supply submitted a second application for the same service, the NTC announced in January it would delay its decision. (332)

Since January, SAA has lodged its own application for scheduled flights to Mombasa and has added a second weekly flight to Nairobi.

SAA spokesman Leon Els recently said the airline planned to have one of its weekly Kenya flights land in Mombasa en route to and from Nairobi.

An Air Supply spokesman said yesterday the company would not lodge any objections against Flitestar's application.

It is unlikely that the NTC will make a final decision before Transport Minister Piet Welgemoed announces SA's new international civil aviation policy, which observers expect will liberalise the market from SAA domination.

Deregulation partly to blame for taxi war

332

Sowetan 27/3/92

THE committee of the Goldstone Commission of Inquiry into the Prevention of Public Violence and Intimidation dealing with the Cape taxi war will resume sitting on April 21.

A statement by committee chairman Mr Niel Rossouw, SC, at the end of yesterday's proceedings said the committee would have liked to have moved faster in the issue but the "situation is fraught with difficulty, and needs careful and sensitive treatment".

"The consultations with witnesses and the preparation of representations and statements need to be given more time in order to properly do justice to our terms of reference."

Rossouw also called on anyone with any evidence to contact the committee before April 10.

The hearings will resume in Synodal Centre of Cape Town's Nederduitse Gereformeerde Kerk.

Earlier yesterday the manager of City Tramways bus company told the committee that deregulation was not a solution to the taxi war.

Mr FE Mayoss said the taxi war was proof that deregulation was not a solution.

"Deregulation must take part of the blame" for the violence, he said.

There had been a tremendous increase in the number of taxi operators following deregulation. Previously the areas in which people operated were clearly defined.

A summary of violence and robberies of City Tramways buses and drivers was handed in to the committee.

Mayoss said 342 bus windows and 42 windscreens were smashed and in January and February this year the company lost 92 windows and 15 windscreens.

When the committee resumes it will hear further evidence from Miss Helen Zille who did a study of the taxi war for the Cape Town City Council. - *Sapa*

No profit in legal taxi loads, probe told

(332) CT 27/3/92

Staff Reporter

MINIBUS taxi fleets could not make money if operators carried legal loads and adhered to all their permit conditions, City Tramways general manager Mr Frans Mayoss said yesterday.

He told the Goldstone Commission's taxi war committee that he had come to this conclusion after the bus company which he managed had tried to get a foothold in the minibus taxi market.

City Tramways had bought a fleet of 20 minibuses in the mid-1980s and put them on lucrative routes. Trustworthy drivers had been instructed not to overload.

The experiment lasted 18 months, and the company concluded that its own taxi operation would not become financially viable.

If one had virtually no overheads, a one-person taxi business could make a living for an operator, he said. The problems started when the operation included more than one vehicle.

Taxi fares were generally lower than bus fares, but only in Cape Town, Mr Mayoss said.

He told the commission that deregulation of the taxi industry had not been a success in Cape Town.

Deregulation must take the major portion of the blame for the taxi war, he said. He advocated a return to a permit system which the authorities enforced. Vehicles should also be checked for technical competence, he said.

Regulations did exist at present, but they needed to be enforced.

● The taxi war committee hearings were adjourned yesterday until April 21.

TOLLGATE HOLDINGS (332)

Out go the buses

FM 27/3/92

Tollgate shareholders will no longer have to wait for their bus to come home. Effective from April 1, the Cape Tramways subsidiary has been sold. It's understood Tramways MD Nic Cronje has led a consortium in a management buyout.

The transaction marks the near culmination of the rationalisation Tollgate chairman Julian Askin launched when he bought control of the group in June 1990.

Subject to conditions precedent, the consortium has acquired the operations, trade names and transportation licences of Tramways Holdings from Tollgate Holdings.

Tramways is to operate under the new name of Golden Arrow Bus Services. Valuable properties now occupied by the bus operations of Tramway Holdings have not been included in the transaction, but are to be disposed of separately.

No financial details have yet been disclosed. But sifting through information previously available suggests that, if the MBO was based on the value of the buses, it will realise about R65m and a further R55m can be expected for the properties.

The good news for Tollgate shareholders is, firstly, that the group's large borrowings will be almost halved when payment for both transactions is received; and, secondly, in the short term, the net effect will be roughly to double the pre-tax income of R11m derived from Tramways in 1991. Getting shot of Tramways will have the same effect as taking a large load off the shoulders of the bearer and serving him refreshments too.

Tollgate will now comprise Motorvia, the business that road-hauls and delivers new vehicles from point of manufacture to retail outlets; Entercor Holdings, the company that controls Greyhound Coach Lines, Springbok Atlas Safaris and Motor Racing Enterprises (Kyalami and the Grand Prix) among others; Budget Car Hire; and importantly, Jaton Holdings in the UK.

All these have apparently traded profitably in the 1991 fiscal year, and they continue to do so. Jaton is expected to contribute about a fifth of Tollgate's 1992 earnings in non-rand currency.

Since Askin's appearance in 1990, the market seems to have been sceptical about his ability to steer Tollgate on to a profitable course. The share price has fallen from over 900c to 460c. Now the debt picture is to change for the better, it will be interesting to see if the market will rerate the share.

Gerald Hirshon

FM 27/3/92

STILL A VIRGIN

332

Hypemaster Richard Branson says Transport Minister Piet Welgemoed imposed only one condition in exchange for permission for his Virgin Atlantic airline to fly the UK-SA route — a pledge by Branson to use his influence to change the World Cup cricket rules. Evidently, there are a few more conditions.

Branson's announcement this week that he had received the go-ahead from SA authorities to begin five flights a week in October, with ticket prices cut by more than half, sounded too good to be true. And it turned out it was, at least for now.

A Transport Ministry spokesman confirmed that Welgemoed met Branson this week but denied the Minister gave him the necessary permission. An assistant to the Minister says his boss is just one in a long line of authorities who must sign off.

"The Minister is always pleased when another airline flies to SA," the spokesman says. "He regards that as a boost to tourism and the opening of another door to SA, and he likes the idea of more competition, but he gave no undertaking regarding flights. He may not give permission to fly into SA on his own.

"Virgin (which already has British government approval) will have to go through the normal procedures. It will have to apply to the National Transport Commission, which deals with international air licensing and determines the number of flights a week an airline may operate. Virgin will be dealt with the same as any other airline."

While Branson may have jumped the gun, this isn't to say long-suffering travellers won't soon get an alternative to the 47-year-old SA Airways-British Airways cartel — which has made the route one of the most lucrative in the world.

BA local manager Malcolm Freeman says: "The SA Division of Civil Aviation will first have to give permission before Virgin can fly in. But I'm sure there won't be any problems. It will get permission."

Branson, toured SA this week, promises to cut fares by up to 60%, but Freeman says that doesn't scare him. "Virgin will obviously start its service here with some very tempting cut-rate offers, which doesn't faze us. We'd do the same.

"We don't object to competition. We already compete with hundreds of airlines all over the world and won't object to competing with Virgin on this route. We won't object to their fare structure and hope they won't object to ours."

SAA, Flitestar hearing postponed

(332)

LINDEN BIRNS

THE National Transport Commission yesterday postponed its hearing on Flitestar's application for permission to begin charter operations between Johannesburg and Mombasa.

Commission chairman Japie Smit adjourned the hearing after SAA's counsel J J Reynecke told the hearing he was not adequately prepared for Flitestar's motivating arguments. B/Day 27/3/92

The issue marks the first challenge by local competitors to SAA's dominance in operating flights to African destinations.

Three airlines, Air Supply, Flitestar and SAA have applied for permission to start flights between Johannesburg and Mombasa. Air Supply did not oppose Flitestar's application at yesterday's third round of the hearing.

During the hearing it was learnt that SAA had reversed its intention to offer flights to Mombasa in the short-term. SAA recently acquired permission to offer a second weekly flight between Johannesburg and Nairobi.

Counsel for Flitestar Nic Maritz told the commission in terms of the interim international civil aviation policy, the airline only had to prove that it could offer a safe and reliable service on the route, and that the envisaged service would not "overlap uneconomically" with any existing scheduled service on the route.

Reynecke argued that the interim policy regulations were not applicable, and that Flitestar's proposals constituted a scheduled and not a non-scheduled service.

Arguing that Flitestar had misled SAA and the commission, he appealed, unsuccessfully, to the chairman to "kill mercifully" Flitestar's application.

Flitestar's witness, Unisa business economics lecturer Berendien Lubbe, presented a study the airline had commissioned her to undertake.

SAA stood to lose about 5% of its traffic on its twice weekly Johannesburg to Nairobi flights if Flitestar was allowed to set up a charter service to Mombasa, she said.

"A 5% reduction in profits doesn't equal an overall loss on SAA's service, and shouldn't be allowed to hinder proper competition," said Maritz.

For this reason, SAA could not claim that a charter service to Mombasa would overlap uneconomically with its scheduled service, she added.

The NTC will reconvene the hearing on May 8.

Goldstone inquiry stutters, postponed

S/Times (Cm) 29/3/92 332

By KURT SWART

THE Goldstone Commission of Inquiry into the Western Cape taxi war, plagued by false starts and delays, stuttered to a halt this week and was postponed for a month.

Legal counsel for the committee, advocate Johan Slabbert, said on Thursday an adjournment was needed for further investigations.

Little progress was made as evidence was heard this week in a long room on the sixth floor of the N G Sinod Centre in Queen Victoria St, Cape Town.

The bland surroundings of the commission's workings are a far cry from the dusty battlefields of Nyanga and Khayelitsha, scenes of vicious fighting involving rival taxi groups, police and township residents during the conflict between the Lagunya Taxi Association and the Western Cape Black Taxi Association (Webta).

Chairing the Goldstone Commission committee is Cape Attorney General Mr Niel Rossouw, who has been seconded to act as commission vice-chairman.

Other members of the committee are Mr Gert Steyn, retired regional court president of the Eastern Cape, advocate Bernard Ngoepe of the Pretoria Bar, Mr Louis van Zyl, senior partner in a Cape Town law firm, and Mr Slabbert.

Witnesses this week were transport systems analyst Mr Paul Mann; general manager of City Tramways Mr Frans Mayoss; city council public affairs consultant Ms Helen Zille and Col Phillippus Nel and Capt Andrew Miller of the SA Police.

Mr Rossouw said on Thursday that the committee would have liked faster progress, "but the very fact that our hearings have been dogged by waiting, adjournments and changes of plans is an indication that we should exercise more patience".

"The situation is fraught with difficulty and needs careful and sensitive treatment. Consultations with witnesses and the preparation of representations and statements need to be given more time to properly do justice to our terms of reference," said Mr Rossouw, announcing that the hearing would resume on April 21.

This week's evidence centred on possible technical reasons for the "war".

City Tramways general manager Mr Frans Mayoss, whose buses compete with the taxi groups, said deregulation of the industry had been a recipe for conflict.

Ms Zille criticised the Local Road Transportation Board which issues permits to taxi operators.

"Their record of administrative chaos suggests almost criminal negligence on their part," she said, alleging that the board had fanned Lagunya resentment by favouring Webta drivers in issuing permits.

The board had been unable to produce lists of registered taxi owners or drivers and it kept no waiting lists nor records of unsuccessful applicants, she said.

Police witness Capt Andrew Miller of the Crime Intelligence Service said Lagunya was backed by the ANC and the civic associations while Webta was seen to be supported by the police and the government.

An assertion by Capt Miller that the ANC had taken sides with the intention of securing transport for mass action drew a sharp response from Ms Zille, who said police bias was clear to those monitoring the conflict.

Flitestar steals a Gulf march on SAA

S/Times (Buss) 29/3/92

SOUTH Africa's first independent domestic carrier is determined to break into the international market by taking full advantage of the country's newly liberalised aviation policy.

With its recent application to the Directorate of Civil Aviation to begin services to India and the Gulf States — it has secured assurances from from Gulf authorities that operations certificates will be issued — Flitestar is on the verge of taking on SAA in the international market.

Flitestar's application has stolen a march on the national carrier, which is known to be interested in both destinations. SAA has a team in the Gulf evaluating potential and has already expressed an interest in flights to India, but has not yet applied for the routes.

If DCA approval is granted, Flitestar expects to begin weekly flights within weeks.

There are no scheduled services from South Africa to either of the destinations and, with SA's 1-million strong Indian and Muslim communities, demand for seats to Bombay, Delhi and Dubai or Oman is expected to be strong.

332

Competition

Although the airline was evaluating the acquisition of long-haul aircraft for the flights, MD Jan Blake said, initially the routes would be served by its fleet of A320s with refuelling stops in the Seychelles and Nairobi.

Mr Blake, besides his recent application to begin a service to Mombasa, which was opposed by SAA, has also expressed an interest in starting long-haul flights to London in competition with BA, SAA and recent applicant Virgin Atlantic Airways.

This move is almost certain to throw a spanner in the already complicated talks going on between SAA, BA and Virgin Atlantic.

Talks this month involving both governments, the Department of Transport, the DCA and the three airlines on a new air services agreement between SA and Britain ended inconclusively in Pretoria.

A DCA spokesman said the talks would resume in London once SA's international civil aviation policy review was completed — probably within two months.

Talks are said to have gone well, with agreement being reached that it was time to end the monopoly enjoyed by BA and SAA on the lucrative route.

"But," said Virgin's route planning and strategy director Ed Hullah, "although Virgin is allowed to fly to SA we have not been given any frequencies. A decision has to be made on capacity."

Virgin has proposed four flights a week, but would eventually like a daily service.

In terms of the existing bilateral agreement SAA and BA split the route capacity and frequencies on a 50-50 basis. There is no provision for a third carrier.

Overtraded

A 60-40 share was mooted last year by local travel industry leaders, with SAA taking 40 percent, leaving Virgin and BA to work out a compromise on the remaining 60 percent.

Flitestar's interest in the route in not going to make matters any easier to resolve. Should it be given the go-ahead, the formerly lucrative, high-capacity route could find itself overtraded if the expected tourism boom to South Africa doesn't, for political reasons, materialise.

THE BUS STOPS STOPS HERE . . . Or does it? "Pirate" taxis are now so popular in New York that they are costing the city R90-million annually in lost bus-service revenue.

Taxing problem for Big Apple

CPRESS 29/3/92

By JOAO SANTA RITA

(332)

ATTENTION Sabta, other black taxi organisations, the Johannesburg City Council and the Traffic Department. New York City needs your help and needs it fast!!

The city's Metropolitan Transportation Authority is fighting a losing battle with what it calls "gypsy vans", mini taxis that immigrants from the Third World have brought to the streets of New York.

So far they have cost the city millions of dollars in revenues. Attempts to stop the pirate taxis from operating by staging raids, imposing heavy fines and harassing the drivers have so far failed to yield any results.

The total number of pirate taxis operating throughout New York City and providing a $1 (about R3) ride to the millions of New Yorkers has been estimated to be as high as 75 000 by a branch in the city's police department.

At the last count the authorities estimated that in one of New York's main routes alone 500 "gypsy vans" were operating. The pirate taxis operate mainly in Brooklyn and Queens but are appearing in growing numbers in Manhattan.

Any Johannesburger talking to experts of New York's Transportation Authority could smile condescendingly and say: We've seen it all before!

The illegal taxis – some operate on their own and others are organised into small fleets – are now said to be "a shadow bus service". The authorities state that the taxis are costing the city about $30-million (nearly R90-million) annually in bus revenues.

They have become so popular along certain New York routes that bus revenues have declined by as much as 15 percent on those routes. These losses have forced the authorities to cut bus services.

The Transit Authority experts accuse the illegal pirate taxis of being "a safety problem". They say that a great number of the drivers have no driver's licences; they accuse them of having no insurance and they point to an accident nearly two years ago where an illegal driver made an illegal turn and killed two pedestrians.

While the experts discuss solutions, the police carry out raids, issue summonses and fines and make arrests even though the police officers on the beat complain that for every mini bus they stop another three or four drive past.

The drivers, mostly black, accuse the authorities of racism and prejudice, pointing out that if they are forced out of their business they will have to turn to criminal activities.

Some experts have called for a head-on war including fare cuts, improved services and, sin of all sins, maybe even running its own mini bus fleet. The pirate taxi drivers just sneer: "They can't organise anything."

TAXI JAM . . . Some 75 000 of these are now operating illegally in New York. Even though police issue summonses and make arrests, they complain that for every taxi they stop another three or four drive past. The authorities are so desperate they are even thinking of running their own mini bus fleet.

ALL ABOARD . . . Are pirate taxis the answer to New York's transport problems, or are they just adding to the confusion?

Taxi fares increase

THE SA Black Taxi Association would increase taxi fares by 8%, Sabta and SA National Civic Organisations said in Johannesburg on Friday. B/Day 30/3/92

"Sanco and Sabta will engage other parties in negotiations to alleviate these costs to the consumer. The government and businesses will be called on to bear these costs." 332

Natrawl back with a dividend

(332)

STAR 31/3/92

CAPE TOWN — Natal Ocean Trawling (Natrawl) has enjoyed an excellent year, turning the R1,63 million loss reported for the 12 months to last December 30 into a net profit of R1,92 million at the end of December 1991.

Gross income from fishing rose from R826 000 to R3,27 million.

A recorded drop in turnover from R12,37 million to R11,42 million, however, is misleading.

Since the end of the previous year, the company's Mozambican operations have been incorporated into associate company, Natal Ocean Trawling (Mozambique).

As a result, Natrawl's turnover does not include an R11,52 million contribution.

Earnings from these operations, in which Natrawl retains a 40 percent shareholding, added R521 000 to this year's attributable profits.

The sale last year of these operations also had a positive effect on the debt burden, with interest paid reducing from the previous year's figure of R2,46 million to R565 000.

Similarly, the rights issue held in June had a positive effect on the balance sheet, with shareholders' funds rising from R14,46 million to R21,27 million.

The company has declared a dividend — the first in two years — of 2c a share on earnings of 6,5c a share.

However, shareholders are being offered the alternative of receiving 5,7 bonus ordinary shares for every 100 held.

Chairman Jack Walsh says that the offer is being made as the company is faced with a relatively heavy capital expenditure during 1992 and is seeking to conserve cash.

"We will be spending some R2 million on further upgrading of certain fishing vessels and on the construction of workshops and stores on our quayside site," he says.

Looking to the current financial year, Mr Walsh says much that had contributed to the company's improved results for 1991 had only began taking effect well into the year.

"Accordingly, I believe that we can look foraward to a further improved performance for 1992," he says.— Sapa.

Laser Transport puts the brakes on costs

B/Day 31/3/92 (332)

LINDA ENSOR

CAPE TOWN — Rationalisation at Laser Transport Holdings had resulted in 300 of the group's 2 000 employees being retrenched, old vehicles and properties being sold and branches relocated, MD Denis Kaye said in an interview yesterday.

Laser Transport is mainly involved in furniture removals operating through Stuttafords Van Lines, Pickfords Removals, and Frasers International. B/Day 31/3/92

The R1,5m rationalisation exercise would generate savings of about R3m to R3,5m a year and the rationalisation cost had been borne in the half year to end-March, Kaye said.

At end-September the group's gearing was 92% and interest of R2,3m was paid on an operating income of R6m.

Kaye said measures to reduce debt were being looked at, including the sale of surplus properties which could bring in about R10m.

He expressed confidence about an annual dividend being declared this year despite tough economic conditions. The transport of household goods had dropped off dramatically in line with the recession and the reduction in company relocations. Also, government departments were not moving as many people as in the past. However, Kaye said there were definite signs of a turnaround as there had been an increase in the number of inquiries and marginally better prices.

Chairman Peter Thomas said the group had made a profit in the first six months to end-March but as the order book was short it was difficult to make projections for the whole year. He felt earnings were likely to be lower at year-end but Laser would not slip into the red.

Kaye added that half-year results were slightly better than last year, although on average only 60% of vehicle capacity was being utilised.

The group was expanding its highly profitable commercial contracting operation, Lasertrans, which should contribute 10% of turnover by year-end. The number of vehicles would be expanded from 25 to 50 by end-September and to 120 by end-1993.

Lasertrans has entered the distribution market carrying goods for companies from point of distribution to point of sale, a market identified as a growth area. It distributes all Pick 'n Pay's imported goods to outlets countrywide.

Thomas said Lasertrans would be developed in a controlled way once all the systems were in place and hopefully in future it would remove Laser's reliance on the cyclical furniture moving business.

Shareholders' Association chairman Issy Goldberg pointed out that the Laser share at about 90c was undervalued as the real value of the company on a marketable basis was R6 a share, or a total of R60m and not R9m.

First dividend in two years for Natrawl

B/Day 31/3/92

NATAL Ocean Trawling (Natrawl) has declared a dividend for the first time in two years after turning 1990's net loss of R1,6m into a net profit of R1,9m in 1991. (332)

Reflecting greatly improved profit margins, gross income from fishing rose to R3,27m (R827 000) in spite of a small drop in turnover. Gross profit margins increased to 28,7% (6,7%) of turnover.

The sale of the Mozambican operations affected the debt burden, with interest paid falling to R565 000 (R2,46m). The June rights issue also helped the balance sheet with shareholders' funds rising to R21,2m (R14,5m). A dividend of 2c a share was declared — the first since 1988 — however an alternative offer was made of 5,7 bonus ordinary shares for every 100 held.

Flitestar operations 'picking up'

WILLIAM GILFILLAN

HIGHER capacity from existing carriers and the "definite" entry of Virgin Airlines means competition on international airline routes will intensify substantially, says Rentmeesterbeleggings (Rentbel) MD Joachim Vermooten. B/Day 31/3/92

Vermooten said this when presenting the results of the group — which has a 44% interest in Trek Airways, the operator of Luxavia, and fledgling local airline Flitestar — for the six months to December.

A departure from short-term insurance activities, the disposal of its steel interests and rationalisation at its Alnet subsidiary helped Rentbel turn in a trading profit of R2,4m. The group recorded a trading loss of R8,1m for the comparable period in the previous year.

But start-up costs at Flitestar knocked the income contribution from associate Trek to R158 000 from R2,2m. Vermooten said the contribution was down as Trek had written off most of the starting up costs of the airline in the six months to December.

He said Flitestar was "operating above break even" on those routes inaugurated last October and passenger loads on the routes started up this February were "picking up from week to week".

Interest and taxation charges of R2,7m and R433 000 moved the group's trading profit into an attributable loss of R738 000, a loss of 20,3c a share. (332)

As the group ceased its activities in the short-term insurance market in June last year and disposed of its steel interests, any comparison to last year's figures were meaningless.

Rentbel's principal operations consist of subsidiaries Rentmeester Versekeraars, a niche life assurer in which it holds 70%, and netting business Alnet, in which the group has a 78% stake. Rentbel's remaining major investment is its stake in associate Trek Airways, which is held in partnership with Safmarine (38%) and the De Muelenaere family (18%).

As the group had been unable to offset losses in some companies against taxable income in its remaining operations, Rentbel had been exposed to the tax charge despite its R281 000 taxable loss. Alnet recorded an attributable loss of R1,2m.

Putco turns its losses around

332 EDWARD WEST

COMMUTER bus operation Putco has turned its losses around at the interim stage to December 1991, and its directors expect a further improvement in the results for the next six months, should stable operating conditions continue.

The group turned around a R13,6m loss, equivalent to a loss of 51,5c a share, at the interim stage in 1990 to a profit of R6,4m or 24,1c a share in the six months to December 1991, results for the group published today showed. B/Day 31/3/92

Putco faces an income tax special court hearing in May 1992, but directors believe the claims by the Receiver of Revenue are unlikely to be upheld, the interim report says.

Putco subsidiary Putco Properties' (Putprop) 'gross rentals have increased to R6,6m in the six months to December 1991 from R6m in 1990 as a result of annual rental escalations, results for the property company showed today. Earnings increased to 3,5c from 2c a share in 1990.

Directors reported that the future augured well for Putprop with interest rates expected to fall this year, loan repayments continuing to reduce interest bearing debt and rental income increasing annually.

Bus commuter operation Putco is Putprop's main tenant, but attempts are being made to diversify the lease portfolio.

Taxis back on city streets

332

IT was business as usual in the city's streets yesterday as township taxis resumed their operations after a four-week boycott by the ANC and community groups.

Sources said there were taxis at almost every township rank as early as 6am. The only exception was the big Nyanga terminus, which the ANC said should be used only after consultation with the community.

The ANC suspended the boycott for a trial period of a month on Monday, but said the boycott would be reinforced if acts of violence occurred during that period.

No taxi-related violence was reported yesterday. CT 1/4/92

Atlas starts civil aviation arm

B/Day 1/4/92

ATLAS Aircraft Corporation, long standing supplier of military hardware to the Air Force, is to change its identity and culture — in line with diminishing local defence requirements.

Atlas announced yesterday it would trade under the name of Simera and pursue commercial work in civil aviation.

CEO Kobus Ecksteen said while the military would remain an important client, the old Atlas would undertake a wide variety of commercial work, including subcontracting and maintenance. He said contract negotiations were already under way locally, in Europe and the UK.

Aerospace group executive director T Gibon said a thorough analysis of Atlas's potential and capabilities led to the decision to cease operating under the name of Atlas and to establish a civil aviation division of Denel.

"Simera will undertake commercial work in SA and abroad, involving modifications, civil maintenance and co-operative ventures for fixed and rotary wing aircraft and engines," Gibbons said.

Atlas Aviation, the military arm of Simera, would continue to service the needs of the military locally and abroad.

332

The civil aviation division would also be known as Simera while the property arm, which had some 230 hectares of ground adjacent to Jan Smuts Airport, would be known as Astor Park.

Some 26ha of this ground was covered and Simera intended leasing available capacity to avaition companies. — Sapa.

Taximen, council in agreement

STAR 1/4/92 (332)

Municipal Reporter

Johannesburg's metered taxi operators and the city council have come to an agreement about a standard taxi sign for the city.

Taxi operators were up in arms this month about a by-law passed by the council requiring them to display uniform taxi signs more than half a metre wide and 30 cm high.

The city council also planned to pass a by-law requiring all taxi cabs to be painted a standard yellow.

In a rare display of unity two weeks ago, metered taxi operators from rival associations decided to put pressure on the council through the newly formed SA Metered Taxi Association (Samta).

Samta chairman and chairman of Rose Taxis Cliff Blackburn said this week agreement had been reached with the city council and a standard sign of 60 cm wide and only 10 cm high, incorporating the individual logos of the metered taxi companies, was being designed.

"We agreed, with the council, to have regular meetings to iron out any differences. We will meet regularly with the traffic department, testing station, licensing officials and all concerned in the metered taxi industry."

Grenade in bus

(332)

A WOMAN was seriously injured and six other people were hurt when a handgrenade exploded inside a Putco bus in Soweto last night. Sowetan

A spokesman for Soweto police, Colonel Fanyana Zwane, said the bus was going past Meadowlands Hostel at 6.20pm when the grenade was thrown through a window. 24/9/2

The explosion tore a hole in the floor of the bus and knocked out most of the glass.

The bus was carrying passengers from town to Soweto.- *Sapa.*

...ıg line of maize- carrying lorries queues up near Beit Bridge.

Trucks of maize jam Beit Bridge

332

STAR 2/4/92

By Dirk Nel
Northern Transvaal Bureau

BEITBRIDGE — A huge food relief operation has swung into operation as between 1 000 and 2 000 tons of food a day are trucked from the western Transvaal to Zimbabwe over the Beit Bridge.

The Star found the situation chaotic yesterday, with customs staff unable to cope with the extra 100 vehicles a day.

Clearance agents at the border post said they were dreading the busy Easter weekend and the time when maize imported through South African harbours started to reach the border.

Some agents said inadequate facilities, staff shortages and inefficiency at the border post were causing the delays.

Chief customs officer Des Venter was not available for comment.

All the maize-carrying trucks were clearly labelled "Zimbabwe food relief".

Between 20 and 30 drivers are being forced to sleep at the border post every night because of the long delays. There are no rest areas or ablution blocks, but transport companies have indicated they plan to build facilities.

There is no organised parking area on the South African side of the border, and no traffic control anywhere.

Cargo agent Ian Cooper complained bitterly about his cramped caravan office, which accommodates a staff of five. He said requests to Pretoria for permission to build a bigger office had fallen on deaf ears. Other agents seemed to be in the same predicament.

Two Harare-based truck drivers who arrived at 6 am with their maize load from Schweizer-Reneke were hoping to get across the border by 4 pm, they said.

● More reports — Pages 11 and 19

LONGMILE FM 3/4/92

Bowing out

332

The sale of Longmile's 18% interest in Contred for R120m marks the beginning of the end of an operation that was started by chairman Hendrik Potgieter four decades ago. The sale is effective from January 1 and the proceeds were paid this week. Longmile is to be delisted.

Only two years ago, agreement was reached between the three shareholders in the unlisted Contred. At that time, Anglovaal had bought Goodyear through Consol, which had the funds to pay for it.

This deal formed the base of the alliance that is now a major force in the tyre making and distribution industry. The Goodyear rubber investments of Consol were merged with the retreading and tyre distribution activities of Tredcor. Tredcor was jointly owned by Longmile and Trencor.

Unlisted Contred was formed out of the merger; Consol owned 61%, Trencor 21% and Longmile 18%. When the merger agreement was drawn, a formula was determined, that provided for any of three shareholders to offer their shares to other shareholders. The current transaction follows the exercise of a "put" by Longmile, with the deal struck at a price equivalent to R128 a Trencor share.

Potgieter explains that he considers the economic and business environment "very hostile" now. He is 68 years old and feels it is time to relax and pursue his own interests. He no longer sees the same growth potential in the business and he has recently acquired several farms. His son has left Longmile to manage the farms.

It's intended that the remaining Silencer and Clothing divisions will continue to operate. It seems inevitable that, if suitable buyers can be found, then these will also be sold. Meanwhile, a cash distribution is to be made to all minority shareholders.

Of the 50m Longmile shares in issue, 74,6% are held by Potgieter family interests and company associates and 25,4% by minorities. A proposal is to be made to minorities that they relinquish their investment in Longmile for a cash payment of not less than 250c a share. The exact amount is still to be determined and details of the offer are to be announced soon.

Mike McNamara, a Consol director, replaced Potgieter as CE of Tredcor, the distribution arm of Contred, from February 1. Potgieter is to remain on the executive until June 30, and will then be a consultant until the end of this year.

The Longmile share price has fluctuated between a low of 135c — where it traded for most of March — and the 210c high set last August. Net worth at June 30 was 186c and EPS 30,3c for financial 1991. At 250c, the share is valued at an historical p:e of 8,3 which is certainly not unduly high — though this is the highest since at least 1988.

At 250c or more, the offer appears fair, if not generous. But judgment should be reserved until details are known. *Gerald Hirshon*

FM 3/4/92 332 **FOX**

ANC caught in the middle in Cape Town's taxi war

W/Mail 3/4-9/4/92

In an attempt to remain neutral in Cape Town's taxi war, the African National Congress has angered civic leaders who expected the organisation to resolve the conflict. By **GAYE DAVIS**

IN terms of lives, homes and vehicles lost, Cape Town's long-running taxi war has cost a great deal. But a potentially more long-lasting by-product of the conflict is the rift it has opened up between township civic leaders and the regional leadership of the African National Congress.

The ANC has tried to maintain a neutral stance in the conflict between the Western Cape Black Taxi Association (Webta) and its rival, the Lagunya Taxi Association. It has members in both groupings, and believes it has a "historic mandate to forge unity among sectors of the oppressed", said Vincent Diba, ANC regional executive member charged with conflict resolution.

The ANC has had to resist calls for it to throw its weight behind one of the parties. Instead, the organisation has attempted to bring both sides to the negotiating table, with only limited success.

This week, members of the ANC regional executive met the newly launched Civic Organisation of the Western Cape (Cowec) to address grievances bedevilling relations between the two formations.

A Cowec representative confirmed that a meeting had taken place but declined to comment further. His reasons for not doing so were echoed by ANC regional executive members: it would not do for problems between organisations to be discussed in the media.

But tensions were clearly illustrated at last month's launch of Cowec. Intended to bring together all civic associations active in both black and coloured townships in the western Cape, as well as bodies representing hostel dwellers and squatters, the launch went ahead despite an attack two days before by unidentified gunmen on members of the Western Cape Hostel Dwellers Association (WCHDA).

An ANC official scheduled to give an input on the violence plaguing the region was told not to — the inference being that his audience knew more about the violence than he could.

The fact that the ANC official was a former exile underscored another source of tension. In the words of one community leader, "we stayed here and built the structures through all the years of the banning (of the ANC) while they ran to exile. The people have more confidence in us".

In the view of civic leaders, the ANC has let them down. This goes back to March last year when, weary of being caught in the crossfire of yet another outbreak of taxi violence, the civic of Cape Town's black townships launched a successful boycott of both taxi bodies.

The aim, to get both parties to agree to dissolve and form a united taxi body, was an attempt by communities to impose some control. The initiative forced Webta and Lagunya to agree to a 10-point plan.

But days after agreeing to the plan, Webta pulled out — and the Western Cape Civic Association called a boycott, this time targeting Webta alone. The ANC spearheaded a new peace committee.

But many people felt that instead of holding out yet another olive branch, the ANC should have condemned Webta for reneging on the 10-point plan. Peace talks foundered; during this time, the chairman of the Western Cape Civic Association and TCCC member, Michael Mapongwana, was assassinated, allegedly by Webta members.

While the ANC pushed the cause of peace — in the townships, among its members — the talk was of war. Against Webta. By agreeing to the 10-point plan, Lagunya was seen to have acceded to community wishes and its members were thus deemed to be deserving of protection and, where necessary, defence: Webta had by its own actions cast itself out.

Adding to the complexities of the situation was the fact that, SAP denials notwithstanding, the police were increasingly being seen as partial to Webta in their efforts to keep the warring factions apart. For civic leaders, the issue was clear-cut: the ANC should call to account its members within Webta.

Typical of disaffected civic leaders' attitudes was this comment: "The ANC must not take a reconciliation stance when its people are being killed on the ground."

For the ANC to condemn Webta and take sides in the feud, however, would spell political suicide. There were also long-standing differences between certain ANC and civic leaders over political stratagems.

Difficulties in getting either side to compromise signalled doom for a new peace committee established at the initiative of Cape Town mayor Frank van der Velde and Anglican Archbishop Desmond Tutu.

Representatives of the South African Black Taxi Association, working with leaders of both Webta and Lagunya, have meanwhile succeeded in getting both bodies to form a new negotiating forum, Codeta (Congress for a Democratic Taxi Association).

Whether this initiative succeeds will depend on what agreements can be reached on the issues at the heart of the conflict — an inequitable system of allocating routes, ranks and permits — and the extent to which the communities of the townships are included in the peace equation.

SA lines on ship buying spree

By ZILLA EFRAT

SOUTH Africa's national carriers are making large investments in their fleets to handle growing trade as sanctions slide away.

Unicorn Shipping Lines has bought a new 14 000-ton multi-purpose vessel for about R17-million for trade with South America.

Unicorn managing director Ivan Clark says the line bought two vessels from Poland for about R120-million at the beginning of last year.

Its R20-million bitumen carrier handles SA oil companies' growing operations.

Safmarine, anticipating that trade with SA would improve, ordered its first new ship in 10 years in December 1990 — the R100-million Oranje container carrier.

Three of its dry-bulk vessels are already in service in Japan. Next month its 169 000 dry-bulk ship will be launched in Romania.

Two refrigerated vessels are being built in Poland and will go into service for Safmarine later this year.

Safmarine and Unicorn have been expanding their shipping routes.

S/Times (Buss) 5/4/92 (332)

Political leaders to speak at taxi indaba

Sowetan 9/4/92 (332)

By JOSHUA RABOROKO

BLACK political and business leaders are to address the two-day annual meeting of the National African Federated Transport Organisation in Johannesburg next week.

The theme of the conference is "Opportunities and challenges facing the new South Africa: The role of transport in economic empowerment."

The meeting, which starts on Monday, will be held at the Carlton Hotel. Nafto is the transport wing of Nafcoc.

Speakers include ANC president Mr Nelson Mandela and the organisation's general secretary, Mr Cyril Ramaphosa; PAC president Mr Clarence Makwetu, Azapo president Mr Pandelani Nefolovhodwe, Nafcoc president Dr Sam Motsuenyane and Dr Kasuka Mutukwa, director-general of the Eastern and Southern African Management Institute.

Nafto president Mr Peter Rabali said the meeting would focus on a number of areas for possible future expansion of the taxi industry.

These areas included cargo transportation; supplying hawkers with stock during off-peak times; supplying construction teams in remote areas with food and beverages during off-peak times; providing school transport on a hire basis; catering for the suburban white consumer market between 11am and 3pm and doubling as metered taxis in the CBDs for businessmen in off-peak hours.

Rabali said it was important to address these issues with "the people's organisations" because they would have a greater role to play in the new South Africa.

Rabali said the taxi industry had been adversely affected by violence with the average monthly income of taxi drivers declining by about 50 percent between 1990 and 1991.

The monthly income of individual taxis had dropped from R2 500-R3 500 to an average of R1 500 in 1990.

According to research by the South African Institute of Race Relations, problems that plagued the taxi industry included increased competition encouraged by deregulation, consumer resistance to fare hikes and taxi feuds, which had undermined the positive image of the market.

Feuds were caused by disputes among taxi operators over which rank to use or which route to ply, conflict between legal and pirate taxis and attacks against the drivers suspected of working for white owners.

75% of township taxis 'pirates'

332

By PETER DENNEHY

UP to 75% of the taxis operating from black townships in the Western Cape are "pirates", Captain Andrew Miller of Crime Intelligence Services yesterday told the Goldstone Commission's committee investigating the taxi war.

Captain Miller said that of some 2 700 operating from black townships, up to 75% were "pirates" in that they did not have Road Transportation Board permits.

The violence, however, resulted from conflict between members of the rival taxi associations Webta and Lagunya, not between permit holders and non-permit holders.

Colonel Phillippus Nel of the Stability Unit said complaints by Lagunya that Webta was denying it access to certain ranks were taken seriously.

Mr John van der Berg, for the ANC, Black Sash, Unrest Monitoring Action Committee and Cape Town Peace Committee, asked whether Lagunya's complaints at a meeting on March 16, 1989, that its members were not being allowed to operate in the business areas had been taken seriously.

"Yes, they were," said Colonel Nel. "Webta was told that from March 31 we would see to it that all legal taxi operators would be able to use all ranks to which they were entitled."

As the Webta representative had not attended the next meeting and it was not known whether the message had been passed on to the drivers, the police had been unable to carry through a plan to enforce this.

They had gone to the taxi ranks at peak time next day and had noticed that Lagunya drivers were still not using ranks frequented by Webta members, possibly "out of fear of intimidation".

Halved

Asked why they should fear intimidation if the police were there, Colonel Nel said: "They could be attacked anywhere, not only at the ranks."

The Goldstone Commission's taxi war committee has been halved since it last sat almost a month ago.

Cape attorney-general Mr Niel Rossouw, SC, chairman of the committee, said there was so much violence in South Africa that the law governing the commission had been amended, freeing two members, Mr G Steyn and Mr B M Ngoepe, to investigate train violence on the Reef. The remaining members are Mr D J Rossouw, SC, and Mr L S Van Zyl.

Lagunya 'main source of aggro'

Staff Reporter

THE Lagunya taxi association was the greater aggressor in the taxi war, Stability Unit commanding officer Colonel Flip Nel yesterday told the Goldstone Commission into the conflict.

"I get that from statistics, on how many vehicles are burned out and so on. We get information from victims and bystanders," he said.

Earlier he was asked under cross-examination by Mr John van der Berg, for the ANC, Black Sash, Urban Monitoring Action Committee and Cape Town Peace Committee, whether there was any justification for "a perception, even if it is wrong", among some township people that police "lean towards Webta".

Colonel Nel replied that whenever police took action against one party in the conflict, that party tended to believe that police favoured their rivals.

Both Webta and Lagunya had approached the police "and asked if they could meet at our place, because that is where they feel safe", he said.

Mr J A le Roux, counsel for the Department of Transport and the Local Road Transportation Board, said there were between 1 000 and 1 200 legal taxis on the township routes, "and a couple of thousand pirates".

332

Taxi drivers take their chances on the route north

W/Mail 10/4 - 15/4/92 (332)

By CHRIS MABUYA

FOR taxi operators in the eastern Cape, the road to Johannesburg is profitable — and deadly.

Three people have been killed and there have been allegations of plots, hit lists and abductions since the beginning of a taxi war in Ciskei and Border areas last week.

The feud between the Border Taxi Alliance Association (BTAA) and the Uncedo Service Taxi Association started over a route between Peddie and Johannesburg.

Uncedo officials said they had decided to offer the service after requests from passengers, while BTAA said Uncedo took over while negotiations on the taxi service between Peddie and Johannesburg were still in progress.

Now both sides blame each other for the continuing attacks on drivers and mysterious shootings involving the use of 9mm pistols and R4 rifles.

On Tuesday night a man was killed next to the King William's Town taxi rank. Border police liaison officer Lieutenant Colonel Christo Louw said they had found used cartridges from an R4 rifle.

Earlier on in the fighting, two people were shot dead — one in Peddie and the other in Middledrift in the Ciskei. Ciskei police said one person had been arrested in connection with the attacks.

Ciskei Commissioner of Police Lieutenant General Johan Viktor said on Wednesday there was no further progress to report but investigations were under way.

Only one of the dead taxi operators has been identified as an Uncedo member. It is still not clear to which association the other two belonged.

Uncedo national deputy secretary Mzimkhulu Duna said his organisation had "left the door open for anyone to start negotiations", but BTAA officials saw this as a plot to kill them.

BTAA secretary general Mazizi Sidinana claimed four of his organisaton's officials were on an Uncedo hit list and they could not attend a meeting called by Uncedo in Peddie on Tuesday.

However, Duna said Peddie, chosen as a neutral venue, was predominantly occupied by the BTAA. He accused BTAA officials of not being committed to peace.

Duna said Uncedo was trying to avoid a situation of bloodshed similar to that in the western Cape taxi war. — Elnews

GRINCOR FM 10/4/92

Reluctant minorities (332)

Considering that unlisted holding company Grindrod Holdings owns 53% of Grincor, a 79,3% acceptance of the R49,9m rights issue does not sound impressive. On the face of it, holders of only about 55% of minority shares took up their rights.

But underwriter FirstCorp says it was a difficult register. Grincor chairman Murray Grindrod is happy, saying it was apparent some shareholders would not take up rights "regardless of the price".

The offer was for 10,2m new shares, 40-for-100, at 490c. FirstCorp and its sub-underwriters will take up 2,1m shares.

Grindrod believes Grincor can absorb the extra shares, which swell issued capital to 35,4m, without significant dilution of EPS.

Grindrod Holdings will follow its rights, using the capital injection it received from French shipping company SCAC-Delmas-Vieljeux, whose Bollore Technologies subsidiary bought a 25% stake in Grinhold for more than R25m at the beginning of 1992.

Grincor had a difficult year, with results to December showing an 8% increase in earnings to just under R20m on a 13% increase in turnover to R563m. With capital spending of R125,5m, borrowings were up, further boosted by investments in new local and European shipping interests and funding higher working capital needs.

Besides improving the debt:equity ratio and reducing interest costs, Grindrod says the capital raised in the issue will put Grincor in a good position to take advantage of new acquisitions and investments, possibly

FM 10/4/92 (332)

the purchase of additional vessels.

At 475c, Grincor's share price has been on the decline since its mid-1991 high of R7, and is now roughly where it was a year ago. An improvement seems unlikely until the half-year, and then only if the additional capital is seen to be working. *Shaun Harris*

Danish deal for city firm

S/ Times [Cape metro] 12/4/92 (332)

A DANISH businessman in Lesotho has signed a R2,6-million order with a Cape Town boatyard for a luxury yacht to be built in Cape Town and launched in November.

The yacht, a Richleigh 63, will race under Danish colours in the cruising class of the Rothmans Cape to Rio Race in January 1993. She will then head for the Eastern Mediterranean for her first charter season.

This is the second export order placed with Richleigh Yachts, which has originated a concept whereby the yachts built by the company are owned by private investors and maintained and run on their behalf by Richleigh Yachts, so generating an income for the owners.

The first export order is due to be launched on May 15 by master yacht builders Robertson & Caine, who are building the yacht at their premises in Epping.

The designer of the Richleigh 63 is naval architect Phil Southwell of Cape Town. He aimed to build the ideal charter yacht for international waters.

The result is a yacht with a totally self-contained environment, including a desalination plant, banks of batteries and large holding tanks.

The navigation station/office has a computer and telex, telefax and satellite communication facilities, enabling the owner, charter company and skipper to remain in contact.

The Richeleigh 63 has three air-conditioned guest suites, plus permanent crew quaters for a skipper, hostess and up to two deckhands.

Crew quarters are reached directly from the working area down a companionway ladder, making it unnecessary to enter the saloon area.

Experience shows that guests tend to gather in the cockpit or along the pushpit, so these features have been made as large and as comfortable as possible, with the guest cockpit measuring 3,5 x 2,5-metres. There is ample storage space for watersport equipment, bicycles and mopeds.

Nafto draws top speakers

B/Day 13/4/92 (332)

THEO RAWANA

SA's political and business leaders and speakers from Africa will share the platform when transport organisation Nafto holds a two-day conference, which starts tomorrow.

The AGM and conference will be held in Johannesburg with the theme Opportunities and Challenges Facing the New SA: The Role of Transport in Economic Empowerment.

The conference will be opened by Nafcoc president Sam Motsuenyane and ANC secretary-general Cyril Ramaphosa will be guest speaker. His talk will be on a new constitution.

Other speakers include Sacob director-general Raymond Parsons, Eastern and Southern African Management Institute director-general Kasuka Mutukwa and Edward Nathan & Friedman law firm senior partner Prof Michael Katz.

Azapo president Pandelani Nefolovhodwe and PAC president Clarence Makwethu will also speak at the conference.

The closing address will be given by Inter-Africa Group executive director Gaby Magomola.

R15m plus can buy control of airline

B/Day 14/4/92 (332)

WILLIAM GILFILLAN

FOR a mere R15m — plus some premium in order to gain control — some aspirant local entrepreneur could have his dream come true and own his own airline.

Market capitalisation of Rentmeester-beleggings (Rentbel), which has a 44% stake in Trek Airways — operator of Luxavia and fledgling local airline Flitestar — is currently standing at R14,7m, giving a 65% discount to shareholders' funds of R41,9m.

As no one party holds more than 50% of the group, control might not be watertight. In fact, a 22% holding in Rentbel is currently under legal dispute after the sale to the Jan Lombard consortium of the interest previously held by Rousseau Snyman. The Vermooten family, who already hold 22%, has disputed this sale.

The De Muelenaere and Bremmer families each hold a 11% stake. Further, the company has gearing of 78% and a negative interest cover which could weaken the current shareholders' bargaining position.

Its three principal operations include subsidiaries Rentmeester Versekeraars (held 70%) and Alnet (held 78%) and associate Trek. Being an associate, Trek is equity accounted and not consolidated, with the result only a small portion of Rentbel shareholders' funds would constitute its Trek interests.

The R41,9m in shareholders funds at end December were split as follows: share capital and premium accounted for R2,1m; non-distributable reserves, including revaluation reserves of R13,7m and R10m from profits on the sale of investments, came to R29,3m; and distributable reserves were around R10,5m.

Rentmeester Versekeraars is a niche life assurer, while Alnet is a netting operation.

About 57% of Rentbel's turnover of R42,4m in the six months to December was contributed by the netting subsidiary, with the remaining 43% accounted for by the life assurance operation.

Although both Alnet and Rentmeester Versekeraars contributed to Rentbel's trading profits of R2,3m according to MD Joachim Vermooten, management gave no indication on the split between the two. (Although Alnet made a positive contribution at trading profit level, it made a bottom-line loss of R1,2m). The equity accounted contribution from Trek fell to R157 000 from R2,1m over the comparable period in the previous year.

Vermooten said the sharp drop resulted from the write-off of start-up costs at Flitestar. As Rentbel holds a 44% stake in Trek, and as Rentbel equity accounts the results from the airline group, attributable earnings at Trek dropped to about R356 000 in the six months to December from around R4,7m in the previous period.

Firmer rates expected for May

B/Day 14/4/92

THE SA market looks attractive for the shipping industry at the moment as there is a shortage of handy-sized vessels available for the second half of April, which is likely to firm rates upwards, reports Afromar.

At the moment a 28 000dw vessel is worth around $4 500 a day from SA to the continent, and a 35 000dw vessel around $5 000 a day.

A 35 000dw vessel is worth in the region of $7 500 a day with delivery in India for a trip via SA.

However, the picture is likely to change in May when the grain shipments start to arrive in SA.

232

With several million tons of grain to be imported for use in southern Africa over the coming months, it looks as though charterers should have a ready supply of vessels in this area then.

In the coal trades, capesized vessels are still being fixed at just under $7 a ton for cargoes from Richards Bay to Rotterdam. Panamax sizes have seen slightly better conditions with, for example, close to $9 being paid for this size of vessel loading from Richards Bay to a Spanish mediterranean port, as against $8,50 a ton a few weeks ago.

There are many grain cargoes being quoted into SA now, with most from the US and Argentina. Charterers mention rates of $17,50 a ton for a cargo of 30 000 tons out of the Mississippi River against owners' ideas of $19,50 a ton.

Small parcels are also quoted, such as 10 000 tons of wheat from Denmark to Durban or Port Elizabeth. A parcel of about 9 500 tons of barley was also fixed from Denmark to Durban at $27,50 a ton.

There was a cargo of 10 000 tons of agricultural products to be moved from China to SA in April at quotes of $38 a ton.

A 55 000 ton cargo of sulphur was to be shipped from Long Beach in the US to Richards Bay after mid-May. And, 10 000 tons of fertilizer were being quoted from Richards Bay to Kenya for mid-April.

The Chinese had an inquiry to ship about 50 000 tons of iron ore from Saldanha Bay to Dalien in mid-May. A small parcel of concentrates was to be moved from Richards Bay to Japan. — Reuter.

Boycott over 70c taxi hike

Sowetan 15/4/92 (332)

By DON SEOKANE

RESIDENTS of Tubatse township near Burgersfort have embarked on a taxi boycott after the local taxi association increased fares by 70c.

The boycott started on Monday and is continuing after a meeting failed to persuade the taxi association to reduce the fares.

Tubatse Taxi Association has increased fares from R1,80 to R2,50 following the increase in the price of petrol. The increase applies to trips from Tubatse to Burgersfort in the Eastern Transvaal, which is about 55km away.

Residents are not happy with the increase and complain that it was too high and that the taxi association did not consult them.

President of Tubatse Civic Association, Dr MA Selahle, said yesterday that a meeting between the civic and the taxi association was held on Sunday and no agreement was reached.

"The meeting was held in order to persuade the taxi association that the fare increase was too high and the community would appreciate if it was reduced from R2,50 to around not more than R2,10," said Selahle.

Residents are now using vans and private vehicles to go to town and taxis are running empty along the route.

The local youth association has asked a bus company to provide more buses. Selahle said the company had agreed to supply a bus to town every hour.

Selahle disclosed that another meeting with the taxi association over the new fares was being planned.

Two fare increases anger Botlokwa

(332)

Sowetan 16/4/92

By RUSSEL MOLEFE

TAXI associations in Botlokwa near Pietersburg are at loggerheads with the local civic association over the proposed fare increase to be implemented today.

What is worsening the situation is that the two associations, Sekgosese and Machaka Ramokgopa, are to charge different fares.

They are to charge R5 and R6 respectively for a single trip to Pietersburg.

The secretary of the local civic association, Mr William Ramaphaleha, said yesterday they had warned the taxi associations to suspend the increases until a meeting was convened with the residents to agree on a common fee.

Reasonable

Ramaphaleha said residents were in favour of a R1 increase as it was reasonable.

The residents previously paid R4 for a single trip to Pietersburg.

He said the difference between the two taxi associations over the increase might lead to fighting.

Officials of the taxi associations could not be reached for comment.

Meanwhile, in Tubatse near Burgersfort in the Eastern Transvaal, the boycott of taxis which started on Monday is continuing

Residents embarked on a boycott when the local taxi association decided to increase fares between the township and the town.

OSCAR
WI
• R5 000 c
• Dinner fo
the value
• Two ticke
favourite
Answer thre
The winner w
entries. M
087
Calls ch
INFO

TRANSPORT (332)

FM 17/4/92

Bringing in the maize

FM 17/4/92

The massive effort to import nearly 9 Mt of maize may be denting the foreign exchange reserves of SA, Zimbabwe and other countries affected by the drought, but it is boosting the local transport industry.

Trucks and goods trains are kept busy as the shipments land in SA ports to be distributed throughout southern Africa.

The maize loads won't solve all the industry's problems but they will help to keep equipment more profitably employed.

Last year was a slow year for transporters. Independent private-sector truckers carted 488,1 Mt of goods in the 12 months to November, 5,3% less than in the same period the previous year, according to the latest figures from the Central Statistical Service. And there was a 7,3% decrease in the number of trucks in use in November, compared with the same month the year before.

Government-owned public transporters Spoornet and Autonet are also believed to have carried less tonnage last year. Now Spoornet has slowed the demolition of its oldest wagons and private road hauliers are blowing the cobwebs off vehicles they had mothballed because of the recession.

André Jacobs, executive director of the National Association of Private Transport Operators, which represents truckers who carry mostly their companies' own goods, says the road transporters that will benefit quickly are those with "bathtub" trailers that can convey bulk, unbagged maize. Those with flatbed trailers can convey only bagged maize, which is not available yet.

Carting maize by road will not be cheap. Hauliers operating 30 t payload vehicles "won't be able to do more than 10 trips a month between Durban and Harare," Jacobs says. "To cover costs, including the empty-leg return trip, and still show a profit, they will have to charge R480/t, which is a lot of money to transport a high-bulk, low-value commodity such as maize." In fact, that figure is about what the maize itself costs.

Spoornet has allocated 6 000 wagons — with a capacity of 44 t each — to transport to inland silos, for storage and bagging, the 4,7 Mt SA is importing for its own use. And it has allocated 7 000 wagons with a capacity of 40 t each to transport the nearly 4 Mt that other nearby countries have ordered so far — Zimbabwe 2 Mt, Zambia 900 000 t, Malawi 800 000 t, Botswana 80 000 t and Lesotho 50 000 t. Spoornet is not saying what it is charging.

The huge transport operation begins at local ports, where a total of 220 ships will bring the maize in; 140 of those will be laden with maize for SA, the rest with maize destined for other countries in the region. Durban will handle at least 4,5 Mt of maize, Cape Town will handle 1,2 Mt and East London will handle 1,13 Mt.

The maize lift began last week. The first ship, with 47 250 t on board, docked in Cape Town on Tuesday and the next one, with 53 000 t, arrived in Durban three days later. The shipments continued this week.

An operations office has been set up in Johannesburg to co-ordinate the effort. It is staffed by representatives of all the importing countries and their railways. Spokesman for the office Jacques Pienaar says Spoornet and Portnet can handle everything that arrives.

"If the designated ports cannot handle everything, we will use Saldanha Bay or Richards Bay as a backup." He says the seemingly antiquated hoists being used can each unload ships at a rate of 30 t an hour. Up to eight will be used per ship, "and if we need more capacity, we'll bring in pneumatic unloading equipment."

The operations office plans to haul two 40-wagon trains across Zimbabwe's border at Beit Bridge every day. As the operation unfolds, the office will decide how much maize will be carried by train and how much by truck.

The biggest obstacle in this sprawling relief scheme — aside from the bottleneck at Beit Bridge that has delayed road hauliers carrying regular maize shipments for up to a day — is the Zimbabwean government. It insisted that all the maize crossing Beit Bridge by road be carried by Zimbabwean hauliers.

But officials of the SA Ministry of Transport balked and finally reached a compromise that reserves one-third of the traffic into Zimbabwe for SA trucks.

That is only one example of Zimbabwe's bloody-mindedness. It is also insisting that its locomotives haul all trains once they cross Beit Bridge. Spoornet is opposing this vigorously and has logic on its side. Changing locomotives takes time and increases the turnaround time of trains — and with 78 Spoornet locomotives hired out north of the Limpopo, chances are one Spoornet locomotive would be switched for another.

Meanwhile, Namibia will import the maize it needs through Walvis Bay. Portnet, which runs the port, will provide the equipment and staff needed to handle maize in bulk. Walvis Bay has never had to import maize in bulk before. When Namibia had a drought, SA always had maize to spare and so it was railed there. ■

Low-profile Sechold makes light of omens

S/Times (BUSS) 19/4/92

A FRIDAY 13th appointment in 1984 with the late Gerhard de Kock, Governer of the Reserve Bank, gave Arthur Kelly and a clutch of financial specialists the green light to establish a discount house.

The licence was granted on the Ides of March the following year and Sechold opened for business on April Fool's Day 1985 with share capital of R2-million.

In spite of the low profile — I am the first journalist in those seven years to interview Mr Kelly, who modestly declined to be photographed — Sechold has been a sterling performer.

Mr Kelly is managing director of today's listed group, the holding company of four deposit-taking institutions and a portfolio management company.

Its main operation is trading in the money, capital and derivatives markets.

Only Secfin Bank, formerly Interbank, lends conventionally, having lately entered the upper-bracket mortgage market and granting customers a preferential rate.

Mr Kelly estimates the asset base of the group at R7,5-billion. This large-sounding figure for such a little-known name is due partly to the nature of its business. Capital coefficients for trading Government stocks are lower than for many other types of banking.

"They are virtually non-risk areas," says Mr Kelly. "It allows us to run a much bigger book. The margins are small and turnover large. Our aim is to provide the best return on shareholders' funds.

"They are all you really have at the end of the day. You do not have market capitalisation to play with, only a finite number of rands. You have to ask yourself what you have actually done with them."

There is of course a vested interest. Management and staff own 34% of the group. Sechold's return on shareholders' funds is among the highest in the business in recent years and its portfolio management company has outperformed many better-known names.

Sechold's other shareholders are a solid bunch themselves. Old Mutual has 20%, Sanlam about 8% — some by virtue of having sold the struggling Interbank to Sechold. Absa has 15% and, perhaps surprisingly, competitor Rand Merchant Bank has 10%.

Sechold bought National Discount House from holding company NDH (itself taken over by CIB) "while it was struggling. The introduction of our management style reversed its fortunes", says Mr Kelly.

In partnership with Boland Bank it formed District Securities Bank a year ago, adding to the core securities trading business in the Cape.

I asked Mr Kelly what was bought when another company was taken over. He admitted that there was some overlap, although each bank was carving a niche.

"It is a licence essentially. A discount house is basically a cash shell. So if it can be bought at a discount, there is an immediate advantage. Many of these names are of long standing and have had their respectability restored with a new lease of life under Sechold management.

"They are only equity-accounted in Sechold, no value is placed on each bank licence. If we wished ever to list one or all of them separately, there would be significant immediate capital appreciation to Sechold.

"There are no immediate plans to do so. We are merely laying the foundations should future officers of the company wish to unbundle Sechold."

When Sechold itself was listed in 1987, it raised R9-million. At last June, disclosed cumulative shareholders' funds were R50-million — and that was after R19-million had been paid in dividends.

This exceptional growth had its humble beginnings with Mr Kelly and company seven years ago.

"There were seven of us, but the Reserve Bank ruled that we could not own more than 10% of the initial discount house each, so we had to take on more partners.

"It's grown quite well," he says flatly.

The share price would seem to support his view. Finely pitched at R3 in 1987, the shares shot almost to R7 before collapsing with the rest of the equity market. It stumbled along at R3, but has risen from a 12-month low of 375c to 510c since October.

On a price-earnings ratio of 7,6 times, Sechold might have the largest remaining potential in a heavily punted sector.

DIAGONAL STREET by Julie Walker

30% failures on the DCM

S/Times (BUSS) 19/4/92

SINCE the inception of the Development Capital Market on the JSE in 1984, 113 companies have at one time or another been listed on it.

The present tally is 23 — about a quarter of the 1987 peak. Almost half of the companies have been transferred, either through growth or acquisition, to the main board.

Some have followed the reverse path, in the case of cash shells whose new assets have failed to meet main-board requirements.

Six have been delisted for reasons other than financial difficulties, but the listings of 30 have been terminated because of money problems.

The JSE says the failure rate of 30% means there is no justification for lowering the listing requirements.

One of the problems that faced the JSE's listings department in the rush by companies to list in 1986 and 1987 was the checking of details in prospectuses.

Often, financial accounts were dressed up to show the prelisting performance in the best possible light. This was sometimes achieved by restating figures as though the equity capital to be raised at listing had been part of the company's capital base for the previous few years.

The JSE listing requirements for the DCM are adequate. The problem lies in knowing which company directors told the whole truth in their haste to grab plentiful investment capital.

Auditors, merchant banks, corporate finance houses, public relations consultants and directors readily condoned the fairness and reasonableness of the valuations of assets sold into companies in exchange for control of listed companies to which the minority often provided most worth.

Investors who followed small share issues have been belittled and maligned by the blue-chip brigade. But no matter how diligent the ordinary person might have been in studying a prospectus, he could not reasonably have been expected to see through the carefully constructed smokescreens endorsed by so many professionals.

R174 Lyntex raised R3m from its listing

S/Times (BUSS) 19/4/92 (332)

LYNTEX Transport Exchange had a net asset value of only R174 before it raised R3-million in public and private placements in 1987 for a JSE listing.

Lyntex was liquidated in April last year and was later delisted.

The Receiver of Revenue, Johannesburg, confirms it is investigating Lyntex's affairs.

After questioning former managing director Tony Teixeira, the taxman found that at the time of the Lyntex listing, the total asset value after the deduction of loans outstanding was R174. It is claimed that no tax was paid on declared profits, but Lyntex declared a dividend of R644 000.

The Lyntex prospectus, issued on October 28, 1987, after the stock-market collapse, showed audited earnings for the 16 months to June 1987 of R596 000 before tax and said no dividend had been declared.

The balance sheet at June 30, 1987, reflected shareholders' funds of R940 000 as most of the R1,18-million capital employed. Share premium of R741 000 arose through the acquisition of subsidiaries for the issue of 9,94-million shares of 2c.

Unlisted investments totalled R200 000, explained as an investment in an export venture.

The auditor was Nicholas Meldau & Co, the sponsoring broker George Huyshamer and the attorney Eugene Marais, Attorneys. Mr Marais was also chairman when the group listed. Joe Berardo became chairman in August 1988 and resigned a year later.

On March 21, 1991, Mr Marais and Mr Teixeira signed the financial statements on behalf of the board for the six months to December 1990.

The results showed net income after tax of R552 000, net current liabilities of R408 000 and R4,27-million in unlisted investments.

Hardly a fortnight later, several creditors applied for the liquidation of Lyntex and it folded. The liquidation was before Mr Justice Margo, who was chairman of Joe Berardo's Johannesburg Mining & Finance Corporation.

Mr Berardo left SA abruptly three years ago and JMFC had to be rescued.

The joint liquidators of Lyntex Transport Exchange reported that only one of the directors gave them a statement of affairs, but they arrived at a figure for apparent deficit of R511 000.

Liabilities totalled R2,24-million and assets R1,7-million.

They found the company's accounting procedures to be inadequate. The books had not been written up for five months before liquidation.

All financial and banking transactions were made by means of a trust account in the legal practice of Mr Marais. Auditors had to be brought in to reconcile the books.

The liquidators said: "The available financial records of the company appear to have grossly overstated the assets and debts of the group's companies, resulting in creditors and particularly shareholders and members of the public concluding a total misapprehension of the financial position ... an inquiry should be conducted into the affairs of the company and the conduct of its directors."

The liquidators took the view that the main cause of failure of companies in Lyntex was inadequate financial management and records.

The estates of Mr Marais and of Mr Teixeira have since been sequestrated.

Mr Teixeira had signed personal suretyship for the obligation of Lyntex Transport Transvaal, a subsidiary of the listed company, and for other companies. The banks called in the obligations, which he could no fulfil. Mr Teixeira's liabilites of R9,5-million were nine times his assets.

The sequestrator says Mr Teixeira has not replied to his questions and recommended a formal inquiry and he will arrive at his final conclusion in May.

Debt help for farmers

S/Times (BUSS) 19/4/92

FARMGROUP, the agroforestry management company featured in Business Times last week, has proposed a debt-for-equity swop to help relieve the debt crisis facing farmers.

The scheme, accepted by the Conservative Party, involves the issue of an equity land-bond bearing an 8% tax-free coupon. The bond should be either issued or guaranteed by the Government.

The debt held by commercial banks could be converted to equity bonds and accepted as part of their liquid asset requirements.

FarmGroup says that because insurers are being urged to invest in socially desirable investments they too should be required to place some of their cash flow in bonds.

The Government could even consider some additional form of tax relief whereby the bonds could be marketed to corporates and the public.

The terms of the bonds should be linked in some way to the farmers' performance, with the proviso that they can be redeemed at any time on payment of capital and interest. Fiscal control would be imposed on farmers involved in the scheme to encourage them to redeem their bonds early.

Zimbabwe lifts SA trucker fees 500%

S/Times (Buss) 19/4/92 (332)

BY DON ROBERTSON

NEW regulations in Zimbabwe have put severe pressure on SA truck operators.

In terms of the Road Motor Transportation Regulations Act No 15 of Febuary 7, temporary permit fees and tolls for foreign trucks in Zimbabwe must now be paid in US dollars. Previously they were paid in Zimbabwean dollars.

This means an increase in fees of more than 500%.

In contrast, SA has offered long-term permits to a large number of Zimbabwean truck operators at minimal cost and charges no entry or toll fees.

Mike Scott, marketing director of Cargo Carriers, says the temporary permit and toll fees are based on a sliding scale, depending on the duration of the trip.

For instance, a 14-day permit from Beit Bridge to Harare and back costs $100. In addition, a revenue stamp of $10 is required and the toll fee is $90.

This impost rises to $600 and the revenue stamp to $60 for an 84-day permit. A temporary permit of 84 days from Beit Bridge to Chirundu, the main border post with Zambia, costs $1 260.

The Road Freight Association (RFA) says "the result is that Zimbabwean operators with their, mostly left-hand drive, antiquated vehicles are carrying more and more of SA's exports".

The RFA has repeatedly asked Transport Minister Piet Welgemoed to compel Zimbabwe to negotiate an equitable solution. It will continue to put pressure on the Department of Transport through a working group, established last October.

Andre Jacobs, executive director of the National Association of Private Transport Operators (Napto), says the fees do not represent a "massive" increase.

But the Zimbabwean authorities are unable to justify the rise, ostensibly to cover damage to roads, because they do not police overloading of trucks.

He says that the fees could increase the cost of the huge quantities of maize being taken to Zimbabwe.

Martin Pretorius, operations manager of Unitrans Bulk, says the new fees have reduced the ability of SA operators to compete with Zimbabwean hauliers. He describes the fees as exorbitant and unfair.

Mr Pretorius says the fees add between R800 and R1 000 a trip from SA to Harare.

End to taxi war in sight

(332)

WARRING taximen in the Border and eastern Cape regions have agreed to seek a peaceful resolution to their dispute, which has already cost three lives. C/Press 19/4/92

They made the pledge at a meeting organised by the Border-Ciskei Regional Dispute Resolution Committee in Grahamstown.

Fighting erupted two weeks ago between members of Uncedo Service Taxi Association and Border Alliance Taxi Association over two routes, from King William's Town to Johannesburg and Port Elizabeth. Three taxi drivers were killed and seven injured in the feud.

Govt 'out of touch with transport sector'

B/Day 21/4/92 332

THEO RAWANA

GOVERNMENT was out of touch with the transport industry and should work with black organisations in the formulation of a national transport policy.

This was said by National Transport Policy Forum co-ordinator George Negota at the third annual conference of the National African Federation of Transport Organisations (Nafto) in Johannesburg last week.

Negota said Transport Minister Piet Welgemoed had headed the Welgemoed commission several years ago before becoming the minister who "sought to destroy the taxi industry" and he could not be trusted to develop the sector.

"In its report the commission said taxis should be nullified in favour of buses and (metered) taxis. So how can we expect its chairman to champion the cause of the taxi industry without input from the people?" Negota said.

He said the taxi wars were a direct result of government policy.

"There are inadequate parking facilities for taxis because no room was provided for that mode of transport."

Negota blamed government for the Japanese designing minibus taxis without input from the local taxi industry.

"This shows the unilateral nature in which government worked."

Negota said transport subisidies should include black taxis, which also carried schoolchildren.

He said government should see the transport problem as part of a southern African problem which should be addressed in co-operation with neighbouring states.

Plea for the upgrading of Beit Bridge

Sowetan 22/4/92

332

By MATHATHA TSEDU

THE chaos at the Beit Bridge border gate has led fourteen government departments to recommend to the Cabinet that funds be made available for immediate upgrading.

Faced with a traffic volume of over 250 trucks, 600 cars and 4 000 pedestrians a day, Beit Bridge has been snowed under for the last three years as trade between South Africa and Zimbabwe grows.

With the heaviest drought in living memory having brought Zimbabwe to the brink of mass starvation, an additional 200 trucks a day are expected to start streaming through the gate as maize imports roll through.

This extra volume, and the lack of mechanical implements to check vehicles, led to a meeting of the 14 departments on Thursday last week in Messina, where the problem was discussed.

Convened by the department of Regional Development and Land Affairs, the meeting decided on short-term measures that include longer operating hours by custom officials which would ease the bottleneck. A parking lot for trucks, which are presently lining up the road on both sides creating a traffic hazard, is also to be cleared.

Ablution blocks

Convener of the meeting and Deputy Director-General of the department Mr Meyer du Toit said more ablution blocks and cleaning of the area would take place immediately.

"On a long-term basis, we realise that facilities at the gate were not built to cope with the volume that has since developed. We are asking the Cabinet as a matter of urgency to approve funding to upgrade the area so that we can deal with the problem.

"If the Government says it has no money, we expect them to give the go ahead for private sector involvement as the situation at the gate is becoming critical by the day," Du Toit said.

When *Sowetan* visited the border gate, we found long queues of trucks that still had to be cleared. While some of the truck drivers said they only spent up to two hours before clearing, others said they had been there for two days waiting for custom clearance.

The drivers complained of lack of facilities such as sleeping accommodation as the gate is far from the town. Du Toit said the maize trucks, which are expected to reach the gate this week, are not going to be affected by the bottleneck.

"The maize trucks have all their papers ready and are clearly marked. They just drive through," he said.

The maize, which is imported from overseas, is eagerly awaited in Zimbabwe, where this basic and staple commodity is scarce. Zimbabwean truck drivers blamed the shortage on "over exporting" of maize to other countries without giving due regard to home conditions.

Sabta to act on tyres 'unsuitable' for SA heat

332

B/Day 22/4/92

THEO RAWANA

IMPORTED tyres tended to burst in SA's warmer temperatures and were the major cause of accidents involving taxis on national roads, Sabta communications manager Molefe Rapodile said yesterday.

Sabta would take up the issue with local manufacturers to get them to introduce a tyre suitable for the SA taxi industry, Rapodile said.

With the SA Taxi Safety Action Group, Sabta would ask the SA Bureau of Standards (SABS) to conduct tests and see if SA manufacturers could design a tyre that would meet taxi specifications.

Rapodile said suppliers were importing a type of tyre not suited to SA conditions. "Climatic conditions, where these tyres are imported from, are not the same as in SA and the tyre, which is not designed for the heavier passenger intake of the SA taxi in the first place, simply bursts under the warmer temperatures in this country.

"We will take the issue up with local tyre manufacturers to get them to design tyres with specifications suited to the SA taxi industry," Rapodile said.

"Some unscrupulous dealers are importing second-hand tyres and dumping them on the taxi market," he claimed.

SA Tyre Manufacturers Conference director Gert Fischer confirmed that some tyres fitted on taxis were imported cheaply by dealers. Tyres manufactured in SA were tested by SABS for their ability to operate in SA conditions, he added.

"But even the best tyre is bound to burst if taxis are overloaded, as was the case at the weekend when a taxi carrying 27 passengers overturned," said Fischer.

National Association of Automobile Manufacturers of SA (Naamsa) assistant director Costa Pierides said one in three accidents among taxis was caused by a tyre burst.

He said also much of the blame lay with the taxi operators themselves because, to smarten their vehicles, they fitted whitewalled, imported tyres in place of the originals.

"Tyres are engineered for a certain type of vehicle," said Pierides.

Some of the major causes of tyre bursts were overloading of vehicles, the wrong type of tyre, and incorrect inflation.

"Any tyre will burst under an overload, and the constant friction of under-inflated tyres causes a burst," said Pierides.

If discipline was maintained, vehicles were kept in roadworthy condition, and there was no overloading, the accident rate would come down, he said.

Slavis Servas, chairman of the Taxi Safety Action Group, said some suppliers were importing second-hand tyres from Europe and that put people's lives at risk.

"Locally manufactured tyres are designed for SA conditions and are backed by the SA Bureau of Standards."

Servas also warned: "You should not fit a passenger tyre where a commercial tyre should be fitted."

tions.] I shall have to determine if that is the case. As indicated on the Question Paper, that question has not been put to me, therefore I do not have the reply to hand. [Interjections.]

†Mr T LANGLEY: Mr Chairman, further arising out of the hon the Minister's reply, what is the total number of persons who—as far as the Boputhatswana part of the reply is concerned—have been deseconded during the past three months?

†The MINISTER: Mr Chairman, if you will just give me a minute, I shall count them quickly. [Interjections.] I count round about 14. [Interjections.]

Customs post: Beit Bridge

*4. Adv T LANGLEY asked the Minister of Public Works:†

(1) What is the condition of the buildings and facilities of the customs post at Beit Bridge;

(2) whether his Department intends attending to these buildings and facilities; if not, why not; if so, (a) what is envisaged in this regard and (b) when is it expected that the work will be (i) commenced and (ii) completed?

B482E

†The MINISTER OF PUBLIC WORKS:

(1) In a fair condition but inadequate.

(2) Yes.

(a) The extension and upgrading of the existing buildings and facilities. *Longer term planning of additional facilities is also being attended to.*

(b) (i) Planning is already in progress and if the funds are available it is anticipated that the execution of the work will begin early in 1993. *It will only be possible to determine commencement of the additional facilities stated in (a) once planning has been completed.*

(ii) *It is anticipated that the extension and upgrading of the existing buildings and facilities will be completed during the second half of 1994.*

†Mr T LANGLEY: Mr Chairman, arising out of the reply of the hon the Minister, I want to put it to him that his department was either caught unawares as a result of the traffic between South Africa and Zimbabwe or else there was for a very long time absolute carelessness about the customs facilities at that customs point. [Interjections.]

†The MINISTER: Mr Chairman, the person who put the question made a point and a statement. He did not put a question to which I wish to reply, other than to say I believe the hon member made representations about this on previous occasions and I assume that the department has definitely reacted to that.

Business interrupted in accordance with Rule 180C(3) of the Standing Rules of Parliament.

Beit Bridge customs post: facilities

*5. Adv T LANGLEY asked the Minister of Home Affairs:†

(1) Whether he recently took or intends taking any action with regard to the facilities available to officials of his Department at the customs post at Beit Bridge; if not, why not; if so, (a) what action, (b) when and (c) for what reasons;

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

B483E

The MINISTER OF HOME AFFAIRS:

(1) and (2)

The provision, expansion and improvement of official accommodation and facilities for office and housing purposes rest with the Department of Public Works. Official accommodation and facilities are however provided, expanded or improved in consultation with the Government Departments which have to utilize which accommodation and facilities.

Since August 1990 an extensive investigation by my Department, in conjunction with the Department of Public Works, has been launched into all official accommodation and facilities at Beit Bridge, as far as the utilization thereof by officials of my Department is concerned, as the existing accommodation and facilities are inadequate.

The planning for the expansion and upgrading

of the existing accommodation and facilities will be ready this year for the invitation of tenders.

In the light of the every-growing border traffic the situation at Beit Bridge is being monitored on a continuous basis in order to counter disruption of the public and officials as far as possible. However, the crux of the problem lies in the expansion of the physical facilities which is already being addressed interdepartmentally.

Grand Prix motor race: contribution to sponsorship

*6. Mr A A B BRUWER asked the Minister of National Education:†

Whether the Government contributed directly or indirectly to the sponsorship of the recent Grand Prix motor race; if not, why not; if so, (a) for what reasons and (b) what was the (i) nature and (ii) extent of the Government's contribution?

B484E

The MINISTER OF NATIONAL EDUCATION:

Yes. The Government contributed indirectly to the 1992 Grand Prix motor race.

(a) Section 18B of the Income Tax Act was introduced on 1986-06-01 with the purpose of encouraging private sponsors to financially support international cultural, sporting and educational events that are held in South Africa. This incentive measure, which was made available in terms of section 18B, is known as a sponsorship allowance and contains specific tax benefits. In the mean time it has been recommended that the provisions of section 18B of the Income Tax Act should be withdrawn.

(b) (i) The Government made an indirect contribution to the project through revenue forgone to the benefit of the sponsor company.

(ii) The audited statement of the event is still being awaited in order to enable the Commissioner of Inland Revenue to calculate the total revenue forgone.

SADF employed to build road: Sekhukhuneland area

*7. Mr P G SOAL asked the Minister of Defence:

Whether any members of the South African Defence Force were employed to build a road and erect tents in the Sekhukhuneland area towards the end of 1991 for the wedding of a certain person, whose name has been furnished to the Defence Force for the purpose of the Minister's reply; if so, (a) what is the name of this person, (b)(i) how many members of the Defence Force were involved and (ii) for what reasons were they employed in this manner and (c) what was the total cost involved?

B487E

The MINISTER OF DEFENCE:

Yes, to erect six tents only.

(a) The name supplied by the hon member.

(b) (i) 8

(ii) As a gesture of goodwill.

(c) None.

Black town councillors: resignations

*8. Mr J CHIOLÉ asked the Minister of Local Government and National Housing:†

(1) How many Black town councillors resigned in the (a) Transvaal and (b) Orange Free State from 1 February 1991 up to 31 January 1992;

(2) whether any elections took place in (a) the wards concerned and (b) all the other vacant wards during this period; if not, why not;

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

B488E

The MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING:

(1) (a) 11

(b) 42

(2) (a) Transvaal—No.

Orange Free State—Yes, in three wards.

cont. 15

Most taxi conflicts 'on the routes'

CT 23/4/92

By PETER DENNEHY

POLICE would either have to travel in taxis or park their vehicles every 100m along taxi routes if they wanted to be 100% effective in ending taxi war intimidation, Stability Unit chief Colonel Phillipus Nel said yesterday.

He told the Goldstone Commission's committee investigating the taxi war much of the conflict occurred in residential areas or along the routes, rather than at taxi ranks.

"If we had the manpower for more patrols, we would have these," he said. To be reasonably effective in combatting the violence, "you need some presence on the routes".

Under cross-examination by Mr John van der Berg, for the ANC, Black Sash, Unrest Monitoring Action Committee and Cape Town Peace Committee, Colonel Nel said despite a regular police presence on routes and at ranks, grievances were still voiced about the lack of access to some ranks.

He said the Bellville, Claremont and Cape Town ranks at one stage were not used by Lagunya members. Taxi associations exercised control over ranks "by someone standing there". Often intimidation was enough, so that force was not necessary.

He said a planned "experimental police action", due a week after alleged assaults on the Nyanga-Bellville route, could not be carried out "because the leader of the Western Province Black Taxi Association (which now includes Lagunya) was too scared to ride the route".

Success of Sabta scheme paved the way

STAR 23/4/92 (332)

Jabu Mabuza ... "Only in the '80s did black taxi owners start going to the banks to seek finance."

Until recently, the only way a prospective black taxi owner could receive finance for the purchase of a new vehicle was to prove that he did not need the money.

According to Fabcos chairman Jabu Mabuza, only in the '80s did black taxi owners start going to banks to seek loan finance for their vehicles.

And, he added, it was only after intervention by the South African Black Taxi Association (Sabta) in the latter part of the decade that the finance houses began to advance loans in a big way.

The outstanding success of the Fabcos-affiliated Sabta's Foundation Scheme with Wesbank paved the way for the formation of a fully fledged black bank that would be responsive to the needs of black clients.

Mr Mabuza recalls: "From 1939, when the first taxi association was formed in the East Rand, until the late '70s black people never went to banks to help them purchase their vehicles.

"If you remember, the image of a taxi was that of a delapidated Valiant or Chev," he said.

"Taxi owners used second-hand vehicles and they did not go to the banks for finance. It was only after the introduction of minibus taxis that bank finance became widely available."

Before then, Mr Mabuza said, there was an unwritten rule that a bank manager would grant finance to a black person only after giving eight or nine loans to white people.

When a black person went to a bank, the credit application form would ask what collateral they had. They would ask whether the person's father had shares.

Black people, who were not entitled to own land or property in urban areas would even be asked if they owned any properties.

When, by some miracle, the black person managed to pass through this hurdle he would be asked to put forward a 60 to 80 percent deposit on his vehicle.

The first insurance premium he had to pay was frequently half of the capital price.

After that the black customers were subjected to the highest interest rates possible.

"To get financing you had to prove that you did not need the money," Mr Mabuza says.

In the early '80s Sabta held constant discussions with the major banks and First National Bank subsidiary Wesbank was the most receptive.

After a while First National decided to try Sabta and give them the benefit of the doubt.

"They gave us R5 million. Within six months we had R25 million. A year later we had another R25 million. In 1989 the Sabta book at Wesbank was worth nearly R200 million and bad debts were less than one percent of this figure — First National realised that they were on to something," Mr Mabuza says.

The Sabta Foundation Scheme was unique because it adapted the stokvel concept of collective responsibility to the vehicle-financing area.

The scheme does not attempt to determine the creditworthiness of the client in terms of normal credit-granting criteria.

It only insists on a clean credit record and paid-up membership of Sabta.

The usual deposit required on this type of deal is not credited to the buyer's account, but to the Sabta Foundation Fund.

This has resulted in lower deposits being called for, and has enabled credit to be granted where it might otherwise have been declined.

The effects of the scheme are twofold. While the taxi owner is not faced with a prohibitive deposit, the cash which accumulates in the foundation earns interest and is used to bolster the fund which underwrites any bad debts.

The car is leased back to the group, who find a driver. The debtor is barred from obtaining another permit.

The scheme also requires comprehensive insurance and as a result of the underwriters having spread the risk, the foundation has managed a reduction in annual premiums.

After the success of the scheme, Mr Mabuza said, Fabcos realised that there were two weaknesses that were hindering blacks in their endeavours to enter the mainstream

These were lack of skills in the black community and lack of access to capital.

"We realised we had numbers on our side, but this advantage was being used to our disadvantage.

"Pension funds would use our savings to invest in shopping centres in exclusive suburbs, while investments in our townships were regarded as risky.

"Black savings at the major banks were also being used to advance loans to mostly white people.

"After inviting a number of banks to make presentations to us, we decided on First National as a partner in forming our own bank.

Cops give view of taxi war

Sowetan 24/4/92 (332)

THE Goldstone Commission will hear police responses to "a thick file" of complaints during its investigation into taxi violence.

A committee of the commission, headed by Cape Attorney-General Mr Niel Rossouw, is investigating the Western Cape's taxi war, which began in 1987.

Mr Johan Slabbert, counsel for the committee, yesterday explained that a witness, Colonel Flip Nel of the police stabilising unit was giving "historical and background" evidence.

Nel had been asked about complaints against the police by Mr John van der Berg, counsel for the ANC, the Black Sash, the Cape Town Peace Committee, and the Urban Management and Awareness Committee.

Nel said according to his instructions he was only expected to give the committee an account of the taxi violence, what he believed the causes to be, and what proposed solutions he had.

Slabbert said other witnesses would deal with allegations against the police. Before the inquiry started, police were given "a thick file" containing complaints and had investigated each one.

Nel told the committee police were unable to prevent some taxi war-related deaths and damage to property as most of the conflict took place away from the taxi ranks where police had their highest presence.

These incidents took place inside the townships and along the taxi routes where it was impossible for police to provide blanket protection, he said.

During the early stages of the conflict police gave taxi operators the assurance they held patrols and maintained a presence.

However, despite this, taxi operators had not used ranks controlled by their rivals because of intimidation, he said.

Investigations into alleged assaults by rival taxi drivers and complaints of intimidation could only be pursued once an individual laid a charge, Nel said.

Police were hamstrung as they seldom had any leads to follow. Witnesses were reluctant to come forward.

Asked by Van der Berg: "What happened to good old-fashioned detective work?" Nel replied: "Even in the good old days they had clues to follow up."

Earlier, transport planning consultant Mr Paul Mann said public dissatisfaction over the taxi service in Cape Town was "significantly higher" than elsewhere in the country.

He could not, however, pinpoint the reasons for this.

Post-apartheid era faces great challenge

Sowetan 24/4/92 (332)

FOCUS

By JOSHUA

RABOROKO

POST-APARTHEID Southern Africa faces an enormous challenge of turning the transport sector into a vehicle of real economic empowerment.

This was one of the views expressed by many leaders during the annual meeting of National African Federated Transport Organisation (Nafto) held in Johannesburg last week.

They said South Africa was on the verge of an era which promised a better future for transport and related organisations such as Nafto and the Southern Africa Black Taxi Association, and indeed the entire Southern Africa.

It should be noted that economic performance of sub-Saharan Africa, and in particular its transport component, has left much to be desired.

In this sub-region apartheid has been chiefly destructive on the economic and social nucleus, especially on transport networks in the SADCC sub-region.

The new political era dawning on South Africa will provide Southern Africa with a golden opportunity to release its full potential of realising the dream of creating a Cape-to-Cairo transport network.

Change

The opportunities are further enhanced by the "winds of change" in the sub-region.

These are manifested in the growing role the private sector is assuming in the economy, the emergence of a bigger voice for professionals and renewed determination by Southern African countries to take charge of their own destiny.

Among the leaders who addressed the conference, whose theme was "Opportunities and challenges facing the new South Africa - the role of transport in economic empowerment", were presidents of the ANC Mr Nelson Mandela, the PAC's Mr Clarence Makwetu, Azapo's Mr Pandelani Nefolovhodwe and Nafcoc's Dr Sam Motsuenyane.

International participants included the secretary-general of the Preferential Trade Area for Eastern and Southern African States, Dr Bingu Wa Mutharika, and the director-general of the Eastern and Southern African Management Institute (Esami), Dr Kasuku Mutukwa.

Joint ventures

The opportunities and challenges were aptly put by Mutukwa when he said: "There are now massive opportunities for investment, for joint ventures, for facilitating free movement of goods and people in respect of all modes in the Eastern and Southern Africa sub-region."

He said a healthy political dispensation in South Africa might allow the sub-region's economic interdependence and overall growth taking advantage of the country's (SA) industrial and technological skills.

Second, substantial infrastructural facilities have been provided whose usage could be free from the political restraints of the past.

Third, a wider market and a joint approach could increase the bargaining power of the sub-region.

Fourth, given trade liberalisation, increased opening up of trade and therefore transport demand between South Africa and the sub-region, the transport integration would take place in an environment better disposed towards regional co-operation both at continental level and at the second-tier PTA level, where Esami was recognised.

He said Nafto trucks and buses should be able to go as far as the equator and beyond. Indeed, he added, in these changed time, the "dream of Cape-to-Cairo" transport services is within reach.

"In pursuing various strategies bent on the realisation of her objectives, Nafto can count on the support of Esami. We are putting our management development programme and consultancy services at the disposal of the new South Africa."

Revenue

Mutharika said: "It is a well documented fact that the Republic of South Africa dominates the markets of the sub-region, especially those of its neighbours and beyond, to which it exports manufactured and other goods. And in turn these countries are an important source of revenue for South Africa's transport sector, especially its harbours and railways.

"According to SADCC estimates, total trade between its member countries and South Africa amounted to 6,5 billion US dollars as compared to intra-SADCC trade of less than 2 billion dollars in 1986."

Mutharika said a trade-related area of co-operation between the PTA and post-apartheid South Africa was the creation of Eastern and Southern African common market. "This would imply the merger of the South African Customs Union with the PTA", he said.

The liberation movement collectively concurred with the notion of regional and continental economic co-operation transport.

Optimistic

Mandela said he hoped Codesa would be one of the vehicles of creating a post-apartheid base for a transport network and co-operation in Southern Africa.

He said he was optimistic that sanctions would go and more investment would help empower the Africans economically. But, he added, before that could happen "we need to join hands for peace and reconciliation in the sub-region."

He urged trade unions, political and business organisations to debate the future economy of South Africa.

Makwetu asked the transport organisations to join hands in exploiting the new route from Cape to Cairo. It was up to them to take advantage of the opportunities.

Nefolovhodwe said transport would play a vital role in promoting healthy business.

President of Nafto Mr Peter Rabali said his organisation planned to diversify from freight transport to help transport people across the continent.

Thumbs-up for Sabta's assistance

W Mail 24/4-29/4/92 (332)

By RAY NXUMALO

The South African Black Taxi Association is frequently vilified by motorists who feel they are crowded off the roads by Sabta taxis. But the sight of the organisation's courtesy bus was like manna from heaven to anyone stranded in the Easter traffic along the hazardous N1.

Elijah Ndebele, who was returning from Pietersburg on Easter Monday in his Peugeot bakkie, had an overheating problem just outside Potgietersrus. The Sabta rescue team of William Sithole and mechanic Lawrence Makatola leaped into action.

"There is a lot of water leaking," Makatola announced after diagnosing the problem. He found a tree branch, fashioned it with a knife into a stopper, disconnected the problematic hose from the thermostat and plugged the hose with his crafty twig. After the mechanic filled the radiator, Ndebele thanked the duo and resumed his trip.

Sabta's courtesy bus looks much like any other taxi, except for the detachable amber light mounted on the roof. It also has no siren or CB radio and neither of the two men had any first aid knowledge, as would be expected of the typical emergency vehicle. Their rescue equipment comprised a large tool-box, a wheelspanner and a jack.

The taxi association, in conjunction with Shell SA, had made four patrol cars available to monitor and help motorists along the N1, according to Sithole. His was the first to leave Pietersburg to monitor the Monday rush back to Johannesburg. The rest would follow at one and a half hour intervals. Contrary to expectations, he said, their service was meant for all motorist, "not taxis alone.

"This is about assisting in breakdowns rather than about giving first aid," he said, but they would alert ambulances when necessary.

"One driver had taken the car to a backyard mechanic for a tune-up, and insisted there was nothing wrong with his firing system. When we checked the spark plugs, the gap inside them was too narrow and the car was misfiring."

Sithole is safety-conscious, warning passengers of stranded vehicles to stay off the road. "Pedestrians also lose lives," he would remind them. He is also a careful driver: always buckling up before pulling off, careful to cruise at 90km/h, and embracing the shoulder of the road most of the time to let other cars pass.

For five hours, one car after another was helped on its way. Makatola, a self-taught mechanic who looks more like a football player in his tracksuit than a manual worker, did not leave a single car stranded.

Near Warmbaths, Titos Mangena was to savour the courtesy of Sabta when he broke down on the way back from Venda. The oil level in his Cortina was low and the warning light did not function.

This time, there was nothing Makatola could do; it was a major breakdown. Sithole arranged a tow-truck and, while Mangena's car was towed away, he was given a lift to Pretoria.

Sithole got a box of bananas in gratitude, and Sabta a double thumbs up for its campaign.

Individuals afraid to complain, say police

W/Mail 24/4-29/4/92

By GAYE DAVIS: Cape Town

POLICE were aware that taxi operators used violence and intimidation to secure routes and ranks, but because individuals were not prepared to come forward and lay complaints, the allegations were seldom investigated, a committee of the Goldstone Commission heard this week.

For the same reason, taxi operators' allegations that their complaints to police "fell on deaf ears" were also not investigated, said Lieutenant-Colonel Philippus Nel, head of the Stability Unit (formerly the riot squad).

Asked why he did not mention, in a report he submitted to the committee, occasions when police were accused of inaction, Nel said these grievances "did not exist" as no one was prepared to come forward. He also had no specific instructions to deal with allegations against police in his submission.

Nel was under cross-examination by John van der Berg, counsel for the African National Congress, Black Sash, Unrest Monitoring Awareness Committee (UMAC) and the Cape Town Peace Committee.

Earlier the committee heard that since 1986, police had repeatedly brought warring taxi factions together for talks. Hands would be shaken and violence would abate — but because police were powerless to do anything about the system of routes and permits lying at the heart of the conflict, peace agreements were always temporary.

After a complaint that members of the Western Cape Black Taxi Association (Webta) were preventing drivers from a rival organisation from exercising their legal right of ranking at certain places, police gave Webta two weeks to inform its members that on a certain day the police would ensure all legally licenced drivers could use the facilities.

The plan did not go through: Webta members failed to turn up at a subsequent meeting and police could not establish that all its members knew of the ultimatum, Nel said.

He denied it was a case of the police giving Webta "a chance to get its house in order so the police would not have to act against them", saying it was an attempt "to prevent bloodshed". In the event, rival members did not attempt using the ranks — for fear of intimidation, he said.

Asked why they should fear intimidation in the presence of the police, Nel said attacks could take place anywhere along a driver's route.

He was not aware of the success rate of police investigations into taxi-related violence as these were dealt with by another unit, he said.

Counsel for the Department of Transport, G Le Roux, told the committee he would bring evidence which would prove wrong "wild" allegations made by Helen Zille, a consultant for the Cape Town City Council who investigated the conflict and gave evidence earlier of "chaos and criminal negligence" in the offices of the Local Road Transportation Board.

The committee, chaired by Cape attorney general Niel Rossouw, also heard a police estimate that up to 75 percent of mini-bus taxis operating in Cape Town did so illegally — and that while 26 percent of black commuters used taxis in 1989, by November last year this had dropped to six percent. The fall-off could clearly be attributed to the taxi war, said transport analyst Paul Mann.

Fiddling while townships burn

W/Mail 24/4-29/4/92

Top black leaders and church men met this week to discuss the violence raging across the country — and while they talked, more died. By **PAT SIDLEY**

WHILE leaders of black political groups and prominent churchmen sat in a plush Johannesburg hotel talking about violence, and the National Peace Committee and Secretariat threatened to bare thus-far mythical teeth if politicians wag their tongues too much, train massacres and hostel violence continued unabated as if cocking a snoot at the multitude of words.

While the now-daily train massacre was in progress, at least one clergyman decided to protest against the train violence at slightly closer range — Father Smangaliso Mkatshwa of the Institute of Contextual Theology joined a group of protesters who sat-in at the Spoornet offices.

Tragically, the fine words seemed only to highlight the absolute impotence of political and spiritual leaders to stem the dreadful tide of cadavers washed up on the shores of political reform.

From September 14 last year, the day the National Peace Accord (NPA) was signed until the end of March this year, 1 533 people were killed in political violence with 2 756 injured. By Tuesday this week a further 223 bodies had been added to the list with 443 injured, says the Human Rights Commission.

To deal with this, the church leaders of the South African Council of Churches called an "emergency summit on violence" to which they invited the leaders of political groups whose followers are the victims of the violence. That naturally meant black groups and mainly black leaders. The government, military and police were left out of the meeting but a further meeting has been sought with them.

Less understandable was the almost complete absence of representatives of the mothers, wives and sisters who have lost their nearest and dearest — only three women among 76 delegates were present — and no women's interest groups were invited.

Also missing were representatives of those whites who while not immediate victims of the violence, may want to contribute to its solutions. At the end of the summit, political and church leaders had produced a statement with few new insights or commitments.

They blamed the violence primarily on the government, the National Party, the legacy of apartheid and its agents. Anglican Archbishop Desmond Tutu however, was careful to note to both journalists and to the summit earlier that the victims of the violence themselves ought to be more introspective and question why "it is that black people do kill black people, given all the manifold causes that have been identified, we still want to have to ask ourselves what has happened to the humanity of our people that they may be ready to be bribed into killing their fellow blacks".

They called for joint political rallies — a call made several times before and not yet acted upon.

They called for an "international mechanism to monitor violence" but differed over who this should be.

They committed themselves to "create mechanisms for peace-creation at the 'hotspots' of violence", such as hostels and informal settlements — but formulated no concrete plans as they sat far from the hotspots.

They called upon the media to realise that they have an important role to play in creating a climate of peace — but excluded the media from the entire proceedings.

Sam Buti, moderator of the Dutch Reformed Church in Africa and resident of Alexandra, whose small church is in the centre of the bloodied battle zone found the experience "very frustrating".

The level of agreement among the delegates, said Buti, meant that discussion was in very general terms about violence. It was as though some may be frightened to anger others by being more specific.

What went missing, said Buti, was any reference to existing real trouble-spots, like his own Alex, or Meadowlands hostel (which suffered a hand-grenade attack that evening shortly after reporters had asked why leaders were in the hotel and not in the hostel), or Phola Park.

Buti said he had eventually suggested, and it was agreed, that the follow-up meeting would deal with specifics.

At the end of the day, the leaders slapped each others' backs happily, with National Peace Committee vice-chairman and Methodist presiding bishop Stanley Mogoba remarking to journalists that the experience was how he imagined "a real South African parliament" would be (with no women or whites, one imagined). The National Peace Committee said it would call to account any politician who said bad things. The press lauded the moves in both areas as tough-talking and new initiatives.

And a score more black lives were lost while the talk-shop continued.

Natal's rocky road to peace

W/Mail 24/4-29/4/92

By LENA SLACHMUIJLDER

AS a working document, the National Peace Accord looks impressive. In 10 chapters it addresses general principles of peace-making, as well as specific guidelines for establishing structures to implement peace. Almost all controversial elements are addressed, including perceived bias in policing and judicial inefficiency, and there is even a programme for the socio-economic backup needed for peace through reconstruction.

But serious problems have arisen in implementing the accord in Natal.

Delays in setting up key structures to deal with police accountability and the courts are a major shortcoming. Other neglected issues — the continued vagueness of the law relating to dangerous weapons, a non-existent code of conduct for the South African Defence Force, ongoing silence over the setting up of self-defence units — only aggravate the situation.

The structures stipulated in the accord to ensure police accountability — a Police Board comprising police and civilian members which would make recommendations to the minister of law and order, and reporting officers who would address complaints of police bias and criminal activity — are still not in place.

"The lack of these structures is the main obstacle to bringing peace to our areas," says Felix Dlamini, the African National Congress' representative on the Umlazi local Dispute Resolution Committee (DRC).

But these and other aspects of the accord's implementation have "picked up momentum" since a March 21 meeting between the National Peace Secretariat and the chairmen of the 11 regional DRCs, according to Natal-kwaZulu regional DRC chairman MC Pretorius. He says law societies and bar councils are nominating Police Board members, and that reporting officers are already in place — in the form of the South African Police and kwaZulu Police liaison officers who sit on the regional and local DRCs.

However, Pretorius is the only DRC member holding this view. His colleagues have called for a specific structure to address only problems of police bias and criminality.

"The failure to implement these structures tends to aggravate the perception that the police are not independent," comments Brian Currin, national director of Lawyers for Human Rights.

A second major criticism of the accord's implementation has been its inability to bring known perpetrators of violence to book. Many people believed that the accord would ensure their prompt arrest and prosecution through the establishment of special criminal courts — aimed at speeding up and prioritising politically-related cases — and by ensuring witness protection.

The talks proceed ... But is he listening? Photo: JUSTIN SHOLK

But, according to Pretorius and National Peace Secretariat chairman Antonie Gildenhuys, these courts are no longer on the cards. "We've instead increased the efficiency of the local courts by increasing the sitting time. There is now no delay in bringing prosecutions to court," says Pretorius.

Human-rights lawyers disagree. They say they have noticed no change in the court system, and that cases continue to be ignored and inadequately investigated by the police.

"Most people in our areas are afraid to come forward with information in fear of their lives," says Inkatha Freedom Party central committee member Thomas Shabalala, who sits on the Natal-kwaZulu reigonal DRC.

The handful of local DRCs which have been set up lack the power to enforce peace measures because of a delay in appointing justices of the peace, as required by the accord. The justices cannot be appointed until legislation defining their mandate is passed, and in the meantime the local DRCs are constrained in their negotiation and mediation roles.

The silence over the SADF code of conduct and the setting up of self-defence units has added to the difficulties. The highly charged issue of kwaZulu Police jurisdiction has been referred to the Convention for a Democratic South Africa (Codesa), leaving peacemakers in Natal with their hands tied over allegations of KZP misconduct.

Despite these shortcomings of the accord, however, many believe there is much to be achieved through continuing to work with local DRCs, provided communication with communities is improved.

"At least now you have ANC and IFP leaders in Umlazi meeting at least once a week," says Currin. "They phone each other directly and several problems have been averted."

Local attempts at peace-making are under national scrutiny, and the success or failure of the regional and local DRCs will instill confidence — or despair — in the process.

Their efforts have been encouraged by the fact that more money has recently been made available to reimburse local leaders attending peace meetings, and by the fact that a regionally based advertising campaign will be under way soon.

Unicorn buys another ship

B/Day 24/4/92

JONO WATERS

UNICORN Lines has purchased the multipurpose motor vessel Far Star for R13m — bringing the Line's total investment in second-hand ships over the last four months to R46m.

The 14 600-ton ship will be renamed Horizon and will operate a service to the east coast of South America with its sister ship, the Far Suez, which Unicorn acquired for R13m three weeks ago and renamed Frontier. (332)

Unicorn MD Ivan Clark said the acquisitions would increase space availability for exports and provide growth opportunities for services allied to the maritime industry.

In December last year Unicorn acquired the motor vessel Rampart which was used on the coast and to Mauritius and Reunion.

"We will continue to increase our fleet as suitable vessels become available" said Clark.

Boat builders sail with fair wind

B/Day 24/4/92. (332)

LINDA ENSOR

CAPE TOWN — The removal of sanctions has given fresh impetus to the SA boat and yacht building industry, opening up new opportunities and bringing in a stream of export orders totalling about R100m.

Predominantly Cape-based, the industry is developing a niche in the international market for relatively inexpensive, high quality products. And the growth of the industry in Cape Town has led to the emergence of a host of ancillary suppliers, mast-makers, chandlers and sail-makers.

Yesterday a R20m, 36-metre supercruiser catamaran built by T-Craft International for British industrialist Sir David Brown of Aston Martin fame was launched. T-Craft International, which concentrates on ferry and paramilitary boats, has made a number of ferries for foreign buyers and has also supplied the SA navy with three foil-assisted catamarans for patrol purposes for a total of R10m.

T-Craft International MD Peter Tinker said there was enormous scope for exporting coastguard vessels as each country in Europe was having to form a coast guard to meet the new EC requirements.

The day after the Danes lifted sanctions the Danish consul to Lesotho signed a R2,6m contract with Richleigh Yachts for a 60ft Richleigh 63, the largest production yacht in the southern hemisphere. In a few weeks time the first Richleigh 63 yacht built by Richleigh Yachts will slip into the sea.

T-Craft International designer Bob van Niekerk said the isolation imposed by sanctions had, in fact, served to stimulate unique designs.

"Sanctions and rough seas have forced us to come up with our own solutions to problems in boat design which has pushed SA far ahead in the design of certain types of catamarans," Van Niekerk said.

The lifting of sanctions has also given the foreign buyer the opportunity to take advantage of the lower prices charged for SA-made boats. The weak rand and the relative cheapness of SA's artisan and expert skills both contribute to lower cost.

Richleigh Yachts' Richard Ford said that a foreign purchaser of an SA manufactured yacht could expect a profit of at least 40% on capital invested once the yacht had been launched because of the difference in cost of an SA product and a foreign built one.

"Buying a yacht built in SA with offshore funds represents a substantial saving on a similar boat built elsewhere, as the company is not liable for VAT, duties or surcharges," Ford said. Imported components, equipment and fittings were brought in duty free but suffered from the unfavourable exchange rate.

Normal government incentives for exports apply to boat building, but those involved in the industry believe greater government assistance with international marketing — for instance at boat shows — is necessary if SA is to establish itself as a significant player in the world boat building industry.

Tinker agreed it was becoming too expensive for SA products to be exposed on international markets and said government would have to devise a new export incentive scheme if SA's medium-sized businesses were to remain competitive on world markets.

"New incentives need to be devised for medium-sized companiaes, which cannot carry these expenses and then claim back on tax at the end of the year," he said. Tinker said also the Reserve Bank's tight restrictions on foreign exchange had been a deterrent in that it was difficult to send money out of the country to pay agent and consultant fees.

Maxi taxi clash looms

(332) C/Press 26/4/92

By DAN DHLAMINI

A SERIOUS row is looming between the Road Transportation Board and taxi operators over the threat to cancel permits issued for an indefinite period.

Now thousands of angry taxi operators from various organisations – some from as far as QwaQwa, the Vaal, Orange Free State and the western Transvaal – will meet on May Day where a plan of action will be thrashed out to fight the move by the RTB.

The clash was sparked by RTB notices which demanded that taxi operators should produce certificates of fitness (COF) within 21 days, failing which permits would be cancelled immediately.

According to TF Seekane, western Transvaal President of the South African Black Taxi Association (Sabta), the mass meeting will be attended by more than 30 000 taxi operators.

He said the government should realise that cancelling permits was a very sensitive issue for taxi drivers.

He warned that unemployment would increase, adding that some taxi operators had lost their vehicles during periods of unrest and through accidents and could therefore not produce the COF in the specified time, he said.

"Besides, the permit for an indefinite period gives the operator enough time to repair his vehicle or buy a new one. These operators paid R100 each for these permits and they regard them as their personal property and investment for the future of their children," he said.

Seekane said taxi operators had put aside their personal differences and had united to fight this new trend together.

Seekane said the Sabta May Day mass meeting – to be held at Potchefstroom's Botoka school from 9 am – would seek a mandate for the crucial May 8 meeting with the Potchefstroom Transportation Board, which covers areas such as the western Transvaal, Vaal triangle and Free State.

He said the RTB's move was very provocative and aimed at destroying the taxi industry to make way for bus companies which were mainly white-owned.

Responding to the allegations, a Department of Transport spokesman in Pretoria, GP Jordaan, confirmed that taxi permits would no longer be issued for an indefinite period.

He said the reason for terminating the indefinite period permits was purely in the interests of commuter safety.

He said once a permit had been issued it would have to be renewed every six months together with the COF, or every year for Natal operators.

Uprooted tribe put through courts again

By DAN DHLAMINI (271)

THE Barolong Ba Modiboa's second attempt to reclaim their land near Potchefsroom this week

quel to the incident on Good Friday when the tribe moved to New Machavi – also known as Matlwang – and allegedly violated terms of an

Aviation boom a boon for lawyers

B/Day 29/4/92

332

DEREGULATION of SA's aircraft industry promises to provide legal practitioners with another new area of opportunity, says attorney David Lancaster.

Lancaster, a partner at Webber Wentzel, says the firm established its aircraft financing, leasing and acquisition division two years.

"We realised there would be enormous opportunities for manufacturers and new airlines as a result of deregulation."

"Because new aircraft are expensive, manufacturers and purchasers of aircraft would need to structure the transaction in a tax efficient way," he says.

"Since the last quarter of 1990 there has been a flood of work from manufacturers and local companies which have purchased company jets.

Improved

"Oppurtunities will be further improved with the lifting of sanctions and increased tourism to and from southern Africa."

Lancaster sees developments in aviation following the same pattern as Europe, with regional airlines servicing internal routes with smaller aircraft.

"Foreign manufacturers, sellers or lessors of aircraft have represented a substantial proportion of Webber Wentzel's legal work in this area."

Lancaster says British, European, American and Russian manufacturers are showing an interest in SA.

This is because the world aircraft industry is depressed at the moment and although the southern African market is small by world standards, foreign manufacturers see it as an opportunity for sales.

Once manufacturers have sold aircraft in Africa it is logical for them to move into SA because this country can offer sophisticated servicing and logistical support, he says.

NEWS IN BRIEF

B/Day 29/4/92 (332) (269)

Charter gets go-ahead

KENYA's government has authorised Johannesburg-based charter company Air Supply for a one-year licence to operate inclusive holiday package charters between Lanseria and Mombasa. (453)

The operating licence is valid from July 1. Air Supply will have the right to carry passengers whose journeys started in SA to and from Mombasa. It is believed the Kenyan approval is subject to SA granting reciprocal rights to a Kenyan charter operator.

Taxi fares go up

Sowetan 30/4/92 (332)

By TSALE MAKAM

TAXI fares in Soweto are to go up by between 30c and 60c from tomorrow, chairman of the Soweto Taxi Association, Mr L Khumalo said yesterday.

Commuters who will be most affected are those whose areas fall under the Soweto Taxi Services.

The increase has led to a conflict within the Soweto Taxi Services. Taxi operators who are against the increase said yesterday they were afraid to speak up.

But Khumalo denied there was opposition to the increase among operators, saying his association's members had agreed to the increase during their meeting.

Asked how commuters felt about the new fares, Khumalo said: "They have no choice; things are bad, everything is going up, the drivers want more pay. We also have no choice but to increase fares."

Other taxi associations in Soweto would yesterday not say whether they would increase their fares.

Taxis could replace buses in white areas.

Council has three vehicles on feasibility study

Minibuses to ply white routes

Sowetan 30/4/92.

(332)

By VENILLA YOGANATHAN

MINIBUS taxis, already doing a thriving business in the townships, could replace municipal buses on several routes in former whites-only areas by the end of the year.

Taking a cue from the success of taxis, the Johannesburg City Council has already introduced three modern-design, 25-seater minibuses on various routes as part of its new transport plans.

The buses, which are on loan to the council by Mercedes Benz, Man and Strada, are operating on a trial basis on the routes which were previously serviced by the council.

The fares remain the same.

The council's newly-appointed director of planning for transport, Jenny Gray said the three buses were on a trial run to assess the feasibility of introducing minibuses on a full-time basis.

"After the trials, the council will decide whether the introduction of minibuses will be more cost-effective and suitable to commuters than the current ones," she said.

However, she said if the council did introduce minibuses on a full-time basis, they would operate on low frequency routes only.

"The three new minibuses can only carry 25 passengers and it would be pointless to replace double-decker buses in high-frequency areas with the minibuses," Gray said.

She said professional drivers, trained by the council, will be hired to drive the minibuses.

Laser Transport slide continues

EDWARD WEST 332

THE depth of the domestic recession is reflected in interim results posted by SA's largest household removals group, Laser Transport.

Operating income declined by 33% to R3m from R4,45m in the six months to end March 1992.

A relatively high interest burden, which increased to R2,5m from R1,4m together with a non-recurring R600 000 bill to cover a two-year restructuring and retrenchment programme, contributed to a considerable slide in earnings from 15,4c to 2,8c a share. B/Day 30/4/92.

MD Denis Kaye said yesterday that about 350 people had been retrenched over two years.

Laser has reported declining earnings for three years. In its financial year to September 1991 the group reported a loss of 49,7c a share while in its 1990 financial year, earnings fell to 34c a share from 62c in 1989.

The group does not expect an improvement in trading conditions for the remainder of the year.

Laser said in a statement yesterday the increased turnover to R59m from R58m occurred in a market characterised by severe price competition.

Kaye said the group had to cut prices in the period and any increase in operating costs, such as an increase in fuel and vehicle prices, resulted in the group having to find new work at sub-economic rates.

In the expectation of an improvement in sentiment and economic conditions by the year end, Laser has continued to upgrade its fleet of 900 vehicles and maintain the quality of its depots, the statement said. Consequently, capital expenditure over the past six months has climbed to R3,6m from R2,1m.