

PUBLIC SECTOR — TRANSPORT PRIVATE — GENERAL

1991 —

JANUARY — MARCH.

voracious appetite for capital which it succeeded in obtaining by way of rights issues — mainly of convertible preference shares. But the earnings growth ended in 1989/1990; for the year ended March 1990, attributable income fell by more than half, after setbacks in the truck and parts division. Still undercapitalised, the company paid the penalty for the high gearing that had worked in its favour in good times. Out of net operating income of R7,6m, no less than R5m was paid in interest.



Laser's Kaye ...
merger benefits?

Laser's performance, somewhat flat in 1989, demonstrated how tough the removals business was during the first six months of 1990 — interim EPS were down by nearly a fifth on the same period last year, even though gearing had been reduced and interest payments also brought down. In its present form, Laser may have gone ex-growth until the economy improves markedly, or until emigration increases dramatically. Neither appears likely in the short term.

I understand Saficon has agreed to buy Suregro's materials handling division. Sure-

gro will then be free to focus on its transport, truck and parts business. This makes the company attractive to Laser.

Laser CE Dennis Kaye has repeatedly expressed interest in acquiring other transport companies.

Laser has a fleet of about 900 vehicles, all of which need servicing and spare parts which Suregro can supply. From time to time it needs new trucks; Suregro has the Foden agency, and has a small assembly line on which Laser could draw. Laser has properties; Suregro has none. Suregro has assessed losses; Laser pays full tax. So there are synergies that could benefit both operations.

Gerald Hirshon

LASER/SUREGRO 332

MERGER MOOTED FM 4/1/91

Transport companies have generally been facing an uphill battle over the past year or two, and the going has been especially tough for some of the smaller players. Given the uncertain outlook it is not surprising that some are seeking synergies.

Two Cape-based groups, Laser Transport Holdings and Sure Group (Suregro), published cautionary announcements last week. I am told a merger is planned though in effect it looks more like a takeover by Laser. The plan is to reverse the Laser operations into Suregro and Laser will be the pyramid company of the group, effective from January 1 1991.

Over the past three years Suregro has produced rapid growth in several different but related activities. Moving from a small base in the rent-a-rig hire business, into materials handling and forklift hire, then into truck assembly and allied spare parts, the company trebled turnover and increased EPS fivefold between 1987 and 1989.

To achieve this growth, it developed a

FM 4/1/91 (332)

Currie Finance (Curfin) has consistently beaten targets recently. A year ago, chairman Mackie Brodie said the sale of the interest in Currie Motors would depress earnings; at half-time, though six-month earnings shaded lower, this was upgraded to "earnings ... should not be less than" last year's; and in the upshot, they're usefully up.

As in the previous year Safcor (whose report was discussed on September 28) appears to have contributed about 70% of earnings but the excellent overall growth implies the property interests (boosted by the acquisition of properties from Currie Motors and completion of the R7m Pinetown development for Alex Carriers, occupied in February) must have done well, too.

Leasing (mainly through wholly owned Fincor) also turned in better results.

Curfin spent R18m on new investments. This appears to have been financed largely to the tune of R5m by retained profits and



Curfin's Brodie ...
beating targets

R10m by a fall in debtors. Remarkably, net cash is some R35,6m, almost R1m higher than last year, though Brodie points out that much of this is attributable to Safcor, whose cash position necessarily fluctuates widely.

Brodie says Safcor expects little change in earnings this year; property and leasing should show "increased growth." He thus expects a "modest" increase in group profit.

The share price has barely moved over the past year, making the yield pattern even more generous. The first half of 1991 could be difficult but, on the other hand, Brodie is probably still forecasting conservatively. The share remains a low-risk yield-sweetener with reasonable growth prospects and an outside chance that it may sometime benefit from favourable rerating.

Michael Coulson

CURRIE FINANCE (332) BEATING FORECAST

Activities: Owns 51% of the listed SA Freight Corp (Safcor) and has other leasing and property interests. FM 4/1/91.

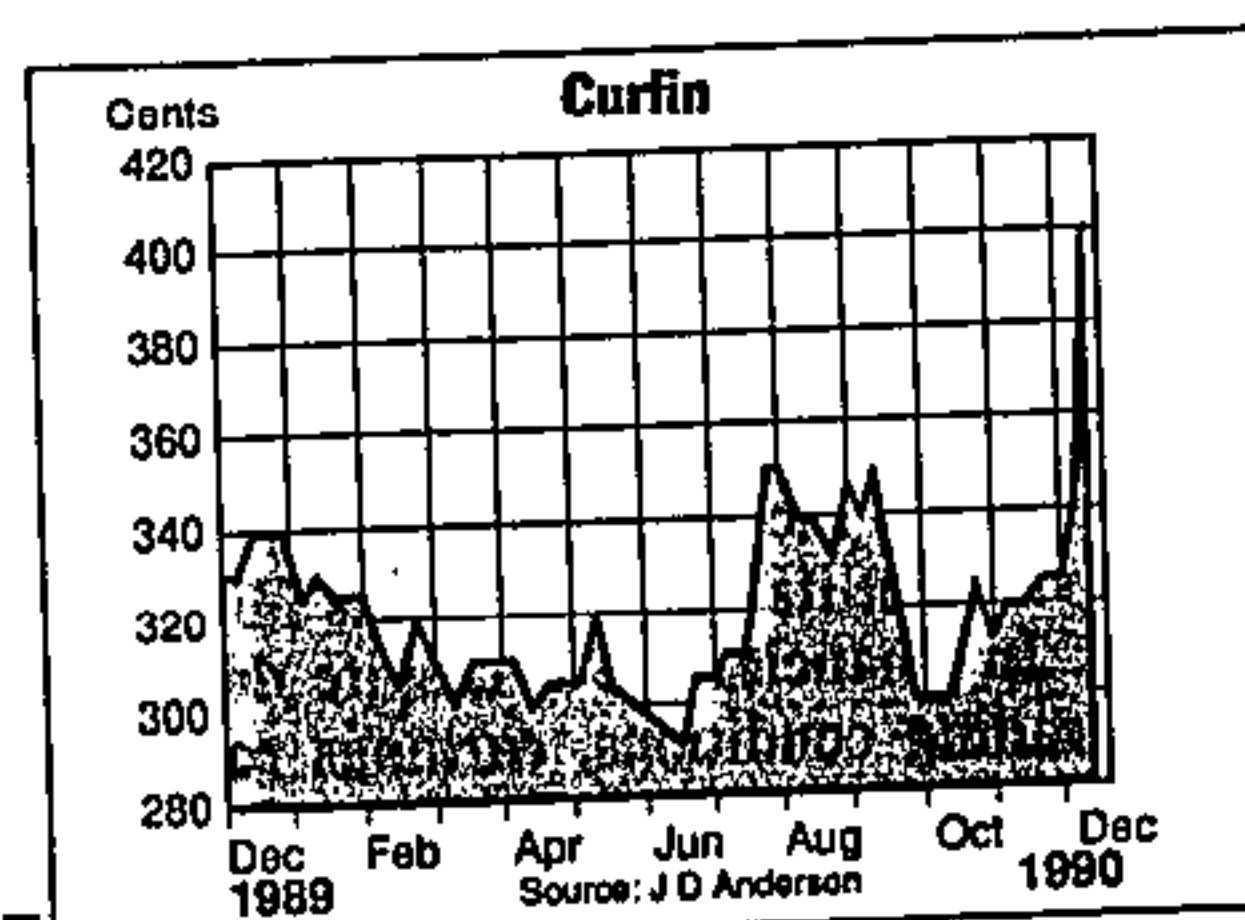
Control: Ex-chairman Abe Jaffe has at least 43%.

Executive chairman: M H Brodie.

Capital structure: 14m ords. Market capitalisation: R47,7m.

Share market: Price: 340c. Yields: 11,2% on dividend; 20,2% on earnings; p:e ratio, 4,9; cover, 1,8. 12-month high, 375c; low, 290c. Trading volume last quarter, 489 000 shares.

Year to June 30	'88	'89	'90
Turnover (Rm)	703	913	969
Pre-int profit (Rm)	25,3	34,8	31,7
Taxed profit (Rm)	12,1	16,0	16,4
Earnings (c)	47,4	58,1	68,7
Dividends (c)	30	34	38
Net worth (c)	298	330	364





TAXI TALKS . . . Policemen and taxi drivers negotiate over where to park in Claremont. *Cmt Tnts 9/1/91 332*

By DAVE MARRS

MINIBUS taxi drivers clashed with traffic police in Claremont yesterday over a piece of vacant land that the drivers want for a taxi rank.

The plot, on the western side of the railway station, is officially intended for public parking.

Policemen armed with shotguns stood by as about 50 drivers stopped traffic and accused the traffic department of racism for insisting that black passengers disem-

Claremont taxi-rank rumpus

bark on the other side of the railway line.

They said commuters had to walk long distances from the allocated rank and ran the risk of being mugged in a notorious subway.

The tension was defused after intervention by senior traffic officials and the deputy regional

chairman of the South African Black Taxi Association (Sabta), Mr Clement Ramatlakane.

Mr Ramatlakane said after a meeting with Cape Town traffic manager Mr Wouter Smit that a compromise had been reached whereby taxi drivers could park in the area until Sunday.

Mr Smit denied that racism was an issue and said the land was not suitable for use as a taxi rank due to the effect on traffic flow in the area and the need for public parking near the station.

Angry taxi-drivers win the Battle of Claremont



Pictures: ANDREW INGRAM, The Argus.

PANGA-BEARER: Police tried to disarm a man with a panga and Constable Marius Theron, below, was injured in the scuffle.

Move to form national cab association

Staff Reporter

VIOLENCE between rival taxi groups and the formation of a national taxi association were discussed at a meeting between Transport Minister Mr George Bartlett and the Southern African Long Distance Transport Association (Saldta).

Proposed guidelines for the recognition of a national taxi association were discussed and are to be submitted to the Department of Transport's Taxi Committee on January 29.

After the meeting proposals will be sent to Saldta and the SA Black Taxi Association (Sabta).

"After consensus regarding the guidelines, taxi associations complying with them will be immediately recognised as members of the National Taxi Liaison Committee," Mr Bartlett said.

He also said he was "greatly concerned" about violence between rival associations.



By STEFAANS BRÜMMER

Southern Suburbs Bureau

MINIBUS taxis were allowed to resume business at a disputed rank in Claremont after angry drivers blocked Claremont Main Road and injured a policeman in Green Point.

A deadlock was broken yesterday afternoon when Mr Leon Markowitz, chairman of the City Council utilities and works committee, gave taxi-drivers a provisional go-ahead to return to a parking lot from which they had been banned.

Conflict erupted yesterday morning when traffic police enforced an earlier council decision to bar taxis from the area on the western side of Claremont station.

Heated exchanges

The drivers, all members of the SA Black Taxi Association, retaliated by blocking access roads to the station.

Soon the busy Claremont business district became the scene of toyi-toying and heated exchanges with police as drivers, some with pangas and kerries, halted traffic by parking in the middle of Main Road.

Police towed away a taxi and moved others.

The drivers went to traffic police headquarters at Green Point to negotiate with Cape Town traffic chief Mr Wouter Smit.

About 40 taxis filled the parking area in front of the traffic headquarters, where toyi-toying drivers and supporters demanded to see Mr Smit.

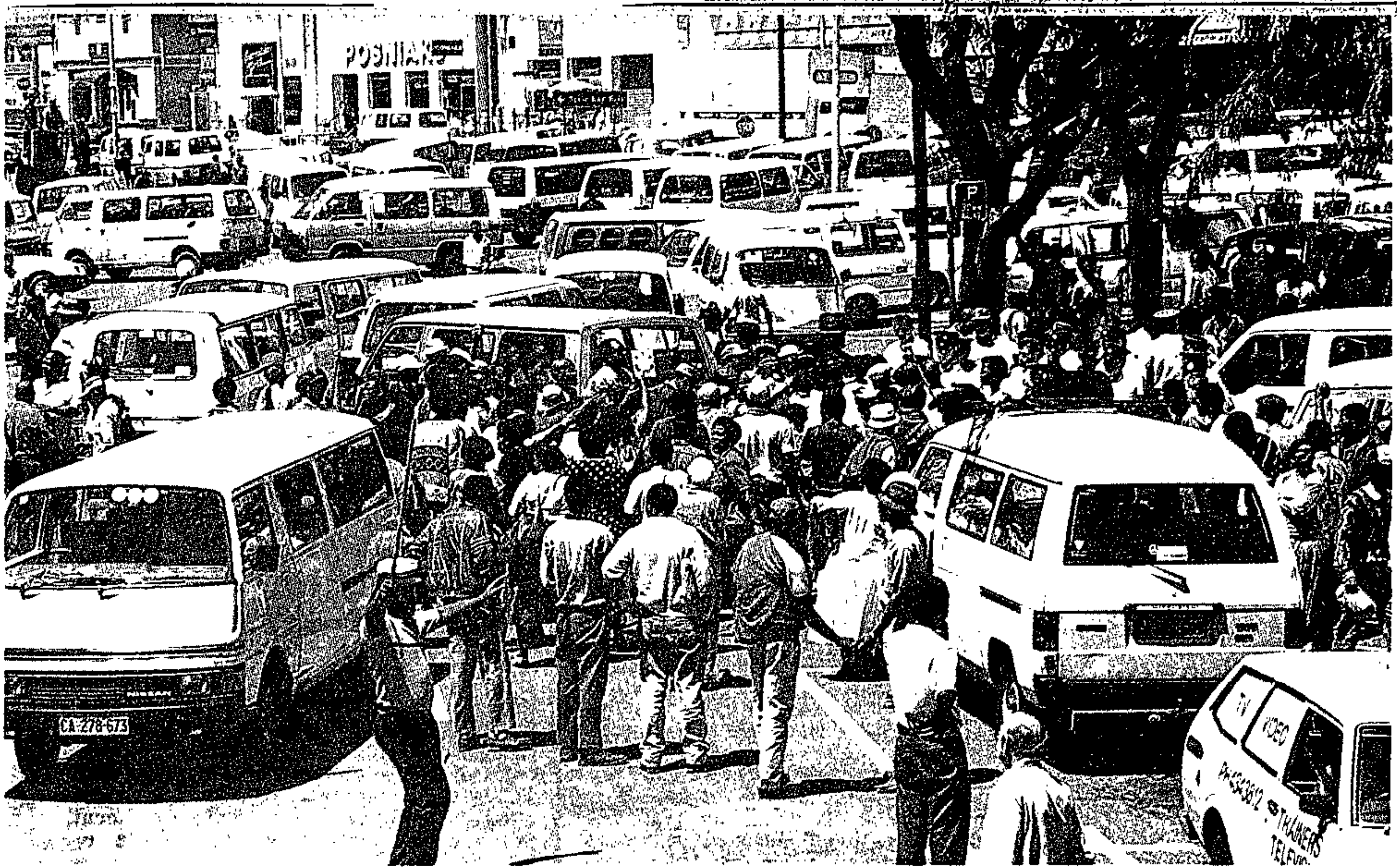
Constable Marius Theron was injured on the head when drivers rallied to the support of a man with a panga who was about to be arrested. The panga-bearer escaped.

The drivers left after Mr Markowitz told them he could not make binding decisions without consulting his committee, but that the drivers could resume business provisionally at the disputed plot until mid-February.

Mr Smit said earlier that taxis were not allowed to use the disputed area because it was earmarked for other purposes. Alternative space was available on the Palmyra Road side of the station.

But drivers branded the decision racist. They said the Palmyra site was inconvenient and caused them to lose customers to buses and non-Sabta "coloured" taxis, who were allowed to operate on the western side.

Mr Smit said racism was not an issue because non-Sabta taxis were given permits "years ago".



GALLOW'S HILL GATHERING ... Taxi drivers congregated outside traffic headquarters in Green Point yesterday. Violence was avoided, except for one minor incident, because the police and the taxi driver leaders negotiated with each other.

Picture: STEWART COLMAN

Minibus taxis block Stanhope Road in protest

By PETER DENNEHY

MINIBUS taxi drivers blocked Stanhope Road, Claremont, with their vehicles for over an hour yesterday morning in protest at being denied access to an informal "taxi rank" on the Main Road side of the railway station. Scores of taxis also occupied the disputed "rank".

Last week attempts to get the minibus

taxis out of this area met with similar protests, and the drivers won a temporary reprieve.

After a morning of drama yesterday, taxis were granted the use of the area again, at least until a meeting with the taxi liaison committee on February 15.

Cape Town's traffic chief, Mr Wouter Smit, said no decision had yet been taken on what would be done with the land ad-

joining the station, but minibus taxi drivers had "illegally" started using it as a rank several weeks ago.

Yesterday morning, his traffic officers had asked minibus taxi drivers to move over to the eastern side of the railway line.

Drivers felt this was a discriminatory move that disadvantaged their customers. People were often mugged in the subway beneath the railway line, they said.

CAPE TOWN 18/1/91 (332)

NATAL TAXIS FEEL THE PINCH OF A DEBT BURDEN

CP Correspondent

CP Press
20/11/91

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A CLAMPDOWN by finance houses on Natal's taxi industry has resulted in not a single member of the Natal branch of the South African Black Taxi Association (Sabta) managing to buy a vehicle since last November.

Finance houses and banks have taken drastic steps because taxi owners have proved themselves to be high risk customers, with 30 percent of all taxis in Natal having been repossessed last year — more than in any other province.

Deposit requirements on taxi purchases have been increased to a whopping 40 percent for first-time buyers and 35 percent for second-time buyers. Taximen have not been able to come up with the amounts involved, says Sabta spokesman Gerald Ferrer.

The Natal Taxi Marketing Company, which assisted taximen in buying vehicles, went bankrupt last year, and still owes Wesbank R45-million.

Ferrer blames a number of factors for the crisis in the industry, including a lack of co-operation between Sabta and the authorities — the South African Police, the City Police and the Transport Board.

He also blames political violence, stayaways and warfare among taximen.

The taximen are caught in crossfire between the warring political parties in Natal. When they serve one side, the other interprets it not as a business transaction but as political support.

Dennis Ngcobo, secretary of the Umbumbulu Taxi Association, told *City Press* he had been doing good business with the UDF-affiliated KwaMakutha Youth League by transporting people to rallies, funerals and meetings.

The Youth League was organised and booked taxis well in advance. As they also paid in advance, a cordial business relationship and co-operation developed between them and his taxi association.

Inkatha supporters one day demanded to be transported free of charge and claimed that UDF supporters were transported free.

When the taxi operators refused their demands the Inkatha supporters unleashed a vicious war on taxis.

Ferrer accused the SAP and City Police of using an outdated approach in dealing with Sabta members, such as erecting special roadblocks and making frequent crackdowns on them, resulting in taximen working solely to pay fines.

He said Transvaal authorities had formed joint committees with taximen to iron out problems.

The committees consist of a local branch of Sabta, the SAP and municipal traffic officers.

However, CR Swart police spokesman, Maj. Coert Marais, said his force played a minimal role in traffic offences.

A City Police officer would not comment.

Supertrans goes into liquidation

Own Correspondent

DURBAN — Supertrans, the transport company which took over Medwood Furniture Removers last year, was placed in final liquidation yesterday, provisional liquidator Laurie Pereira said.

He said the trucks, all of which were financed by finance houses, were now being repossessed, but he believed there were some negotiations by the racing fraternity to continue the race horse

transport side of the business.

Earlier in the week Pereira said that the "best offer yet" was being considered which might have led to the DCM-listed company staying in business. The offer had, however, fallen through.

Supertrans ran the Alloads, Blue Chip Racehorse, Medwood and RTS transport companies.

Trading on the JSE was suspended on November 26 when the share was quoted at 7c.

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13/04/23/11/91

Poland to build SA ships

8/10/91 24/1/91
DURBAN's Unicorn Shipping Lines has placed a R120m order for two container vessels to be built in Poland, where subsidies and incentives mean a saving of about R50m on the cost of having them locally built.

This is the first Unicorn order which has not gone to local shipyards. The vessels are being purchased from a German company which has placed the order with Poland's Szczecin yard.

Unicorn said in a statement yesterday the order had gone abroad because of favourable financing and the fact that local shipbuilding yards were booked up.

Our Durban correspondent reports that the 12 100 ton deadweight vessels carry 610 containers and up to 10 passengers on the coastal route between Durban and Walvis Bay.

Business Day Reporter

Unicorn MD Mike Meehan said in Durban yesterday two vessels serving the route — the Berg and Breede — would be sold and the rest of the purchase price financed by a consortium of European bankers who would deal with a German intermediary who had placed the shipping order.

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A Polish builder was chosen because the vessels would probably have cost about R170m if built in SA.

Foreign shipping lines had a considerable advantage through subsidised steel prices and export incentives which local shipping lines did not enjoy.

Meehan said he was not "very comfort-

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SA ships

8/10/91 24/1/91
able" with the situation.

Delivery was expected in the last half of 1993.

There would probably be more SA contracts for overseas ship-builders soon.

Unicorn had options to build two more ships in Poland, and Safmarine, which already had a ship under construction in Eastern Europe, would soon have to think of replacing some of its older vessels, he said.

The interim arrangements following the sale of the Berg and Breede will see the use of the two multi-purpose vessels — the Swakop and Kuiseb — with chartered vessels while the decks of the roll-on roll-off ships — the Border and Barrier — will be strengthened.

The new vessels were designed by the Rickmers Werft and are the RW 49 design.

The main engines will be designed by MAN-Burmeister & Wain and built under

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licence in Poland.

The engines will use low grade oil and the spillage for generating steam.

Meehan said they had been able to build five passenger cabins at a nominal extra cost and this service, begun in May 1989, would offer a three day coastal trip to Cape Town at competitive prices.

Unicorn's SA liner division executive director Capt Dave de Wet said he expected a population growth in the coastal areas of 5% a year. Even if this was concentrated in the poorer communities it would be reflected in "basic" cargoes of sugar and maize.

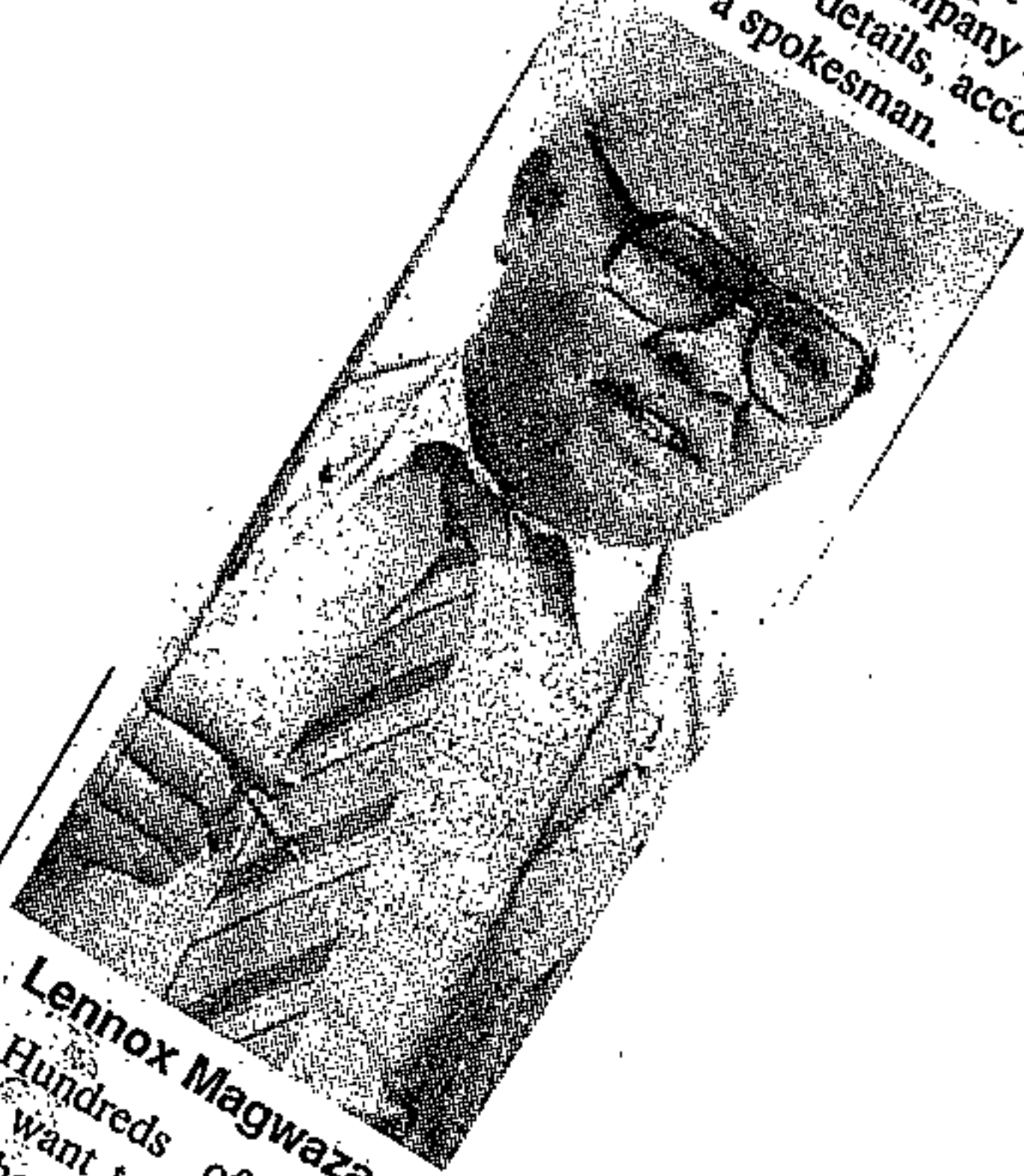
He said both road and rail transport systems were faced with having to lift their charges "soon".

Sea transport to the coastal ports was already competitive and would remain so especially as steps had been taken to reduce cargo damage.

Transport project launched

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A group of black taxi-owners have formed a company - National Transport Projects (Pty) Limited - with the aim to help prospective taxi-owners acquire financial assistance from financial institutions to enable them to buy new vehicles. Chairman of the company, Mr. Lennox Magwaza, said that most blacks were often regarded as "risks" by financial institutions whenever they applied for money to buy minibuses. The company has applied to join the National African Federated Chamber of Commerce (Nafcoc) with the view to help more than 20 000 blacks in the rapidly growing taxi industry - nationally. Nafcoc's management committee has approved the application, but is due to meet the company soon to discuss details, according to a spokesman.



Lennox Magwaza

Hundreds of blacks, who want to have a slice in the lucrative taxi market, have continued to pay licensing consultants huge sums of money for taxi permits they never got. Some have paid money as deposit to consultants with the view to get minibuses, but this has been in vain. The rip-off by bogus white companies has resulted in police cracking down on some of them, but unfortunately in most instances they were not able to trace the culprits, who either vacated their premises or went underground.

Safcor gives boost to Curfin earnings

CURRIE Finance Corporation (Curfin) reported a solid increase in interim earnings on the back of a strong performance from its listed subsidiary SA Freight Corporation (Safcor).

Safcor, involved mainly in freight forwarding and clearing, contributed a hefty R13m (R10,7m) to Curfin's R15,5m operating income, which increased 24% compared with R12,5m for the corresponding period last year.

Curfin's earnings jumped 21% to R4,7m (R3,8m) or 33,5c (27,7c) a share. The group declared an interim dividend of 18c (15c) a share for the six months to end-June 1990.

Besides its 51,5% stake in Safcor, Curfin has finance, leasing and property interests. Operating income for these sectors rose 23% to R2,3m (R1,8m).

Safcor, listed three years ago, boosted earnings 25% to R6,6m (R5,3m) as international and domestic freight sectors continued to trade well despite prevailing recessionary conditions.

Earnings a share improved 22% on an increased number of shares in issue, while an interim dividend of 13c (12c) a share

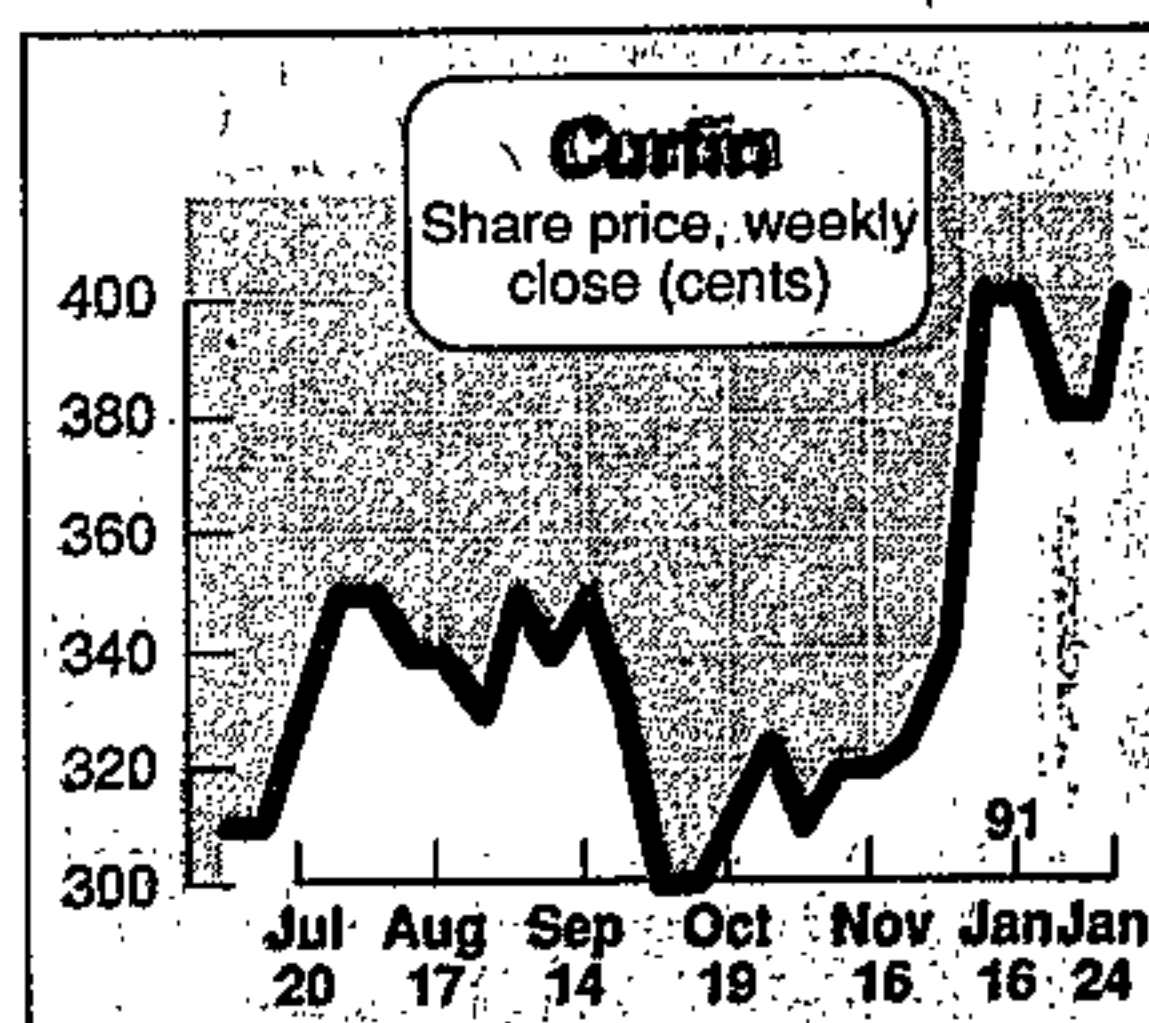
MARC HASENFUSS

was declared.

Alex Cartage, in which Safcor has a 76% stake, sold its entire operating business (trading as Alex Carriers) to Super Rent in November last year.

Safcor's attributable portion of the sale

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Curfin

proceeds was R4,7m. Chairman Max Brodie said: "The effect of the sale on the group's net asset value was not material, nor would it be on the earnings per share."

Curfin sold the assets of its profitable motor operation Currie Motors to Barlow Motor Investments, and the listed cash shell to Bidcorp in early 1989.

In the light of the current economic climate, Safcor directors did not anticipate

that either the international or the domestic divisions would increase the percentage improvement in profits further by the year end.

Brodie expects Curfin earnings for the year to June 1991 to match those of the previous financial year.

Curfin shares closed unchanged on the JSE yesterday at their 400c peak, while Safcor, also untraded, closed at 370c, near its 375c December high.

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Taxi society to build complex

THE Black Taxi Owners' Benefit Society (BTOBS) has won a multi-million rand tender from Durban City Council to establish a multi-purpose complex in Dalbridge. *Apr 27/71*

At a Press conference this week, BTOPS general secretary, Dennis Ngcobo said land would cost nearly R4-million, and the five-storey building a further R25-million. (332)

Ngcobo said the complex will have a rank for mini-buses and buses; an entertainment centre; shops, a clinic and a motel.

The complex — to be called Taxi City — would be unique in being wholly black owned and operated.

Putco suspends decision to close bus routes

PUTCO yesterday announced it had suspended a decision to close certain bus routes in Greater Soweto and the coloured areas west of Johannesburg after bus commuters submitted an urgent petition to government.

Putco MD Jan Visser said the bus company, Transport Department representatives and consultants had decided some routes would have to be

withdrawn on January 11. This decision had been suspended, he said.

Transport deputy director (tariffs and subsidies) D Ackerman confirmed, yesterday representatives of Soweto commuters presented a petition objecting to, among other things, the planned closure of the routes, the frequency and quality of services and fare

levels, and demanding more passenger subsidies.

Government was investigating ways to avert the closure of certain of these bus routes, he said.

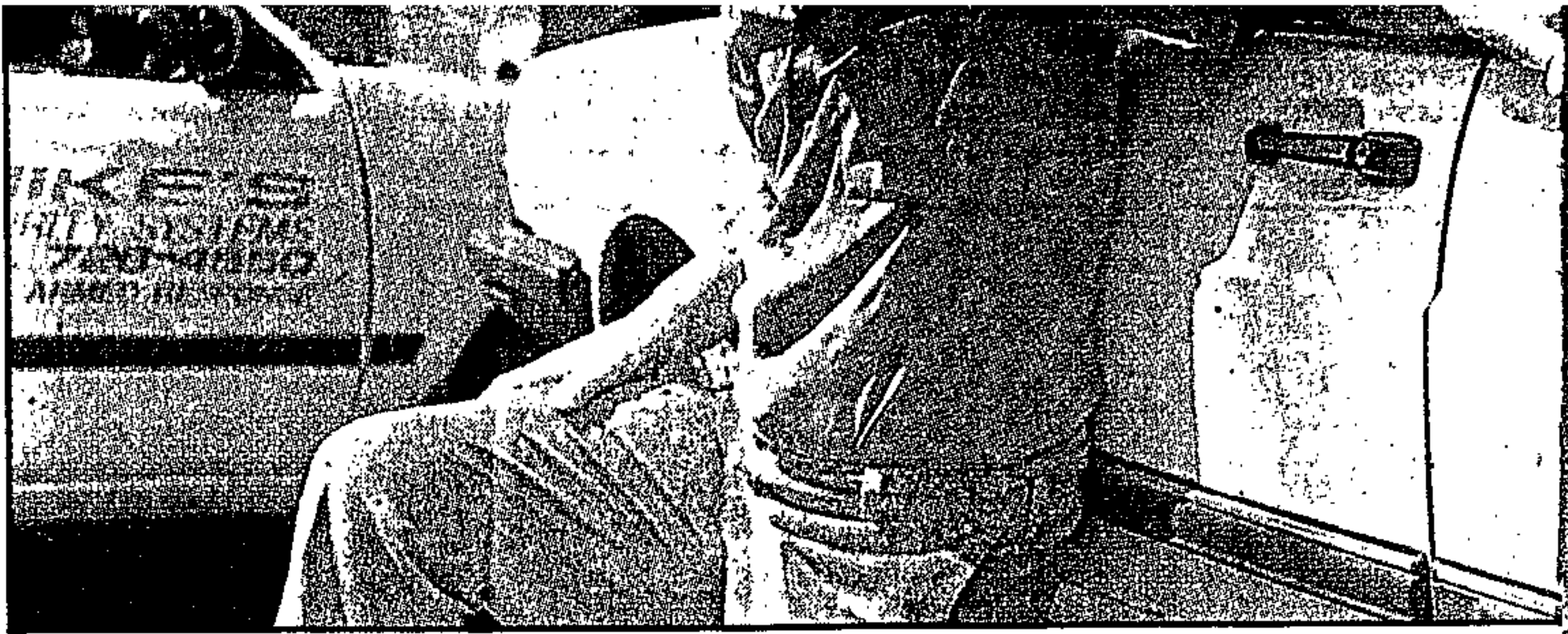
He said the petition had been forwarded to Deputy Transport Minister Piet Welgemoed.

He said several bus companies in a number of metropolitan areas were on the brink of withdrawing or rationalising their services.

Commuters' swing to the taxis had drained the bus industry's income and the cost of services had increased. Pressure from commuters not to increase fares had been aggravated by the reduction of government subsidies, he added.

Government had appointed a crisis committee to address the problems of bus services and several investigations were under way, he said.

THEO RAWANA



Modest heroes . . . Theuns Kingma (left) was shot in the leg and Louis Jordaan in the head yesterday. Traffic Officer Lawrence Rankwe, shot in the stomach, is in a critical condition

Move to control Jo'burg taxis

By Helen Grange

Star 29/1/91

Attempts are being made to bring the increasingly bad service offered by Johannesburg's taxis under control.

Major taxi companies have conceded that they are being flooded with complaints from the public over high and irregular fares, bad driving, late or no arrivals, and dirty, unsafe vehicles.

Unsuspecting tourists were being robbed by pirate taxis operating illicitly, or by drivers not using their meters.

Pat Corbin of the Johannesburg Publicity Association said: "The legislation simply doesn't cover the quality aspect of taxi operations. Although the vehicle must be sound and the driver in

possession of a licence to operate, the problem of standards in the industry remains," he said.

Mr Corbin said that in certain sectors of the taxi industry, the knowledge of the drivers and even management was questionable.

Fares varied from one taxi to the next. Fare regulations were not generally known to the public and people could not ensure getting a vehicle at a lower tariff.

"A gap of authority also exists between the traffic department governing the roadworthiness of a taxi and the Transportation Board governing taxi permits. If the vehicle becomes unroadworthy, the driver still has his permit," Mr Corbin said.

Certain hotels aggravated the problem, as many of them had contracts with a taxi company and had no interest in the quality of taxis ferrying their visitors.

Mr Corbin said the publicity association had taken the issue up with Johannesburg City Council and was negotiating better taxi legislation.

One long-standing problem, according to the managing director of Maxi Taxi Cabs, Karin Schoenveld, was the continual theft of "skollies" (lighted signs on the taxi roof) from the company fleet.

Ms Schoenveld said she also felt fares should be standardised by law "so we can get them all under one hat".

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Govt warns of crisis in bus industry

By Louise Burgers

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29/11/91
The bus transport industry is in a desperate financial position and could be in danger of collapse unless additional funds are forthcoming from Government for subsidies, the Department of Transport has warned.

Several bus companies in a number of metropolitan areas were on the brink of withdrawing or rationalising their services for financial reasons, the department announced yesterday in a statement.

Stranded

Widespread intimidation when bus tariffs were increased, a reduction in Government subsidies, the booming minibus taxi industry and a loss in patronage in the commuter market were factors responsible for the near collapse of the industry.

Putco recently announced it was to close some of its Soweto routes, which could leave 14 000 passengers stranded.

However, after discussions with a delegation from Soweto civic associations, the Pan African Congress and commuter committees, Putco agreed to postpone its decision.

Said Putco's managing director, Dr Jack Visser: "The bottom line is that if we do not get more financing from Govern-

ment, we cannot operate.

"We are running a business, we cannot be held responsible for the social consequences. We will eliminate all non-profitable services."

Transport deputy director Dr Danie Ackerman said several major bus companies faced severe cutbacks.

These included Empangeni Transport, which served Richards Bay and Empangeni; KwaZulu Transport, which operated in the Maritzburg area; Putco; and some smaller companies in rural areas.

Dr Ackerman said the Department of Transport had applied to the Cabinet for an increase in subsidies.

If funds were not available, the public bus transportation system was in danger of collapse, he said.

"It is a serious situation."

Dr Ackerman said local authorities were also experiencing problems with municipal bus services, which were often under-utilised.

The department said the Minister of Public Works and Land Affairs, George Bartlett, had given the assurance that all possible avenues would be explored to solve the crisis and that bus services would not be terminated unless it was absolutely unavoidable.

The Government's policy was, however, that only the most essential services would be subsidised, the statement concluded.

Italian Foreign Minister Gianni de Michelis said an EC delegation might travel

AP-DJ.

● See Page 5

Rainbow, SA's biggest chicken producer,

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IDC to get \$60m loan from Taiwan

ZILLA EFRAT

THE Export-Import Bank of China in Taiwan is to extend a \$60m loan to the Industrial Development Corporation (IDC). *8/0am 14/1/91*

The agreement will be signed by Foreign Minister Pik Botha, and Republic of China Foreign Minister Frederick Chien when he makes an official five-day visit to SA later this month, says a statement from the Taiwan embassy.

The loan will be at 7.75% a year for five-and-a-half years.

IDC MD Karel van der Merwe says the loan is in the form of a trade credit for the purchase of capital goods from Taiwan.

During his visit to SA, from January 19 to 24, Chien will meet President F W de Klerk, Finance Minister Barend du Plessis, SA Foundation director-general Kurt von Schirnding and the mayors of Johannesburg and Cape Town.

Officials at the Taiwan embassy in Pretoria believe Chien's visit will help promote closer ties between SA and Taiwan and that greater co-operation in financial, investment and technical fields will follow.

Taiwan and SA have held a ministerial conference on economic and technical co-operation each year since 1979.

They have 23 agreements in areas including trade, industry, fishing, science technology, mining and energy.

SAAF set to smash embargo

LINDEN BIRNS

THE SAAF is to purchase trainer aircraft worth about \$100m in what is thought to be the first official acquisition of foreign military equipment since the imposition of UN arms embargo in the late 1960s.

At least 10 countries are believed to be lining up with bids to supply new generation turboprop military aircraft.

The January edition of UK-based Flight International says the SAAF contract is for 40 off-the-shelf turboprop tandem trainers and several simulators.

A source close to Swiss manufacturer Pilatus said it and French, British, Polish, Romanian, Chilean, Finnish, Indian, Italian and Brazilian manufacturers were competing against two home-grown SA aircraft, both top-secret projects.

One of the local planes is being developed by the Council for Scientific and Industrial Research (CSIR) and the other by Ermelo aircraft manufacturing company Celair. *8/0am 14/1/91*

Sources said Pilatus could be the most likely contender, with real competition from France's Aerospatiale, Brazil's Embraer company and Poland's Orlic. Pilatus, which tested a prototype PC9 in SA last year, supplies the Botswana and Bophuthatswana air forces with PC7 trainers.

French foreign affairs spokesman Caroline Desselas said it would be "most sur-

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Naspers acquires 25% stake in Persbel

LIZ ROUSE and MARCIA KLEIN

PERSBEL's competitor, Nasionale Pers (Naspers), now holds 25% of its equity — and at the weekend the two companies hinted at rationalisation and co-operation which could result in a major shake-up in the Afrikaans Press.

On Friday Naspers bought 2.7-million Persbel shares from Mannie Simchowitz, leaving it with 25% of Persbel's equity. At Friday's price of 660c the deal was worth R17.82m. *8/0am 14/1/91*

Naspers and Rembrandt now own about 49% of Persbel shares between them, with

Rembrandt holding about 23.5% of Persbel's enlarged share capital. *8/0am 14/1/91*

Persbel and Naspers have various common interests, including Rapport Uitgewers, M-Net and Maister Directories, which publishes the Yellow Pages.

Persbel chairman Koos Buitendag would not speak to Business Day yesterday.

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HEG: GIVE ME BACK THE BACI FOR MYSELF

PUTCO must be beginning to believe that political change is for real: its buses, long treated as "targets" for militant youths, are being transformed into "people's buses".

The scene of this astonishing change is Alexandra, the Johannesburg township whose name is almost synonymous with bus boycotts — and strikes by bus drivers.

The Alexandra Civic Organisation (ACO) has plans to plough R250 000 of community money into a joint venture with Putco to establish what is tentatively referred to as the "Alexandra People's Bus Company".

ACO president Moses Mayekiso says signing of the final contract is not far off and the new company's buses might be on the roads on March 1.

It's an inviting image of the lion snuggling up with the lamb. But is it all that it seems?

The fact that there has been no bus service in Alexandra for the past year — and that there is more than one version of why this is so — raises critical questions about the new venture.

According to Putco human resources manager Isaac Tait, the service was already in decline when the "last straw" was unloaded on it — a labour dispute and strike by drivers.

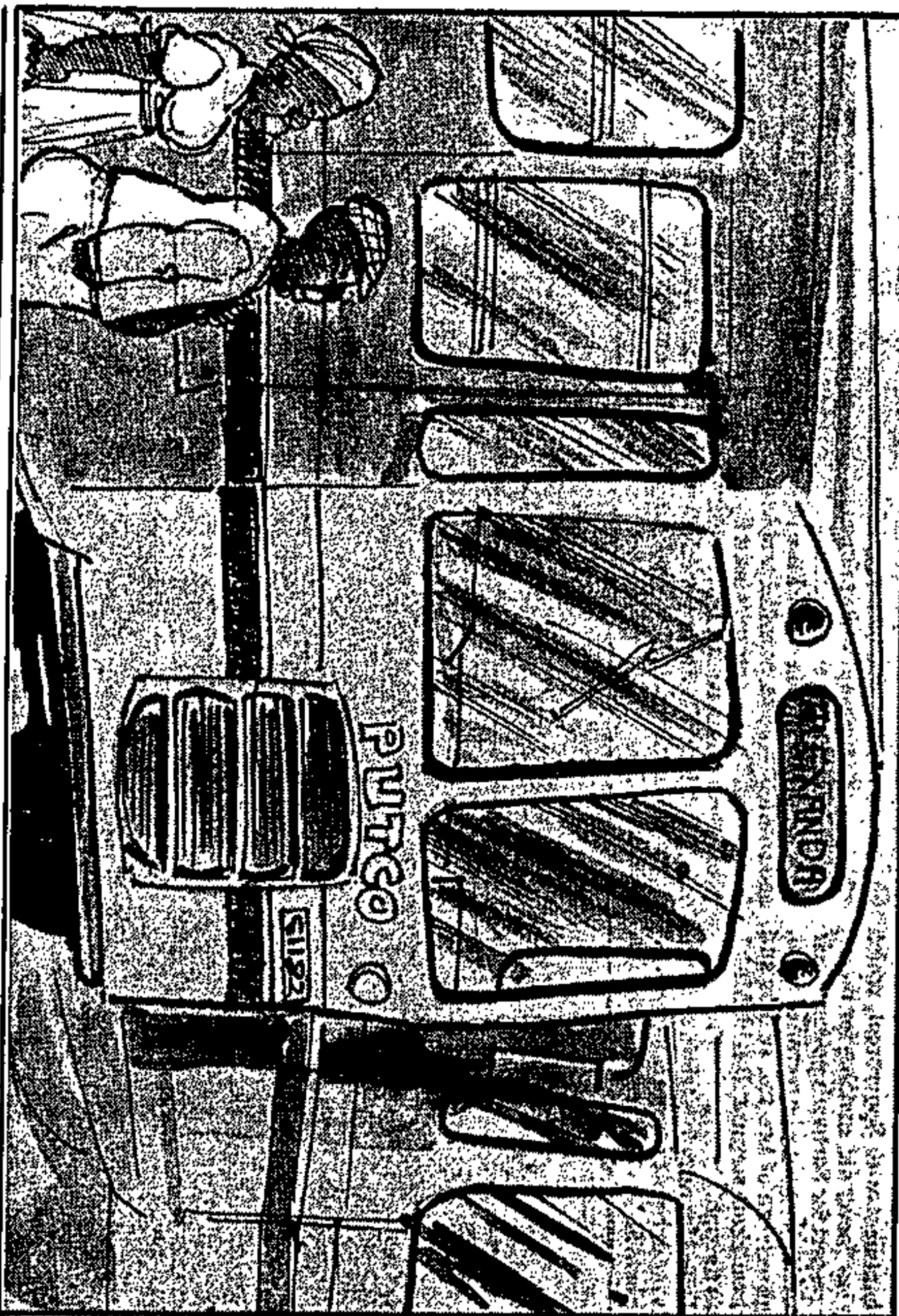
Putco's critics on the left, in the Marxist Workers' Tendency of the African National Congress, disputed that the company was "forced" to close its Wynberg (Alexandra) depot because the service was not viable. They argued that Putco closures happened more than coincidentally whenever union militancy unfurled itself.

The Transport and General Workers' Union (TGWU), on the other hand, recognises that bus transportation in South Africa is generally unprofitable — largely as a result of the peculiar urban geography created by apartheid. It argues for state intervention to ensure the future of a failing sector.

Whatever reason one accepts for the termination of the Alex bus service, certain hard questions about the new venture are unavoidable. Can the service be revived in a financially viable state after a break of a year? Will it be any better at handling the fare increases and service shortcomings which sparked crippling commuter boycotts during recent years? Will it improve labour relations any substantial degree?

Putco's Tait evaluates the venture as a "risk". He is talking overwhelmingly in financial terms, warning that there is no way that the old service will recover to passenger levels of the "roaring '70s" — that each boycott or strike forces commuters to find alternative

All aboard the Alex 'people's bus service'



The moribund bus service in Alexandra is set to return — as a joint venture between Putco and the community. Will this new company be a success? asks **JOANNE COLLINGS**

transport and many never come back to the buses.

For ACO the stakes are much higher because its constituency will expect of this new community venture not just the restoration of the old Putco service, but a substantial improvement. How ACO's service imperative will fit with Putco's profit priorities remains to be seen.

ACO, entirely new to the world of business, will be dealing with a company portrayed as one of the wildest operators. The *Financial Mail*, for instance, in 1989 accused Putco of using accounting techniques as a "smokescreen to submerge the actual profits with a view to minimising negative reaction to fare increases".

Already the question of control of the new company has become a bone of

contention. Putco wants the casting vote — 51 percent of voting power, while ACO is determined that votes will be split down the middle.

ACO's capital contribution to the new company will come in small measure from Alexandra taxi owners, says Mayekiso, but the bulk will be raised by ACO from development organisations.

Initially, if the service is profitable, surpluses will probably be ploughed back into the company, speculates Tait.

Later the "community" share of the surplus will be diverted from the civic's Transport Trust Fund into development funds in other service sectors, says Mayekiso. Of the community investors only the taxi operators will get a direct dividend.

High-density Alexandra has many advantages for a transport operator. But still there are no guarantees of a surplus. Tait clearly feels that a review of state subsidies is crucial to the success of the new service — and perhaps

a spin-off of the joint venture would be that the community would begin to press the bus operators' plea for the government to plough more money into transport.

Mayekiso gives two reasons for ACO's decision to launch the joint venture with Putco: it was unable to raise sufficient capital single-handedly; and it lacked the expertise to manage a fully fledged transport service.

Tait confirms that much of the day-to-day running of the new company will probably be left to Putco. "We are thinking of entering into a lease contract with the new company."

The terms of such a contract would fundamentally determine the nature of the new venture. Mayekiso says the lease and management agreement is seen as a temporary arrangement. Clauses on training managers from the community for direct employment by the joint company will be part of the deal.

Tait insists that despite any lease agreements with Putco, the new com-

pany will be responsible for its own labour relations from the start.

Mayekiso confirms that the conventional differentiation between management and workers will obtain and that it was felt that the unions should not own shares in the venture.

"We believe that workers in the new company must join a union and they must exercise all the rights that workers usually do through their union."

It is understood that TGWU has not been involved to date in negotiations around the new company.

When it comes to fare increases, the civic undertakes that the community will be much more widely consulted than in the past. And, presumably, the books of the company will be made more transparent to commuters than Putco's books have ever been.

Public accountability is one of the reasons Mayekiso cites for civic involvement in the delivery of services.

Mayekiso does not see the joint venture as the civic's final answer on the desirability or otherwise of nationalising local-level services.

"Maybe in the future — when we have a non-racial government — it may be a different kettle of fish," he observes. But during the present transitional phase — which might be lengthy — ACO believes that services cannot be abandoned either to profit-obsessed private companies or unrepresentative government.

Even after democratic government is established, there may be a case for certain services to remain under direct community supervision, Mayekiso argues. National railway networks and water supply systems may need to be nationalised, he reasons, but do local services need the same solution?

TGWU has taken a pro-nationalisation stance on bus transportation. General secretary Nkosinathi Ntshole explains: "The position is derived from our understanding that bus services are a social responsibility and that the state has a direct role to play in fulfilling this responsibility."

He argues that nationalisation need not lead to central decision-making and centralised implementation of services.

In its bid to slash the endless commuter queues in burgeoning Alex there is little doubt that ACO has entered a minefield. Its experiment will no doubt provide valuable pointers to those seeking an overhaul of the transport system and — more broadly — to those who advocate new and varied forms of business ownership as South Africa abandons apartheid.

Potwa plans mass action

THE Post and Telecommunications Workers' Association (Potwa) yesterday announced it would launch a series of mass action campaigns from next week to back various demands, including a living wage, "people's post offices" and a halt to privatisation.

Potwa general secretary Mlungisi Hlongwane,

VERA VON LIERES

among new leaders elected recently, told a Press conference yesterday the call for mass action would embrace other public sector employees.

Potwa vice-president Floyd Mashele said a key target for worker action would be the Post Office Amendment Bill tabled in Parliament last year.

The Bill aims to divide the Post Office into separate units for posts and telecommunications.

The union said it was totally against the Bill. It believed it should be put on hold until workers had been consulted.

A Potwa statement warned that privatised sectors "would be nationalised without compensation".

Mashele said members would also take action on demands for a R1 300 minimum wage and a R500 across-the-board increase.

A spokesman for the Post Office confirmed negotiations between the two parties would take place shortly. He said issues raised by Potwa had already been discussed with the previous national leadership.

**HAMILTON
RUSSELL
VINEYARDS**





As part of its campaign of mass action, the ANC yesterday held a placard demonstration along Kotze and Pretorius streets in Hillbrow, Johannesburg.

Picture: ROBERT BOTHA

Trek Airways now controls Safairlines

TREK Airways has taken control of Safairlines and is planning to revamp and re-equip the coastal-based passenger airline.

Trek GM Jan Blake said yesterday Safairlines would take on a new corporate identity and name to prevent confusion with Safair Freighters, which previously ran Safairlines.

Safairlines has operated under that name since the first half of 1988, when it was taken over by Safair Freighters, which changed the airline's name from Air Cape. Safairlines operates scheduled flights between George, Cape Town, Alexander Bay and Walvis Bay.

Blake would not specify Trek's new shareholding in Safairlines or say how much was paid for it.

He said Trek was planning to re-equip the airline with a modern turbo-prop fleet to replace the two ageing 55-seater Conquest 580s bought from Namib Air in 1988.

"We're looking at new generation turbo props like the ATR 42, as used by Air Botswana, the De Havilland Dash 8 and the Fokker 50," he said.

Safairlines was granted a licence recently to operate on the previously under-utilised route between Cape Town and George, while Trek has been granted a licence to operate scheduled flights between George and Johannesburg.

Trek, Safairlines and Safair Freighters

LINDEN BIRNS

all have strong Safmarine links, with the shipping company being one of three major Trek shareholders and Safair Freighters' holding company.

Trek is expected to announce later this month what type of jet aircraft it will use on its scheduled flights between Johannesburg, Durban, Cape Town, Port Elizabeth and East London.

"We are still looking at a few alternative financing packages," Blake said. "Ultimately we will be looking to lease aircraft with an option to convert the lease to outright purchase."

DISCUSSIONS

Trek, in December last year, became the first airline to be granted a licence to compete with SAA on these routes.

However, the airline has not yet started regular domestic flights.

Boeing and British Aerospace (BAe) have both confirmed they are involved in discussions with Trek.

BAe has hinted it is near to closing a deal with the airline.

Blake said Trek was still on schedule to begin domestic operations in the third quarter of this year.

Trek, operating as Luxavia, is also the SA marketing arm of Luxair.

Grincor earnings increase against the economic odds

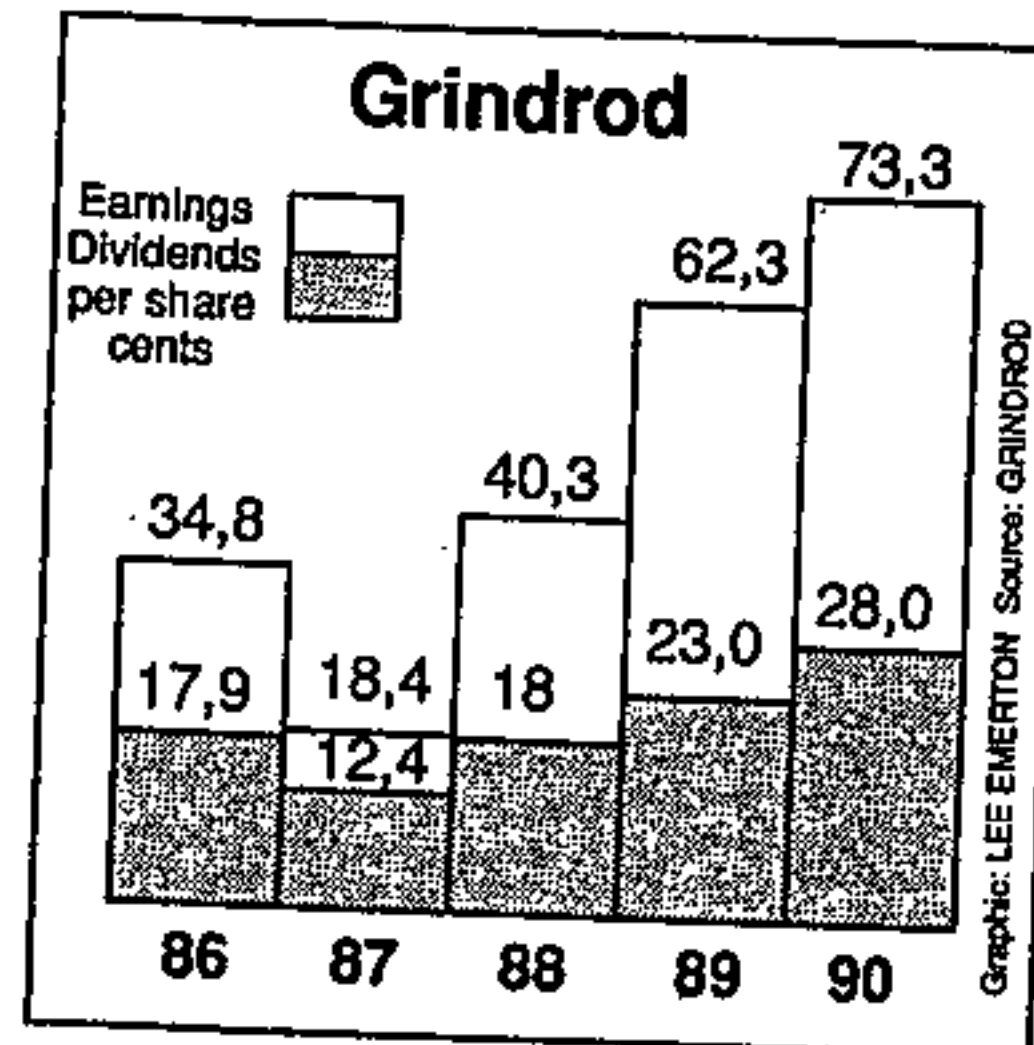
MARC HASENFUSS

DESPITE declining import levels and a slowdown in the movement of domestic cargo in the second half of last year, Durban-based shipping and transport group Grindrod Unicorn Group (Grincor) managed a solid 18% increase in earnings to 73,3c (62,3c) for the year ended December 1990.

Turnover rose 17% to a record R497,5m (R423m) while operating income rose by a smaller margin of 9% to R57m (R52m) for the group which handles international and domestic transportation of goods by land, sea and air.

It declared a final dividend of 18c a share, boosting the total dividend by 22% to 28c (23c) on attributable earnings of R18,4m (R15,7m). Dividend cover was 2,6 (2,7).

The interest bill was pushed up



17% to R15m due to increases in interest bearing debt, while taxation was reduced to R10m (R13m).

Chairman Murray Grindrod said the results came in below interim stage expectations, but were satisfactory in view of the reduced economic activity in the second half of 1990.

However, he said the group's results were achieved without the help

of profits from the sale of a ship as in the previous financial year.

Grincor purchased a ship in the first half on 1990 and had recently ordered two new vessels for the coastal trade, Grindrod said.

"The ships are being financed by a consortium of European banks and are due for delivery in late 1993."

Grindrod said the ship orders underlined Grincor's confidence in the economic potential of SA.

Looking to the future, Grindrod said a meaningful relaxation of restrictive economic policy was unlikely, but Grincor expected earnings to outstrip inflation in the year ahead.

He warned, however, that the forecast should be read against the background of the Gulf war and the resultant uncertainty over global economic prospects.

MD Mike Groves said the recent diversion of shipping via Cape Town should boost Grincor's strong well-established shipping agencies.

Teacher to taxis

● From page 1

She later became involved in transporting patients to and from hospitals in the Peninsula and today operates the vital service under contract to the Provincial Administration.

Describing the taxi business as "cut-throat" Pat believes business has to be honourable to be truly effective.

So organised is she both professionally and privately she has already bought her own coffin and planned her funeral.

Workwise she employs about 200 people.

"Some of my staff think I am a hard taskmaster. I believe in giving them a lot of scope for advancement and value their loyalty and support."

Looking to the future Mrs Gorvalla is convinced South Africa has to develop its own mini-bus which is specifically designed for local needs.

"The current designs are not entirely suitable for the taxi business. Some of them are deathtraps. Safety is terribly important. I have been talking to one manufacturer about a better design."

One of her other dreams is to develop financial houses run by and for blacks, creations which she believes will broaden the scope for change in the country.

Pat's diary is somewhere between a travelogue and Who's Who. When she isn't overseeing her many businesses her tasks include a myriad of charitable and church works.

She was national president of the Anglican Women's Fellowship for four years, a post which took her all over the world. Her simple brand of rhetoric, earthy yet considered, has been enjoyed by thousands across the globe.

"I still get terribly nervous when I have to stand up on my hind legs and speak. It is very traumatic but I guess it is part of the job," she admits.

In 1988 the Women's Bureau named her Woman of Achievement and soon she will travel to Toronto to receive the Woman of the Year award from the Biographical Society.

Pat believes the ending of the heinous Group Areas Act will go a long way to restoring human rights.

"It will finally mean everybody has equal opportunities, both personally and in business. Millions of people have suffered irreparable damage because of Group Areas. People have died, committed suicide as a result of its influence."

Throughout her life the act and its fellow travellers have influenced her emotional and literal moves.

When she and her late husband Phiroze were forced to leave her family home in Bellville she took uncharacteristic revenge by rounding up some low life "poor whites" to live in the abandoned house.

Their horrendous behaviour soon had the other neighbours clamouring for the Gorvalla's return.

Some years later the family's sprawling plot at Kanonkop, supposedly a "grey" area of Durbanville, was expropriated which sent a furious Pat on the real estate warpath.

Through quite legal but covert means, she acquired her current spread in opulent ... and white Durbanville Hills.

"I bought this house in a temper," she recalls.

At first Phiroze wouldn't move in on principle but Pat's cajoling eventually made him weaken.

Yet instead of vitriol, the act has inspired philanthropy on her part.

One example of this was the creation of a Cape Flats housing development for other victims of Group Areas inspired evictions. Complete with community centres, recreation facilities and education funds the thriving project is a showpiece of perseverance.

Statistics

The success of this and other projects has brought Pat not just pride but profit too. And they've inspired further developments in property.

On her success Pat is reticent.

"We are all cogs in the wheel. I wonder whether we ever really achieve. As for money, I regard it as a necessary evil. The more I have, the more I give away."

Her management style is participative and practical. Trusted managers run her separate businesses under her eagle eye and, having passed the 60 mark, she thinks it is time to delegate further.

When not on a national or international trip she visits each of her businesses virtually every morning.

Never keen on statistics, Pat concedes they might have some relevance.

For instance, each of her 100 taxis clocks 200 000km a year — that totals an astronomical 20 million kilometres a year.

Petrol price

"Apart from the cost of maintenance the price of petrol is a huge concern. The rises last year really affected our business."

Born on March 17, St Patrick's Day, Pat named her company St Patrick's Investments while the transport companies are called Pat's Taxis, and Pat's Transport. And one of her property companies is called, sardonically, St PatriciaHof.

Once described as an "entrepreneurial Mother Theresa" she also brings to mind poet George Barker's characterisation in *To My Mother* which reads: "She is a procession no one can follow after, but be like a little dog following a brass band".

Such was the curiosity about her life, SABC made a documentary about Pat which was screened last year.

Victim, victrix of Group Areas

By BLAISE HOPKINSON
Business Staff

IF teachers weren't paid such a pittance Cape Town business would be much the poorer. And millions of people would have had to find some other way of getting about.

It is not often you meet someone like Mrs Pat Gorralla — ex-teacher, mother and self-made entrepreneur.

Sole director of nine companies which together have a substantial turnover each year, Mrs Gorralla is both a victim and a victrix of apartheid.

Taxi fleet

Hounded from her family home by Group Areas, driven out of her beloved teaching by the penurious salaries and forced to operate her businesses in "non-white" areas she has grounds for bitterness.

Instead she is positive, progressive and highly successful.

"When I started out in business I said to my husband there were three things I wanted before I could die peacefully. That was to own my own business, to have a trip overseas and buy a Mercedes."



Pat Gorralla ... three milestones.

Yet, at 61 and with those three milestones far behind her, Pat is quietly contemplating another business adventure.

"I can't say much just yet but I am looking at some-

thing very interesting."

Her empire — a term she hates — spans a taxi fleet with more than 100 vehicles, garages, a panel-beating enterprise, properties, hair-dressing parlours, a florist

and "this and that".

While teaching high school and battling to make ends meet Pat bought her first taxi. And so the fleet grew.

● See page 3

WEARER'S

2/2/91

332

Court restrains taxi body on rank dispute

CMT 7/4/85 2/3/91 Staff Reporter 332 1/2/85

THE Supreme Court yesterday granted a temporary interdict restraining the Western Cape Black Taxi Association (WCBTA) and its members from preventing members of the Belldurb Taxi Association (BTA) from using the Bellville taxi rank.

The BTA and 28 members brought the restraining interdict against the WCBTA and five members. The matter was unopposed by the WCBTA.

In papers, the BTA asked that the WCBTA and five members be interdicted and restrained from preventing members from using the taxi rank at the corner of Charl Malan and South streets in Bellville.

The WCBTA was also interdicted and restrained from intimidating the 28 BTA members who through the actions of the WCBTA were prevented from operating their businesses.

In an affidavit handed in at court, one of the applicants, Mr Sidney Dlokova, said the BTA had been forced to take legal action because money was being lost.

Mr Justice E L King presided. Mr J A Newdigate, instructed by Mr S P Frost of Baisillie, Watermeyer and Cawood, appeared for the applicants.

Taxis allowed to use Claremont site

By CLIVE SAWYER
Municipal Reporter

MINIBUS taxi operators will be allowed to use the western side of Claremont station to pick up passengers for a maximum of 12 months, Cape Town City Council utilities and works committee has ruled.

The site has been the source of controversy and occasional violence involving taxi operators and traffic police.

According to a council report, taxi operators moved their base from a legal site on the eastern side of the station

to the western side, without seeking permission.

This led to congestion and two confrontations resulted when traffic officials tried to prevent the taxis using the western site.

A policeman was injured on January 17 after disgruntled taxi operators besieged traffic headquarters at Gallow's Hill, and operators also accused the council of favouritism in allowing only some drivers to use the site.

Temporary permission to use the western site was given by utilities and works chairman Mr Leon Markovitz fol-

lowing the confrontation on January 17 and the matter was discussed by the utilities and works committee yesterday.

Council spokesman Mr Ted Dorman said the committee gave permission for the taxis to use the site for no more than 12 months.

"The area is earmarked for development, the details of which have not been finalised," he said.

In a report deputy city administrator Mr Alan Dolby said congestion on the western side of the station had been worsened by construction and roadworks.

The city planner and the traffic manager were concerned that the intrusion of minibus taxis on the western side of the station was hazardous, he said.

A traffic manager's report said taxi operators had violated the conditions of their permits and this precedent could lead to a "free-for-all".

If a compromise of parking and taxis on the western side was approved, measures should be introduced to stop a repeat of incidents near Wynberg station where taxi operators had intimidated motorists into not using the area, the report said.

City Council briefs

MINIBUS taxi drivers were given permission by a city council sub-committee yesterday to use the western side of Claremont station for another year while further studies are carried out on traffic flows. When traffic officials denied taxi drivers access to the area two weeks ago, the drivers responded angrily, blocking roads with their vehicles. Planners had hoped to reserve the disputed area for train commuter parking.

8 Nov 5/2/91

Gulf war could hit Grincor

By Des Parker 332

Durban shipping and transport group Grindrod Unicorn (Grincor) sailed into its latest year-end with a healthy 18 percent improvement in earnings over the previous year.

However, chairman Murray Grindrod warns with the release of the results for the 12 months to December 31, that the Gulf War and worldwide economic uncertainty may affect the group's performance in the current year.

From a turnover of R497,46 million for last year — an increase of 17 percent on the previous R423,97 million — Grincor produced income attributable to shareholders of R18,49 million (R15,74 million), which equates to 73,3c (62,3) a share.

Prediction

Mr Grindrod says the results do not measure up to the predictions made at the interim stage but are satisfactory in view of the reduced level of economic activity in the second half of the year.

"While a meaningful relaxation of restrictive economic policy is unlikely, Grincor again expects earnings to outstrip inflation in the year ahead," he says, adding that the results were achieved — unlike in 1989 — without the proceeds from the sale of a ship.

The group announced earlier this month that it had ordered two new vessels for its coastal trade, to be constructed in a Polish shipbuilding yard at a cost of R120 million.

The ships were being financed by a consortium of European banks and they were due for delivery in the latter half of 1993, by which time the economy was expected to be stronger.

Taxi industry finally finds missing link

332

7/2/91

THE first taxi driver employment agency and liaison company, The Missing Link, has been launched.

Its aim is to link the right people together and strive towards a better taxi service.

TML will fill the much needed role of an employment agency and act as mediator between thousands of taxi owners, drivers and commuters.

A TML spokesman says the long term goal is to eliminate the high rate of unlicensed drivers who present a hazard on public roads.

He said the company would work hand-in-hand with Project Spear, which specialised in the training of taxi drivers.

The service would be provided to all operators regardless of which associations they belonged to, the spokesman said.

Taxi operators would be required to pay the normal agency fee for the services provided and drivers would in turn pay nominal fee on registration, he said.

Communication links, the spokesman said, would be created to assist in resolving the problems that might be met.

The company would also play a major role in alleviating the load on taxi associations and taxi owners. It has envisaged formulating a strategy or a code of conduct which would benefit drivers and owners.

PLAIN SAILING

Year to December 31	1989	1990
Turnover (Rm)	424	497
Operating profit (Rm)	52	57
Attributable income (Rm) .	15,7	18,5
Earnings (c)	62,3	73,3
Dividend (c)	23	28

puter services, contributed less than 1%.

A drop in the effective tax rate from 34% to 24% helped to offset a 17% rise in interest charges and attributable earnings rose by 18%. The result falls short of the forecast made at the interim stage but management is pleased with these figures in view of the decline in the second half.

Narrower margin

Grincor's operating margin narrowed slightly from 12,3% to 11,5%, while the asset-turn ratio dropped marginally from 1,46 to 1,42 times; both these ratios were enhanced in 1989 by the sale of the ship. When that income is excluded, the return on assets increased marginally to 16,3%.

Cash generation remains strong and was used last year to help finance a modern 26 000 t ship. This absorbed most of the R42m capital expenditure. Net interest-bearing debt rose from the year-ago R62m to R91m, and interest cover slipped from 4,0 to 3,7 times.

Groves expects earnings to continue to grow in real terms. The Gulf War and its potential influence on the global economy could also affect the group. More positively, the group's ship agency business has benefited from ships being diverted from the war zone, though Groves says this will not have any significant bearing on the group's earnings.

The shares are tightly held — only about 3% of the issued capital traded in 1990. The price fell over the past seven months from 440c to 325c and the share looks reasonably priced on a 4,4 earnings multiple.

Gerhard Slabber

GRINCOR 332 FIM BUOYANT PROFIT 8/2/91

Unicorn's growing investment in international shipowning and operating activities has helped maintain buoyancy at its Durban-based holding company, Grincor. Since listing in 1986, the group has produced average annual growth in earnings at a compound rate of 26%, despite a profit setback in 1987.

Operating profit gained an additional boost in 1989 because it included the profit on a ship sold for R5,7m. MD Mike Groves says shipping companies traditionally include sales of vessels in their operating profit rather than as an extraordinary item. There were no disposals of ships in the year to end-December but Grincor lifted its operating income by 9% on a turnover advance of 17%.

Groves says the drive to increase offshore earnings helped to boost group turnover but locally generated turnover also rose. The group has set itself a target of deriving at least 40% of attributable earnings from abroad. Last year the figure was 20%. Groves reckons it is now touching 30%.

Relative contributions to trading profit from Grindrod and Unicorn remained unchanged from the previous period, with Unicorn chipping in 88%. Grincor Management Services, which includes the interests in com-

UPHILL BATTLE

With a drop in EPS of no less than 45% to 31c (62c), it is no wonder that Dennis Kaye, MD of the removals group Laser, refers to the year to end-December as "the toughest I have ever known in this industry in the past 21 years."

At interim stage, Kaye was optimistic that the second half would be better than the first; in fact, it was considerably worse. Kaye says demand fell away and very little business materialised.

He ascribes this to the condition of the economy, a large drop in business resulting from Namibian independence and to the large cut in military spending, which reduced movement of people. He also notes: "For the first time, the economic downturn has not been accompanied by an increase in emigration, which was down by 21% on the 1989 level."

Under the circumstances, Laser did well to maintain turnover for the year at the 1989 level of R107m. One favourable development is a reduction in interest paid from R3,1m to R2,7m, as gearing had been looking excessive.

But margins were severely hammered, owing to contracting demand for domestic removals, intensifying competition and the increase in unit costs arising from the re-

continue →

duced scale of operations. The total dividend was cut from 25c to 13c — the same as in 1986 — with cover held at 2,6.

There have been some compensations. Kaye reckons Laser has increased market share, competition is diminishing as the market eliminates contestants (such as the liquidated Supertrans) and barriers to entry are becoming prohibitively high because of the cost of transport units.

Cash flow remains positive and short-term borrowings have been converted to cheaper long-term finance. Last month, the first in the past 18 when retrenchment payments to non-productive people were not required, has been "excellent, way above expectations," according to Kaye.

Laser forecasts that 1991 earnings will be similar to those for 1990, certainly no worse. Kaye is optimistic that Lasertrans, the new commercial transport division carrying goods from the point of manufacture to the place of sale will become a good earnings contributor. Fourteen new vehicles have been bought for this and account for part of the R7m increase in fixed assets. Kaye expects gearing to decline further this year.

Merger talks with Sure Group are continuing. Kaye says he hopes to comment "in the near future."

At 150c, Laser's price is off the all-time low of 135c, and now yields 8,7% on dividend. While 1991 is unlikely to see a major upswing in the economy, political developments could lift sentiment up to a more optimistic level. The share could prove to be good value at this price.

Gerald Hirshon

'Fingers' goes boat building ³³²

SOUTH AFRICA's largest builder of luxury yachts, John Robertson Yachts, has been taken over by J E 'Fingers' van der Merwe and his son Edmund.

They were involved in the Swiftsure venture capital scheme that collapsed several years ago.

Epping-based JR Yachts is a cornerstone company in boat-building, working on large SA and foreign orders. It is renowned for its R1-million Sovereign 54, designed by Phil Southwell.

Former chief executive Geoff Earnshaw said late last year that 12 "local businessmen and yachting personalities" had placed orders in the past nine months for the Sovereign 54. Two others were going to New Zealand and Europe.

Off-plan sales for cheaper designs were doing well and a 53ft catamaran costing R1.4-million was being built for a West German customer.

By JANE ARBOUS: Cape Town

Mr 'Fingers' van der Merwe confirmed yesterday that he had bought the company. He plans to expand the operation. His son is the marketing director.

The previous owners are bound by an agreement with the Van der Merwes not to comment on the deal unless it is through a joint statement.

Founder

However, industry sources say the decision by majority shareholders Mike Bartholomew and Jerald Salamon to sell out left the two minority shareholders — John Robertson and Jerry Cain — little choice but to resign.

Mr Robertson, who founded the company 10 years ago, says he and Mr Cain, the company's former

production manager, will set up a custom-built yacht enterprise.

Asked the reason for selling, Mr Bartholomew says: "With any business, there is a time to realise an investment."

Swiftsure was launched in 1987 amid claims that it would establish a multimillion-rand export boat-building industry in Cape Town. Hundreds of thousands of shares at 25c each were sold, but the yard never got into production.

The company was liquidated in 1988 after a Sunday Times investigation disclosed details of its extensive and expensive publicity campaign, and mounting unpaid bills.

According to liquidators Syfrets Trust, Swiftsure's former managing director Javor Gourkov allegedly fled the country with up to R11-million belonging to investors and creditors.

Mr Edmund van der Merwe took

over as chief executive of Swiftsure. Nobody has been prosecuted, but commercial branch detectives are still investigating the case.

Alan Rennie of Syfrets Trust says the inquiry was inconclusive. "We did not uncover substantial assets," he said this week.

The fight to recover the missing funds was abandoned in April last year.

Biggest

The Van der Merwes were also sole directors of Video Art, a Cape Town-based film business which was liquidated in 1984 with debts of more than R1-million.

The biggest creditor, and applicant for the firm's liquidation, was a company called News Services, in the person of Mr 'Fingers' van der Merwe.

He said he had lent Video Art R500 000 between 1982 and 1984.

Micor's interims slashed by half ³³²

6/1pam 11/2/91

MICOR Holdings, the freight, travel and related services group, reported a 57% drop in interim earnings due to the impact of recessionary conditions in the countries with which it does business.

Earnings slid to 6,3c (14,7c) a share or R1m (R2,3m) for the six months ended December 1990. No interim dividend was declared.

Directors said that the difficult trading conditions resulted in a 20% decrease in the trading profit of the group's offshore activities, partly offset by an improvement in the results achieved by the local finance and insurance broking subsidiaries.

Turnover showed a slender 6% increase to R262m (R246m) as 91% held subsidiary Micor Industrial Corporation's (MIC) freight business was severely affected by reduced margins together with the inflationary spiral in input costs.

While MIC, solely on domestic business, posted a marginal increase in turnover to R185,9m and maintained a static market share, this was not sufficient to compensate for Micor Holdings's performance.

Although MIC's industrial and travel businesses performed satisfactorily its earnings fell sharply to 1,6c (8,4c).

MIC was listed near the end of 1989 by the reversal of Micor's air and seafreight, travel and industrial subsidiaries into the Adco cash shell. This created a focus for shareholders whereby MIC would represent SA investment and Micor, retaining its offshore activities, would represent an attractive rand hedge investment.

The tax bill for both Micor Holdings and

MARC HASENFUSS

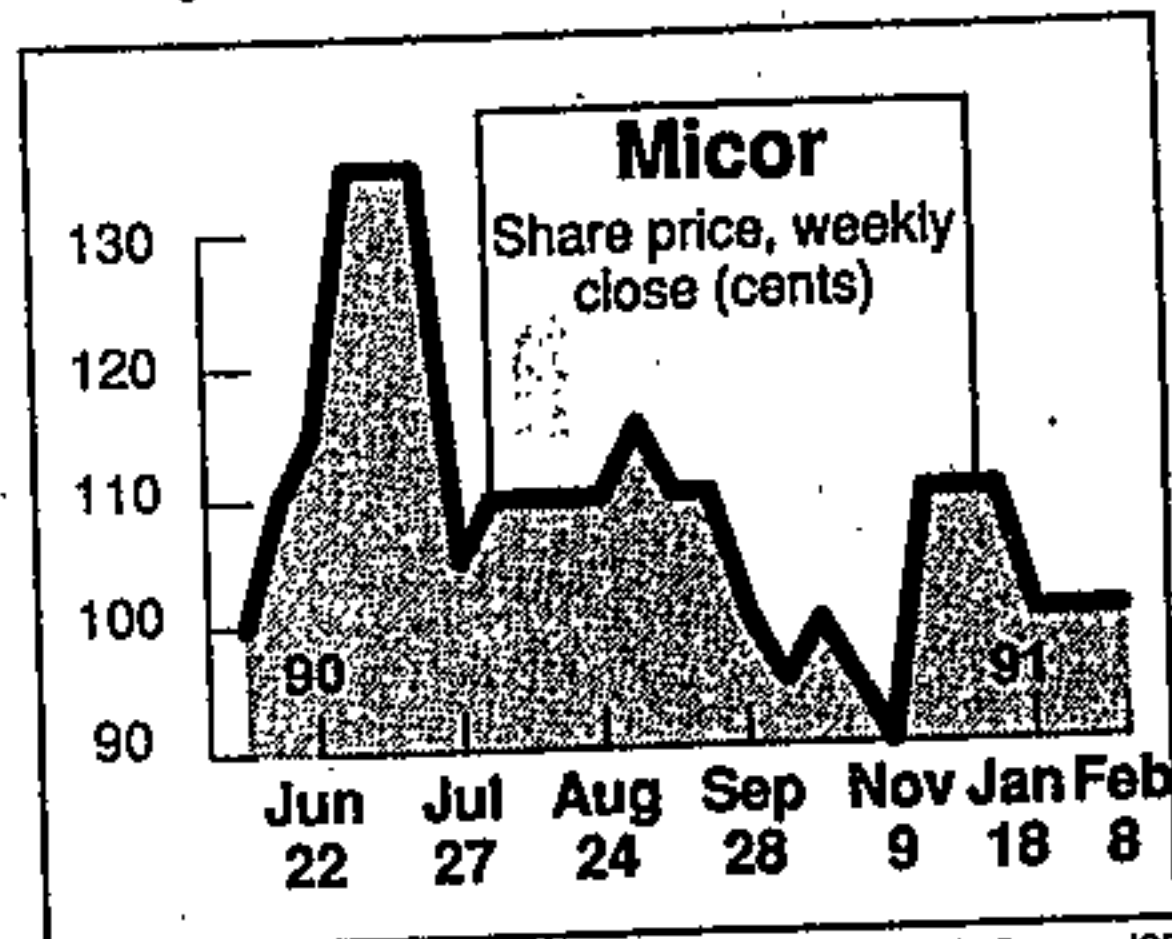
MIC showed a 13% and 46% reduction respectively. The low level of gearing was attributed to the group's conservative policy and sound asset management.

"Attention has been given to extending the range of the group's activities into areas allied to existing trading operations, and it is anticipated that the benefit of these developments will begin to materialise in the next financial year."

Directors consider it essential that the group undertakes the additional activities as they have no idea how long the recession will affect its mainstream activities.

Rationalisation of less profitable activities during the current period will contribute to an anticipated improvement in results for the second half of the financial year, provided the economy does not deteriorate further, directors said.

Micor shares were untraded on Friday at 100c, off the November low of 90c. The share peaked at 135c in July last year.



Graphic: LEE EMERTON Source: JSE

Freight markets strong world-wide

FIRM conditions in the freight market have continued in most parts of the world while a number of charterers might be holding cargoes back so that the market is not fuelled further, Afromar reports.

It would appear that with current expectations the firmer conditions could continue into the March/April position.

The Baltic freight index has moved up to just under 1 600 points.

Bunker prices have continued to ease further and unless there are drastic developments in the Persian Gulf it looks as if this trend will continue.

The SA market is now looking stronger for handy-sized vessels.

In the short term the rate for, say, a 28 000-ton dw vessel for a time-charter trip to the Continent is probably in the region of

15 1000
18 491

SHIPPING

332

\$5 000 a day. There is still pressure for good-type, handy-sized vessels for business out to the Far East.

Meanwhile, the larger-sized Cape and Panamax vessels are still in short supply for the early positions.

This has put further pressure on the exports of coal and ore out of SA. Charterers will have to pay in the region of \$10,75 for a Panamax-sized cargo from Richards Bay to Rotterdam, with a Cape-sized vessel in the same trade probably being worth about \$10,25.

Liner-type vessels also seem to be in short supply.



Picture: JON HRUSA, Argus Group Picture Service.

TAXI CHAOS: A police Casspir stands guard as hundreds of taxis block the entrance to the Bloed Street taxi rank early today.

Taxi drivers block rank, clash with police

The Argus Correspondent

PRETORIA. — Angry taxi drivers and passengers clashed with police in Mamelodi today.

Hundreds of taxis blocked the entrances and exits to the new Dr Savage Road taxi rank to protest against the closure of the Bloed Street rank over the weekend. By 7am nearly 150 taxis were stuck in the chaos.

The Bloed Street rank was barricaded with welded railway sleepers yesterday, making entry impossible.

Members of the Defence Force and the police riot unit equipped with teargas, rubber bullets, shotguns and R-4 rifles were deployed at both ranks to enforce the closure.

Police and SADF tow trucks were used to remove the taxis, towing away at least three and damaging two. The rest of the drivers eventually moved their own vehicles voluntarily.

In Mamelodi, protesting drivers refused to take passengers to Pretoria. Police fired teargas in an attempt to disperse the crowd of about 200 which gathered outside the Mamelodi municipal offices.

'VERY DISAPPOINTED'

Members of the Pretoria United Taxi Association (Puta) were "very disappointed" with their association, which they felt had "sold out" to the Pretoria City Council.

"Puta could see that the rank was far too small," a member said. "Why did they agree to the move? We definitely don't support them."

Puta chairman Mr Enos Makena said that his association had "no choice but to comply with the council".

"We do not agree with the move but we lost the court battle to stay in Bloed Street. Legally we do not have a leg to stand on. We will welcome any other organisations which wants to take up the struggle," he said.

Bitter taxi owners were blatantly unhappy with the move.

CITY



NATIONAL

Tramways to trim Peninsula bus service

19/2/91

332

By SHARON SOROUR
Labour Reporter

PENINSULA bus routes are to be "trimmed substantially" or combined as a direct result of the eight-day strike which paralysed the service last week.

City Tramways general manager Mr F E Mayoss said the company had had to re-assess the viability of "every single bus service in its network" which covered the entire greater Cape Town area.

But disgruntled commuters would be able to travel anywhere, anytime for 50 cents a ride on any City Tramways bus tomorrow, the company announced in a full-page advertisement in The Argus yesterday.

Clipcards extended

"The company would also like to re-assure users of subsidised commuter clipcards which were valid between February 7 and 14 that those clipcards may be used until midnight on February 28," company executive director Mr Barry Gie said in a statement.

Company public relations manager Mrs Jeanne Welsh said the price of bus tickets varied from 83 cents to more than R2 a ride.

"We feel it is important to show the public that we appreciated their patience during the strike," she said.

While more than 230 000 commuters were transported on more than 700 buses on a normal day, Mrs Welsh declined to comment on how much money the company would lose as a result of the special offer.

The strike by more than 1 300 bus drivers and other workers cost the company about R2,4-million in lost revenue.

Mr Mayoss said it had not been possible to re-establish all bus services to all areas.

"It must be emphasised that some schedules will have to be trimmed substantially or combined with others," he said.

New service schedules would be introduced today between Fresnaye and the city, Claremont and Rondebosch, Wynberg and Hout Bay, and between Westlake and Wynberg.

"The Thornton to Mowbray service has been restored. Buses between Oranjezicht and the city and between Devil's Peak and the city will run according to amended schedules," he said.

Passengers can obtain up-to-date information on new routes by contacting 080 1212 111, which is toll-free.

Wage increases

Meanwhile, wage increases of between 15,5 and 22 percent have been awarded to City Tramways bus drivers and other workers.

The wage agreement, signed yesterday by management, the Transport and General Workers' Union and the Transport and Omnibus Workers' Union, has ended the dispute.

Mrs Welsh said wages of unskilled workers on the lowest grades would now increase by R30 to R195,65 a week.

The wages of first-year "one man operation" drivers would increase from R244,75 to R262,69 a week, she said.

But while the unions have hailed the agreement as a victory for workers on non-wage issues, T&GWU spokesman Mr Nic Henwood criticised the increases as "unsatisfactory".

He said: "No one is satisfied with the wage increases."

Passenger transport had to be nationalised in order to ensure a "living wage" and a safe service.

About 1 700 workers are covered by the agreement, which will be backdated to January 1.

Major advances included June 16 — Soweto Day — as a paid public holiday, six months unpaid maternity leave with company-paid medical costs, a paid half-hour meal break and a 10 percent nightshift allowance.

Council workers threaten to quit if Bill is passed

Blom 19/2/91

WILSON ZWANE

THE 46 000-strong SA Association of Municipal Employees (SAAME) has warned government its members will resign from service if legislation making provisions for the privatisation of municipal services continues to be passed.

Speaking at the annual conference of SAAME's Northern Cape region at the weekend, SAAME president Hans Deetlefs said his organisation was extremely dissatisfied with the latest Promotion of Local Government Amendment Bill.

"The latest Promotion of Local Government Amendment Bill, which makes it possible for local authorities to form companies and privatise services and transfer employees to those companies, was published without consultation with SAAME.

"Municipal workers will start resigning from the service if Acts which directly threaten their career opportunities, job security and conditions of employment continue to be passed," Deetlefs said.

White municipal workers were "sick and tired" of the passing of legislation without "having been consulted on the matter", he said.

He added that the local authorities and the country could not afford to lose the services of qualified municipal workers.

"The black local authorities have already collapsed and services to the black communities are being provided by white local authorities. If the white municipal employees resign not only will the services to the black areas have to be stopped, but the white local authorities will also collapse," he said.

Deetlefs appealed to the authorities not to disillusion municipal workers.

"The time has never been so ripe for the acknowledgement of the importance of the municipal employee in a changing SA," Deetlefs said.

Mamelodi taxis

go on 'strike'

PRETORIA — Mamelodi taximen yesterday resolved in a meeting to halt operations until tomorrow in a decision largely inspired by the bad condition of roads in the township.

The taxi operators resolved to resume operations on Thursday.

Referring to the Pretoria city council's closure of the Blood Street Taxi Rank, the meeting elected a delegation to co-ordinate a possible consumer boycott against Pretoria's white business community and mandated it to communicate with political and labour movements. — Sapa.

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Cape Times 19/2/91 332

Unexpected cut-back in city buses

By PETER DENNEHY

CITY TRAMWAYS has cut back its bus services substantially — without telling commuters.

The company placed full-page advertisements in a newspaper yesterday thanking members of the public for their patience during last week's bus drivers' strike, informing them that the validity of last week's clip-cards had been extended to the end of the month and offering everyone bus trips to anywhere in the city for 50c a ride tomorrow.

No mention was made of cut-backs or "new service schedules" between:

- Fresnaye and the city;
- Claremont and Rondebosch;
- Wynberg and Hout Bay, and
- Westlake and Wynberg.

Commuter Ms Monica Nxambuza, who works as a domestic in Fresnaye, said she waited in vain for her usual bus at the city terminus yesterday from 7.15 to 7.40am.

Eventually an inspector told her that the bus had been cancelled so she took a taxi, which was more expensive and which dropped her further from work than the bus would have.

City Tramways spokeswoman Mrs Jeanne Welsh initially said the non-arrival of the bus and one of the Kloof Street buses was a "glitch".

A statement was issued after 6pm by City Tramways general manager Mr Frans Mayoss.

He said a major effect of the "total standstill" of bus services last week was that the company had assessed the viability of each bus route throughout greater Cape Town.

"Unfortunately it has not been possible to re-establish all services to all areas, and it must be stressed that some schedules will have to be trimmed substantially or combined with others," Mr Mayoss said.

New service schedules will be introduced today between Fresnaye and the city. Certain services are being restored, Mr Mayoss said.

Buses are running again between Thornton and Mowbray. They will also run again between Oranjezicht and the city and between Devil's Peak and the city.

● Up-to-date information can be obtained on the toll-free number 080-1212-111.

beer when she saw an SA van pull away. Two policemen got out and pulled something out of the back of the van which looked like a bag, she said.

They then drove away. "I thought it was the police who always come and ask for money so they don't arrest us," Nene said. Five days later, she said, someone told her there was a body lying in the veld.

Taxi association hopes to lease closed Pretoria rank

THEO RAWANA

THE Pretoria United Taxi Association (Putu) wanted to lease the Bloed Street taxi rank which was closed on Monday leaving thousands of Pretoria commuters stranded, SA Black Taxi Association (Sabta) public affairs director Mike Ntlatleng said yesterday.

He was speaking after Putu discussed the closure of the rank by the Pretoria City Council.

Ntlatleng said the council, which won a Supreme Court case to have the rank closed, planned to build a highway across the area.

"The taximen want to lease the rank on a yearly basis while construction of the road has not started," Ntlatleng said.

Pretoria council spokesman Alet van Tonder said she could not comment on Putu's application since it had not yet been received.

Sabta PRO Fanyana Shiburi said on Monday the

closure affected about 10 000 operators, as the rank served not only Pretoria township taximen but also those from outlying areas such as Mabopane, Soshanguve and Garankuwa.

Sapa reports several taxis continued to trickle in and out of Pretoria yesterday to ferry stranded workers, after a decision to stop operating in protest against the closure.

The PAC yesterday appealed to the taxi operators to end their strike. PAC spokesman Phil Modau said the stoppage was arbitrary and undemocratic.

Sapa reports from Durban that police expressed fears of a renewal of the Mapumolo-Stanger taxi drivers' war in the wake of the killing of a cab driver from Mapumolo, north of Durban, on Monday afternoon.

Trencor earnings grow despite lower turnover

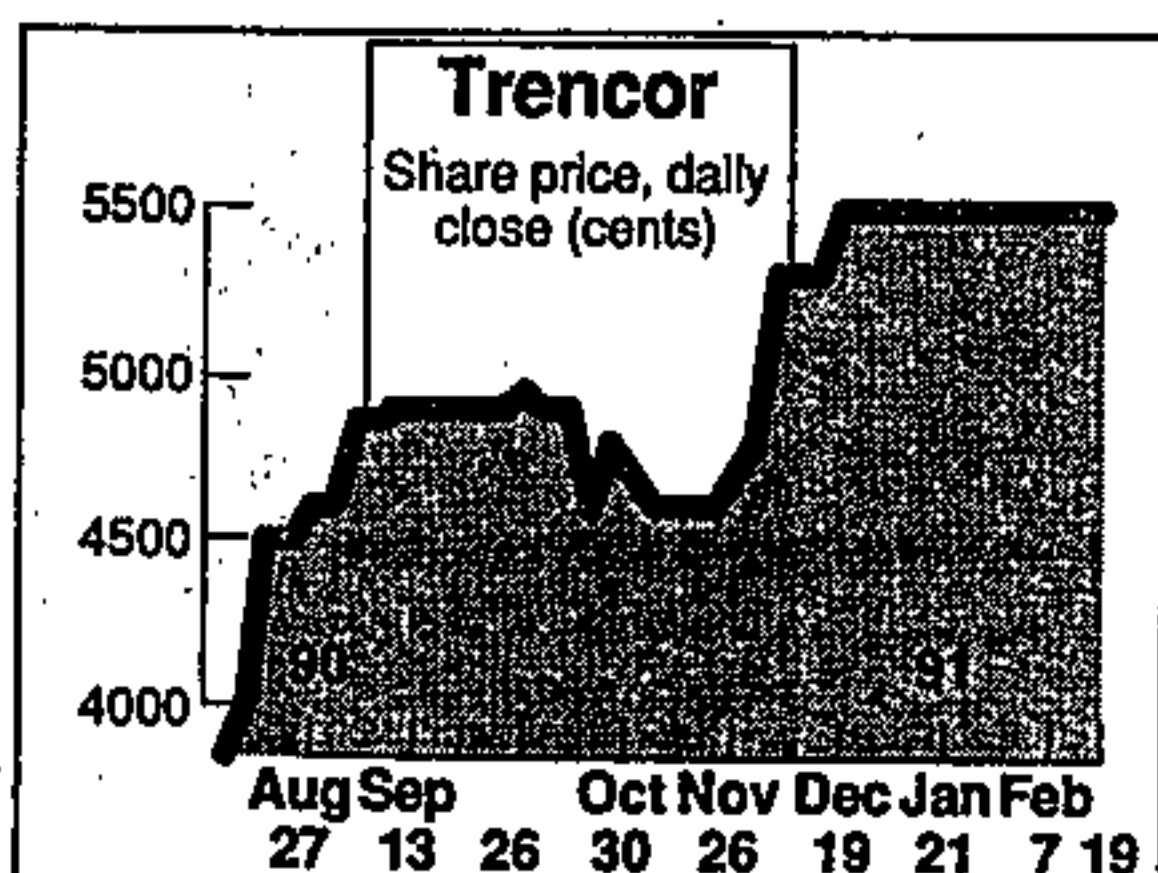
CAPE TOWN — Trencor has reported a 23% growth in earnings a share to 254c for the six months to end December, in spite of difficult trading conditions in domestic and export markets.

Turnover declined to R390m from R396m as a result of a merger within the group which made the turnover figure incomparable with that of the previous interim period, executive chairman Neil Jowell said yesterday.

The merger of Tycon (formerly Goodyear), a manufacturer and Tredcor, a retailer, into Contred in January 1990 had resulted in a change in the mix of manufacturing and retail trading which boosted profits but subdued turnover, Jowell said.

The effect of the merger on turnover at the end of the last financial year had not been as noticeable because other factors had contributed to the increase in turnover, he said.

Income from the group's interests in



Graphic: LEE EMERTON Source: JSE

LESLEY LAMBERT

manufacturing, transport, trading, exporting and tyres, rose by 13% to R61m from a high profit base established last year.

Interest charges rose by 66% to R10m as a result of an increase in interest-bearing debt which pushed the interest-bearing debt to equity percentage from 31% to 37%.

The tax bill declined from R16m to R12m, as foreign operations in low tax jurisdictions continued to contribute to a lower overall tax rate.

These factors resulted in a 20% increase in attributable earnings to R36m. An interim dividend of 35c (30c) was declared.

Jowell said the group was still expecting year-end earnings to exceed 1990's record 572c a share, in spite of the difficult trading conditions.

"Our South African operations are labouring under the weight of the recession and container exports are under pressure largely from declining international prices caused by increased production capacity in many parts of the world," he said.

Mobile Industries, which has a 48% holding in Trencor reported a satisfactory performance from its finance and leasing subsidiary, Mobile Acceptances.

It posted attributable income of R17,8m (R14,6m) for the half year.

A dividend of 8,2c (7c) a share declared earlier this month arose from earnings of 63c (51,6c).

Trencor lifts earnings by

22 percent

Finance Staff

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Trencor has reported a 22 percent advance in earnings a share to 254c (207c) for the six months to December.

Income from interests in manufacturing, transport, trading, exporting and tyres rose to R61 million (R54 million).

There was a 66 percent rise in the interest bill from R6 million to R10 million.

Attributable income after outside shareholders' interest of R3 million was R36 million (R30 million).

An interim dividend of 35c (30c) a share has been declared.

Executive chairman Neil Jowell says the R390 million turnover is not comparable with the previous figure because the merger of Tycon (formerly Goodyear) and Tredcor to form Contred resulted in a significant change in the mix of manufacturing and retail trading.

The group is still forecasting a rise in earnings for the year over 1990's record 572c a share, despite difficult conditions both domestically and in export markets.

Mr Jowell says that while interest-bearing debt rose to R107 million (R79 million), liquidity ratios remain satisfactory.

COMMUTER BUSES 332 SHRINKING SUBSIDIES

The bus industry and government are on a collision course over who pays for mass transport. The likely losers are the tens of thousands of workers who can get to work only if fares are subsidised.

At issue is government's commitment to reduce and eventually phase out the subsidies it pays bus companies to transport commuters. In the last fiscal year the subsidy was R626m, this year's proposal is for R595m and next year's will probably be even less. F M 22/2/91.

"If government eliminates subsidies the industry will have to adopt normal business principles, concentrate on profitable routes and stop transporting commuters on uneconomic routes — and most routes are uneconomic," says Jackie Walters, executive director of the SA Bus Operators' Association.

There are two options: employers would have to pay workers more without expecting a corresponding increase in productivity or workers would have to pay the full cost of their transportation.

The first proposal won't work because even if employers went along, it would force up the price of their goods and services,

hurting workers in the long run. The second idea can't be seriously considered either because ticket prices would jump 50%-60% without a subsidy. Prices have already been soaring by 21% annually during the past four years.

"Experience has shown that about 20% is the maximum increase that can be taken," Walters says. "Anything more invites stonings, boycotts and mass protest. Old-style politicians placed black workers more than 160 km from their work and promised they would subsidise bus companies to transport them to and from work. Modern politicians who renege on this promise must realise that bus companies cannot transport workers over long distances and still show a profit on their investment without adequate fares or subsidies."

However, Algoa Bus Co MD Hannes Grebe says subsidies aren't necessary to show profits. Backed by loans from banks, finance houses and the local regional services council, Algoa bought Tramway Holdings' shares in Port Elizabeth Tramways and started operating on January 1.

"We rationalised our services, we re-trenched 100 workers and reduced the fleet by 21 vehicles. The company will show a profit with its subsidies still in force but we must prepare ourselves to be profitable without them."

Grebe believes that if bus companies' fares are competitive, they will entice passengers back from taxis. "Many of our passengers pay cash anyway because they cannot afford monthly or weekly season tickets. They also pay cash in taxis. So if we provide a reliable service, and our fare is less than the taxis', we'll get our passengers back."

This is anathema to Jack Visser, MD of Putco, which has been mauled by black taxis. In 1985 it carried 323m passengers over 188m km. Last year it conveyed 143m passengers over 125m km. It reduced its fleet from 3 348 buses to 2 662 and its work force

from 10 917 to 6 813.

He says a bus company owes allegiance to its shareholders and, unless paid to do so, isn't obliged to cater for commuters. "The social responsibility isn't ours. If routes don't pay we close them down. We were losing R300 000 a month on our Dobsonville services and gave a month's notice we would close them. The Department of Transport intervened, agreed to compensate us for our losses, and asked us not to close them because no other mass transport mode was available. So we're still operating."

"There can be no free market competition in the mass transport industry while we're heavily regulated as far as routes and fares are concerned, but black taxis can go where they like, when they like and charge what they like," he adds. ■

Shell is taking taxi affairs to heart

332

THE first taxi rank with specialist facilities for drivers, operators and passengers has been opened by Shell as part of its Letaba Ultra City complex near Pietersburg.

The complex is situated 7km south of the town on the N1. Taxi facilities at the complex include a comfortable passenger "lapa" or waiting area, with seating and telephones, while taxi operators can co-ordinate their operations through the taxi-rank office provided.

A special parking area for taxis has also been set aside and 24 taxi-dedicated express petrol facilities, high pressure taxi wash-bays and supervised wash-room services are also provided.

Servicing

A 24-hour taxi breakdown service is also based at Ultra City.

The Letaba complex aims at servicing the 500 or so minibus taxis that regularly shuttle between the PWV, Venda, Lebowa, Gazankulu and the far northern and north-eastern Transvaal centres such as Phalaborwa and Tzaneen. The general motorists and heavy-duty truck drivers are also well catered for, with 24-hour restaurants and take-away shops providing meals, snacks and refreshments while a round-the-clock entertainment centre with TV, video and electronic games is also on site.

Monitor

The National Road Safety Council (NRSC) is to set up an office at the complex to monitor peak period traffic and issue up-to-the-minute traffic and road status reports to motorists.

NRSC director Eric Wise says the new facility is a boost for motorists. "With Shell's developing network of Ultra City complexes motorists are provided with accessible stopping places on all major routes."

The Letaba complex is Shell's fifth Ultra City on the N1 route between Beit Bridge and Cape Town. Others are situated at Kroonstad, Pitstop — near Bloemfontein — Colesburg and Three Sisters.

Trencor surges, promises more

S/Times 24/2/91

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TRENCOR, the darling of the transport sector, reached a new high of R55 on results for the six months to December.

Turnover edged down to R390-million, although it is not strictly comparable because of the merger of Tredcor with Tycon.

But income grew, the average tax rate fell because foreign operations are in lower tax jurisdictions, and bottom-line earnings jumped by 23% to 254c a share.

Interest-bearing debt rose by R28-million to R107-million, but liquidity remained satisfactory. In spite of difficult domestic and export trading conditions Trencor forecasts increased earnings for the year.

By JULIE WALKER

Delta Electrical Industries lifted its operating income, earnings and dividends by 29% in the year to December. Improved operating efficiency, product quality and customer service protected Delta from the economic downturn.

Exports rose and borrowings dropped. Gearing is only 5%. The shares hit a high of 630c on Friday.

Construction companies Group Five and Genrec did well in the calm before the storm. But Masonite flagged, as did Everite.

New Kleinfontein Properties surfaced debt free ahead of an expected downturn, saying it will maintain earnings for the year to June.

African Cables' sales were

down 16% at R79-million in the six months to December. Attributable profit fell by 20% although the dividend was maintained at 11c.

It expects a better second half, but the year will not be as good as the previous one.

Zimbabwe-incorporated Central African Cables did much better in 1990. Turnover grew by a third to Z\$93-million, including a jump in exports to a sixth of sales. Earnings a share were 73c up at 258c and the dividend 64% up at 64c.

Bellwether

The group awaits approval for the purchase of plant for modernisation and expansion which should increase foreign earnings.

The chairman says there seems to be numerous opportunities for the private sector to readjust itself and be a force in the market given the necessary resources.

AECI — usually a bellwether performing in line with the economy — returned a 24% decline in earnings to 154c a share for the year to December 1990. Shareholders were warned last October that earnings would be lower than initially expected.

Turnover at the chemical, explosives and plastics giant rose by 6% to R5-billion because of an adverse SA and foreign economic climate — and the weather. Poor early summer rains reduced demand from the agricultural sector.

AECI's gearing climbed to 57%. The share price is R14.25, midway between the year's high and low.

T&N Holdings and associate Asseng struggled. Action taken to reduce costs in the second half in line with lower demand helped T&N to achieve a better final six months. But earnings for the year to December were down by half.

They would have been even worse were it not for a pension-fund contribution holiday of R4.5-million,

which meant profit before tax was shown at R11.6-million and not R7.1-million.

Net borrowings fell by R26-million since June 1990 and by R11-million in the year to R69-million. The group is 51% geared, down from 65%.

Asseng, whose profits were down by half in 1990, says there are no signs of domestic demand improving and costs will have to be contained.

Electronic company Kopp managed itself out of a lean patch. Its earnings grew by 200% on a 5% climb in turnover to R13.2-million in the six months to December.

Still a ticky stock, its earnings totalled R341 000, or 3.2c a share. The shares are off their low at 23c.

Glamour share Siltek lost a little shine. Its earnings slipped by 16% to 33c a share in the six months to December on a climb in sales of 7%.

Outlets

Tradegro company Cashbuild was the first of the stable to report for the six months to December. Turnover was up by 22% at R197-million, and profit before tax by 27% at R8.8-million.

Three outlets were opened and another seven will do so soon.

Fraser Alexander was hit by hard times in mining and other industries. Cost cutting by customers meant only 7% growth in business to R105-million.

Earnings a share fell to 44.6c — a 29% drop. The directors say trading conditions are likely to remain tough, but opportunities are there. They expect a better second half-year.

Of the 11 companies reporting preliminary results this week, four fared better than before, all by at least 17%. The others earned less than in the previous year, but none recorded losses.

Interim results came from 25 listings, of which 17 did better than before and eight worse — again without a loss.

COMP

PRELIMS Turno (R)

Palamin	9
Cafca (Z\$)	11
Masonite	503
AECI	41
T & N Holdco (\$)	12
Asseng (\$)	4
Smithmin	50
Kopp	2
Delta	
NTC	
Aries	

INTERIMS

Group Five Hold	6
Group Five	6
Genrec	2
S M Goldstein	10
Smart	
New Klein	
Siltek	
Claude N	
Midmacor	15
KNJ	
Nictus	
Afcable	
Trencor	30
Mobile	
Fralk	10
Alexander	10
Wayne	
Macmed	15
Cashbil	3
Conshu	10
Everite	10
Evhold	1
Rusturn	8
Pangborn	
Dispatch	

By JULIE WALKER

QUANTUM's ordinary and preference shares were massacred last week after the JSE advised on Valentine Day that the group had been placed under provisional judicial management. Both classes of share fell to a cent.

There is a touch of irony here. I visited Quantum managing director Chris Otto last year in connection with the liquidation of Pinnacle Holdings, which took Alpha Bank deep into trouble.

Mr Otto told me that Alpha had approached Quantum Management Services in capacity as professional manager to take on Pinnacle management contract.

Buzz

Quantum compiled a report on Pinnacle, for which work it had not been paid when Alpha went into curatorship and Pinnacle into liquidation.

Quantum defines its activities in the 1990 report as development of industrial and commercial land in emerging areas, financial engineering and project management.

Chairman Deon Meyer outlined mixed prospects, but said that "with a current go orderbook, I believe that the group can maintain its position and anticipate a prolonged future, whilst assisting to build the new South Africa".

Spot the buzz-word genre

WEEK IN BRIEF

A SUMMARY of the week's corporate announcements:

MONDAY: Cortech is suspended. DPF's offer for Grovewalk attracts acceptance by 11.2% of shareholders. Allied Group publishes a takeover statement.

TUESDAY: Allied warns, so does Tafelberg.

WEDNESDAY: UBS, Volkskas and Sage will merge even if Allied members vote against. Lindum Reefs announces a rescue arrangement with Randfontein Estates.

THURSDAY: Claw, Vadek suspended. Sinclair warns. Prochem scheme of arrangement meeting is on 15/3. First National Bank tells Allied members its offer is significantly better than that of UBS and will close on 1/3.

FRIDAY: Simmer & Jack renegotiates original terms to acquire Bobsat. It will now pay R10.6-million, not R26-million, through the issue of 7-million shares at 150c. Afex to raise \$3.2-million through an issue of shares 55 for 100 at \$1.50.

Pepkor buys 47% of Smart from Tradegro at 192c, minority offered the same plus the right to 3c dividend. Tongaat-Hulett ends talks with Umfolozi Co-op.

DRY WALLING

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GAZANKULU DEVELOPMENT CORPORATION LIMITED ANNOUNCES

SALE OF THE TOTAL SHAREHOLDING IN THE FUMANI GOLD MINING COMPANY (PTY) LTD

In line with its recent decision to privatise its mining interests the Gazankulu Development Corporation has decided to sell its Fumani Gold Mining Company located in Gazankulu. The sale is to be put out to public tender. The closing date for the submission of tenders is the 22nd March 1991.

Local shipping lines 'forced to buy abroad'

6/18/91 27/2/91
MARC HASENFUSS

SA SHIPPING lines are ordering container vessels from abroad while local shipyards are building similar ships for export — because in both cases export incentives are not available for domestic orders.

Safmarine MD Tony Farr said yesterday a R100m order for a container ship had been placed with a Yugoslavian shipyard.

He said if further fleet replacement was required the East European markets would be favourably considered.

Recently, Unicorn Shipping Lines placed a R120m order with Poland's Szczecin yard for the building of two new container vessels. A group

spokesman said it would have cost Unicorn R50m more if the ships were built locally.

A Dorbyl Marine spokesman said yesterday Dorbyl was building three container ships for export.

"Although the General Export Incentive Scheme (GEIS) claims are available to our shipyard, unfortunately these incentives can only be offered to overseas ship owners wishing to import vessels from SA."

He said Dorbyl experienced difficulty in pricing long-term contracts because of the uncertainty surrounding the incentives over the medium to long term.

Farr believed Durban could eventually compete with international shipbuilders.

He said local shipyards were at present uncompetitive because of the vast number of components that had to be imported.

Shipping analysts said yesterday East European shipbuilders were able to contain costs with the help of government subsidised steel and export incentives. (332)

SA shipbuilders had no government incentives, the steel price was high in relation to other countries and building costs were subject to GST.

Government subsidies to local shipbuilders were discontinued in 1984.

COMPANIES

Better business mix benefits Imphold

MARC HASENFUSS

A BETTER business mix allowing greater efficiencies from operating divisions saw diversified vehicle rental group Imphold Limited lift interim earnings 20%.

Attributable earnings increased to R9,8m (R8,1m) or 1 750c (1 460c) a share for the six months to end December. An interim dividend of 7c (5,8c) a share was declared.

Turnover improved 13% to R315m (R280m) while tighter operating margins saw operating profit increase 23% to R27m (R22m). *610m 28/2/91*

Operating profit was offset by a 40% increase in the tax bill to R11m (R9,8m).

Imphold executive chairman Bill Lynch said conditions in the car rental industry had been competitive because of a fall-off in industry volumes as a result of the weak economy and reduced tourism. Imperial Car Rental, however, gained market share.

Auto Pedigree, which disposes of ex-fleet vehicles, had lower volumes but increased profits, while 50% held Prime Car Leasing grew steadily, said Lynch.

Imphold's motor division saw both new and used car volumes increasing with

parts and services contributing strongly.

The truck systems division achieved improved results, while management devoted considerable attention to asset management and cost control which had a positive impact on the division's performance. "The dedicated transport business performed well despite lower volumes, while casual transport and truck hire were highly competitive in a weak market. However, asset levels were adjusted in line with the situation," Lynch said.

The group's heavy truck franchise was recovering from a difficult period and was in the process of improving its facilities and profits but the full maintenance leasing operations continued to grow steadily. Imphold's new insurance, finance and property division achieved an above average performance. *(332) (245)*

Pyramid company Imperial Group, which has a 74,8% stake in Imphold, boosted earnings 19% to 52,2c (43,9c) a share, and declared an interim dividend of 20,6c (17,2c) a share.

Two cops stabbed, motorists hurt in ^{4/6/45} taxi 'war' ^{1/3/91}

The Argus Correspondent

JOHANNESBURG. — At least two traffic officers were stabbed and many motorists injured in violent clashes in Alberton today sparked off by a traffic blitz on black taxis.

"It's a war out there," said Alberton management committee chairman Mr Johann van der Merwe after the clash between officers and taxi drivers caused "unbelievable chaos" on the R26 and Swartkoppies road in peak-hour traffic.

Unconfirmed reports said the officers were stabbed with knives and motorists injured by stone-throwing passengers from the taxis.

PARAMEDICS BUSY

An ambulance spokesman said a hit-and-run accident was reported on the Swartkoppies road in the midst of the chaos.

It could not be established whether the victim survived.

"We have our hands full with injured motorists and paramedics are trying to stabilise victims," said the spokesman.

Mr Van der Merwe said the clash presumably was sparked off by an incident yesterday when an Alberton traffic officer gave a taxi driver a ticket for an offence.

"The alleged offender got a bit difficult. The officer found out the man had traffic offences outstanding to the tune of R15 000 and arrested him," said Mr Van der Merwe.

The fine was paid yesterday afternoon and the driver released.

The incident led to a blitz by officers on taxi drivers, checking licences and tracking down outstanding fines — a normal procedure, said Mr van der Merwe.

Hundreds of taxis blocked the R26 and Swartkoppies roads and caused major congestion.

When officers tried to clear the way, taxi drivers threw their keys away, said Mr van der Merwe.

ASSEGA AIS THROWN

Tow trucks were called in to remove the vehicles.

Frustrated passengers, angered by the delay and late for work, got out and started stoning motorists.

According to Mr Van der Merwe shots were fired and assegais thrown.

A police task force was called to try to restore order.

An Alberton traffic department spokesman said every available officer had been sent out.

Cops, taxi drivers in highway clash

CAH Times 2/3/91 332-178

JOHANNESBURG. — Police fired birdshot and teargas at some 2 000 protesting black taxi drivers near the town of Alberton yesterday, wounding five, after a riot by the drivers injured at least two traffic officers and many motorists, authorities said.

The scene of the clashes was "just like a little war", said the chairman of Alberton's management committee, Mr Johann van der Merwe, of the rioting along a highway outside the town.

Clashes between traffic officers and taxi drivers broke out when about 2 000 drivers, angry at an overnight traffic crackdown, blocked the R26 highway with their vehicles and threw

away the keys when told to move, police said.

Drivers then began stoning passing motorists, according to police.

"Our information is that five drivers were hurt. The situation is now calm but tense," said police spokesman Colonel Frans Malherbe.

Mr Van der Merwe said he had heard "official reports" of two white traffic officers being stabbed and wounded and "many" motorists being hurt in stone-throwing.

"There have been quite a few injuries among people in passing cars," an ambulance official said. — UPI

No plain sailing at Safren

332
Skr 4/3/91.
Safren hit some choppy waters in the six months to December but still lifted profits 11,3 percent over the same period last year.

The group reported at the weekend that attributable profits for the period were R120 million compared with the previous year's R107,7 million. Earnings per share grew by 10,8 percent to 225c (203c).

Group turnover was only up by three percent at R2,111 billion (R2,050 billion) while operating profit at R383,7 million was up by about eight percent.

Safmarine earnings were up 11,8 percent. Contributing factors were the gold crisis and a declining level of world trade.

The board states the outlook for Safmarine in the next six months is more uncertain than it was during the same period last year.

An interim dividend of 60c has been declared (55c).— Sapa.

2 hurt in violent clash between rival taxi groups

Staff Reporter

TWO Western Cape officials of the South African Black Taxi Association (Sabta) were wounded in Nyanga yesterday when their car was raked with gunfire as they tried to intervene in a violent clash between rival taxi groups.

At least two mini-bus taxis were burnt out in the area and police fired birdshot to disperse a crowd of about 30 men that attacked two drivers with pangas, knobkerries and axes at the Nyanga taxi terminus.

In the earlier incident, Sabta's provincial vice-chairman, Mr Clement Ramatlakane, was hit in the hand and Mr Simon Bonga in the shoulder when five or more shots were fired at their car.

Both men, who are also execu-

tive members of the Western Cape Black Taxi Association (WCBTA), were treated in hospital before being discharged.

Police liaison officer Major Jan Calitz said two men were later arrested in the area for illegal possession of a .308 revolver. No injuries resulting from police action were reported.

The provincial secretary of Sabta, Mr Billy Daniels, told the Cape Times the dispute appeared to be between drivers of WCBTA and the Langa/Guguletu/Nyanga (Lagunya) taxi association over a new rank in Site C, Khayelitsha.

He said both organisations were affiliated to Sabta and the dispute was "definitely not between the leadership, but lower in the ranks, at driver level".

Lagunya drivers at the Site C

rank said they were attacked yesterday morning by WCBTA members who accused them of stealing their customers by opening the new rank on Monday, in competition with the nearby Nyanga rank.

They said two of their mini-buses were burnt out, another was damaged by stoning and a fourth hi-jacked by rival drivers.

The owner of one of the burnt vehicles, Mrs Mildred Tshukuse, said her driver was stopped in Klipfontein Road, near the Lusaka squatter camp.

Rival drivers fired shots and set the taxi alight when her driver ran away, she said.

Mrs Tshukuse added that the new vehicle, which was not carrying any passengers at the time of the attack, was her sole source of income.

Black taxi success story has its snags

By Paul Browning

Ten years ago there was just a handful of kombi-taxis in South Africa. Today, as every road user knows, there are tens of thousands.

The black taxi has been one of the great success stories of the economy — a glowing example of free enterprise at work.

The taxi industry has created jobs and income in an era of high unemployment. It has developed a community-based alternative to the big bus companies.

The taxi is unsubsidised; government is currently planning to reduce bus subsidies largely because the taxi provides an effective alternative. In the mid-1980s, when private car sales dropped dramatically, sales of

kombi-size vehicles kept some manufacturers in business.

The largest group is the SA Black Taxi Association (SABTA). It comprises over 400 "grassroots" local associations grouped into regional associations, which negotiates with suppliers and government.

But the black taxi has also created problems ranging from accidents and poor road behaviour to violence in the form of "taxi wars".

What was once seen by the public as an excellent example of entrepreneurship is now often regarded with fear and distaste.

That certainly applies to other road users, but is increasingly the case among commuters who use the taxis. The letters column of papers like the Sowetan are regularly filled with complaints about rude and

dangerous taxi drivers.

The problems are being tackled on the one hand by bodies such as SABTA and on the other by government and local authorities, especially traffic officers. A Taxi Safety Action Group has been set up and will be chaired by the CSIR's Division of Roads and Transport Technology, with the National Road Safety Council and the Automobile Association.

The private sector, too, is playing a role. Vehicle manufacturers, oil companies, insurers and others have all chipped in with funds for research and development. Efforts are hampered, however, by the very structure of the industry which led to its growth in the 1980s.

Taxi owners are individual entrepreneurs. They get together in the form of associations at local level to deal with problems such as allocation of rank space, negotiations with authorities and so on, but the association has little power over its members.

Those who do not like the decisions reached may simply leave the association and set up a rival association, leading to conflict.

This loose structuring makes it difficult to get reliable facts and figures about the industry. For example, it ought to be easy to find out how many taxis there are — but estimates range from more than SABTA's 130 000 to an independently researched 55 000.

The chances are that the true figure lies between those two extremes.

The public tends to see the problems of taxi operation as being created by the driver. Certainly, the driver is in charge of the vehicle but he is

not always — or even usually — the owner.

This is one of the most significant changes to have occurred in the taxi industry. Back in 1977 when the kombi-size vehicle was first legalised for use as a public transport vehicle, the most common format was the Owner-Driver. The taxi was a means of self employment.

However, as the taxi became entrenched in the black community, it became increasingly seen as a means of investing one's savings in a sure-fire cash generator.

Many whites also saw the opportunity, and also placed taxis on the road.

There was (and is) no shortage of drivers. The basic qualification — being able to drive — is widespread, and the unemployment figures remain high.

So today, the most common format is for the owner to buy the vehicle, hire a driver, and send both out to earn money. This arrangement is the root cause of many of the problems the taxi faces today.

There is little or no management as in a formal sector company. There are "rank marshals" to keep order at the taxi ranks, and to ensure that taxis take their turn and do not jump the queue. The marshals sometimes also ensure drivers wash and clean their vehicles during layover periods.

But there is no management to ensure discipline on the road, to provide training, to ensure that the owner gets the best return from his investment.

This is compounded by the fact that the industry is run almost entirely on a cash basis.

● To Page 22.

SA taxis' success and snags

● From Page 21

Sometimes a driver gets a wage, sometimes a commission on takings — but they all have the same drawback. The driver takes cash from the customer, and hands it over to the owner.

The effects are predictable. The owner knows how much he can expect to receive. If the driver can get more than that, the extra is his.

Another problem is that the owner is unlikely to get a proper return on his investment. At a time when there are more and more taxis and when costs are increasing at more than 20 per cent a year, the result is an increasing number of business failures.

This makes it more difficult to suggest that he incurs further costs in driver training, regular maintenance, etc.

If the taxi industry is to improve its performance, therefore, it must begin to make more effective money.

There are many other transport needs which can be met by taxis and many of them occur outside commuter peaks. They include services for tourists, transport for staff on shift work. But only if taxi owners can seek contracts, employ managers and institute accounting systems to ensure that income is protected. The associations are the obvious route to this ideal.

The Toyota Taxi Business Circle has been set up to help the taxi industry by:

- Improving business skills and knowledge of owners, and
- Assisting the owners to find new and profitable uses for their vehicles.

Township taxi war still 'tense'

By CHRIS BATEMAN

TENSION remained high between two warring township taxi associations yesterday as the dispute over a new rank in Site C, Khayelitsha continued unresolved, with one unoccupied taxi cut up with a blowtorch and stripped in Nyanga.

The dispute, sparked by the opening of the new rank by the Lingcross (Lingelethu West/Crossroads) Taxi Association, resulted in the shootings of two senior officials and the burnings of four minibus taxis on Tuesday.

The dispute is between the Lingcross group and members of the Western Cape Black Taxi Association (WCBTA).

South African Black Taxi Drivers' Association (Sabta) regional

vice-chairman Mr Clement Ramatlakane and Mr Simon Bonga were wounded in the hand and shoulder respectively when their car was raked with gunfire as they were trying to resolve the dispute.

Reliable township sources said yesterday that an unidentified man was also shot in the back and wounded and two more taxis torched overnight in Site C.

There were reports of a large group of unidentified taxi drivers heading yesterday towards Strandfontein beach where they were going to have "discussions", one township source said.

It could not be established if these were peace talks or not.

A former chairman of the La-

gunya Taxi Drivers' Association (to which the Lingcross association is affiliated), Mr Mac Nonkonyane, said the dispute was territorial and seemed to him "a long way from resolution".

No taxis were running in Khayelitsha yesterday and the service was "sporadic" in other townships.

The Lingcross association has strong ties with supporters of Khayelitsha's mayor, Mr Makhaza, whose stronghold is in Site C.

Khayelitsha town clerk Mr Graham Lawrence expressed concern at the lack of a township taxi service, as it "always increases general tension".

Police said no incidents were reported yesterday.

New bid to end taxi feud

By Musa Ndwandwe

COMMUTERS were the worst hit in a fresh outbreak of violence among black taxi owners in Cape Town this week. *South 713-13/3/91*

Residents were left stranded at empty terminus points in Langa, Guguletu, Khayelitsha and Crossroads townships. They were also under constant threat of being struck by stray bullets as rival taxi groups attacked each other.

According to Mr Gladstone Ntamo of the Western Cape United Squatters Association, civic bodies and community organisations are concerned about the frequent outbreaks of violence among taxi owners.

At least two men were injured by gun fire in Nyanga on Tuesday when the car in which they were travelling was attacked.

Mr Clement Ramatlakane and Mr Simon Bonga, both officials of the Western Cape region of the South African Black Taxi Association, were treated in hospital.

There were also reports that two minibus taxis were burnt out in the area.

"We have been approached by representatives of the Athlone taxi operators who urged us to take steps to end the war," said Ntamo.

However, organisations in the affected township were already preparing for a meeting with the rival groups.

"We feel this affects the whole community and are arranging to bring the groups together as a matter of urgency."

The dispute has been sparked off by the opening of the new taxi rank in Site C, Khayelitsha, by the Lingcross Taxi Association.

Lagunya Taxi Association members accused the Lingcross operators of interfering with their routes and poaching their customers.

Sabta officials could not be reached for comment.



Commuters stranded as taxi war continues

11/6/91
7/3/91
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Pictures: LEON MÜLLER, The Argus.

NEW TERMINAL: Members of the Lingeletu Taxi Association at the new terminal that sparked the fight between rival taxi associations.

By EDWARD MOLOINYANE, Staff Reporter
TOWNSHIP commuters were stranded again today as the taxi war entered its third day.

There were no minibuses at township ranks and commuters formed long queues at bus stops. Taxi operators said there were "no new developments".

The violence between the Lingeletu Taxi Association and the Western Cape Black Taxi Association was sparked by failure to reach agreement about rescheduling routes after the opening of a new rank in Khayelitsha, said Lingeletu chairman Mr John Pekula.

A number of drivers and two officials of the WCBTA were shot and injured, several minibuses were damaged and hundreds of commuters were left stranded.

Mr Pekula said the feuding centred on the opening of a rank by his association in Site C, Khayelitsha.

"The community requested that we transport them direct to their places of employment in Cape Town, Bellville and Wynberg and do away with changing taxis in Nyanga," he said.

The community "felt strongly" about the issue because they were paying "double" to travel to these areas.

"For instance in the prevailing arrangement a single trip from Khayelitsha to Bellville costs R4 because you have to catch another taxi in Nyanga. Under the new arrangement a direct trip to Bellville will cost R2.

"The idea is that commuters should pay less because they support us by using our taxis."

Mr Pekula said talks with the WCBTA had been held before to discuss his members plying the Bellville, Cape Town and Wynberg routes.

"We said to them that they were free to use our rank."

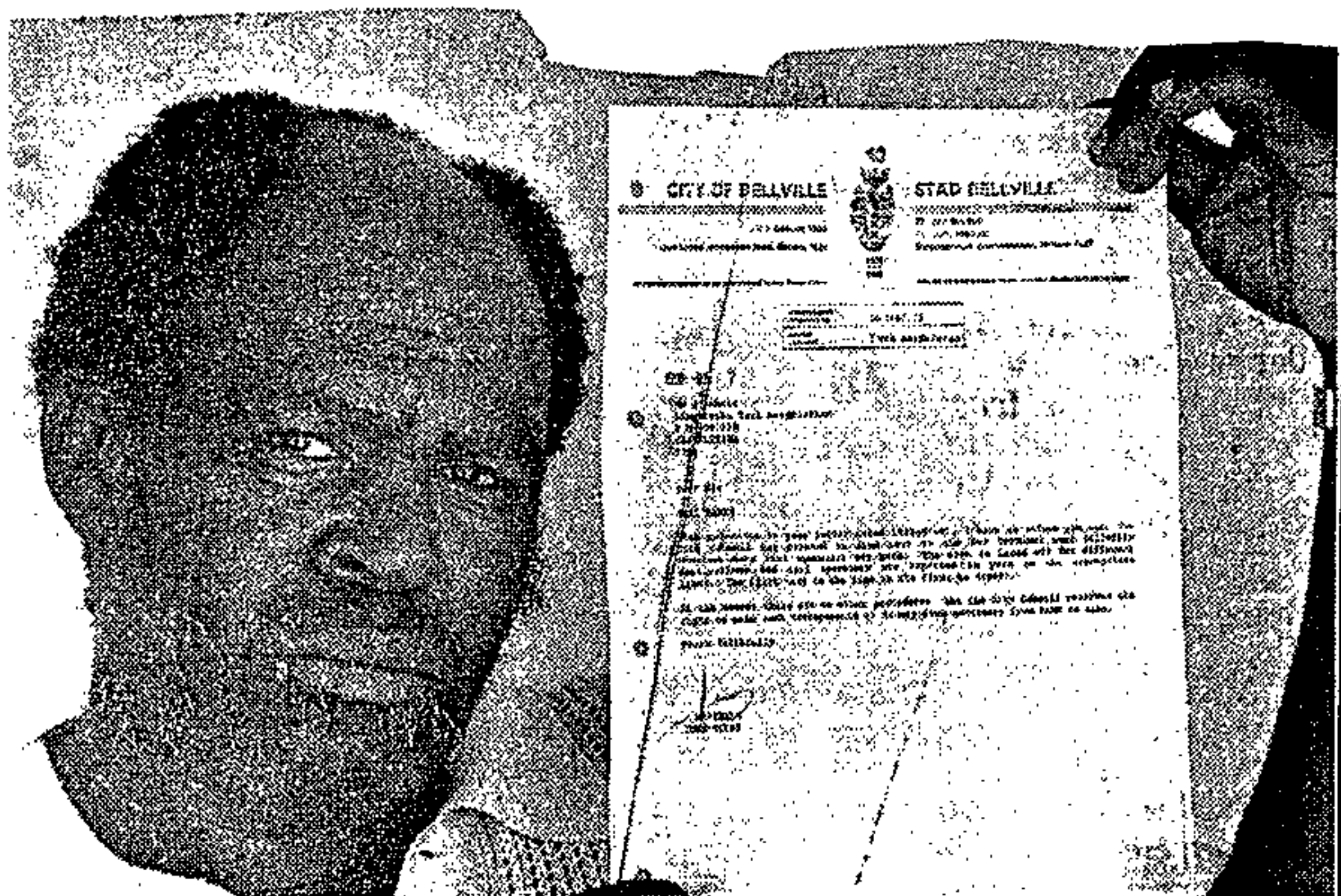
However the WCBTA objected to his drivers operating on their routes.

He said the violence erupted after two drivers of his association were assaulted in Claremont and Bellville on Tuesday morning.

The new Site C terminal, a sheltered structure with public toilets outside and service station about 50 metres away, had been constructed by an oil company.

He said three vehicles were damaged, four were burnt out and shots were fired.

He said there were no immediate plans to resolve the dispute "but we are always ready to talk".



PARKING PERMIT: Association chairman Mr John Pekula shows a letter granting his association permission to use part of a rank in Bellville last year.

Unicorn to start European line

CMA 7/18 7/3/91 (332)

By AUDREY D'ANGELO
Business Editor

UNICORN Shipping Lines is looking into the possibility of starting a cargo liner company in Europe, MD Mike Meehan announced in Cape Town yesterday.

On a visit to the Unicorn operation in the city, Meehan said that instead of selling the coastal ships Breede and Berg — due to be replaced by two larger container vessels now being built at a Polish yard — the company was considering using them to start a new service in Europe.

Meehan emphasised that no route, name or headquarters had yet been chosen for the new line. The project was still at the investigation stage.

But he expected a lot more movement of cargo when the unified European market came into being in 1992.

The new Unicorn line would probably trade only in Northern and Western Europe. Trade with Eastern Europe could lead to language and other difficulties.

Meehan said that markets in Africa, where Unicorn had been trading for 25 years, were already opening up with increased movement of cargo.

Unicorn was now taking substantial amounts of cargo to Angola, by inducement, although it had not yet started a regular service.

He thought SA would soon be playing a leading role in the SA Development Conference (Sadecon).

In spite of the Organisation of African Unity (OAU) official support of sanctions, most of the countries belonging to it had never stopped trading with SA. But he expected this trade to grow rapidly now that doing business with this country was considered more acceptable.

Unicorn also saw more scope for employment of SA officers and crew and was expanding its training programme.

In recent years, SA lines had been obliged to employ officers and crew of other nationalities because South Africans were not welcome in some countries.

This was changing and he thought SA crews would probably be able to earn valuable foreign exchange by working for ships of other nations.

Taxi war brings threat of boycott

Cape Times 8/3/91 332

Staff Reporter

A CALL to boycott township taxis was made yesterday in the wake of the taxi war which has virtually brought taxis to a stop.

The Western Cape Civic Association (WCCA) said it would initiate a consumer boycott of all taxis by the end of next week.

WCCA chairman Mr Michael Mapongwana said the Khayelitsha branch of the WCCA decided in principle on Wednesday night to institute a boycott as "tens of thousands of residents are being negatively affected".

However, he emphasised that

other civic zones had yet to decide before the boycott was instituted.

He asked why the rival taxi associations (Lingcross in Site C, Khayelitsha and the Western Cape Black Taxi Association) had not approached a multi-organisation monitoring committee set up last year.

The dispute centres on a new taxi rank set up by Lingcross in Site C and has resulted in three people, two of them senior taxi organisation officials, being shot and wounded and at least six taxis burnt or damaged.

In four separate incidents they believe may linked to the taxi war, police arrested eight men in

Guguletu, Nyanga and Khayelitsha on Wednesday for possession of unlicensed firearms.

A police spokesman said two mini-bus taxis were stolen on Wednesday, one in Philippi and the other in Old Crossroads. In both cases the drivers were stopped by groups of men who threatened them with firearms before driving off in their vehicles.

Spokesmen for the taxi associations could not be reached for comment.

Several township commuters phoned the Cape Times yesterday to express anger at lack of a taxi service and at the "selfish" taxi operators.

Politics, punchups in taxi industry

Special Correspondent

TWO major rival taxi associations have joined in condemning the Department of Transport for issuing too many taxi permits which, they say, is driving a wedge between them and hampering control of the industry.

They accuse the Department of Transport of trying to suppress the multi-million and minibus taxi industry by promoting splits between the two dominant taxi associations with the issuing of thousands of permits each month.

The industry is now effectively dominated by the South African Black Taxi Association (Sabta) and the Southern Africa Long Distance Transport Association

(Saldta). *10/3/91. 332*

The 50 000-member Sabta is affiliated to the Foundation for African Business and Consumer Services (Fabcos) while Saldta is affiliated to the National African Federated Chamber of Commerce and Industry (Nafcoc) through the year-old National African Federated Transport Organisation (Nafto).

Two loads of firearms for Sabta members were recently intercepted by the police on the East Rand and according to informed people within the transport industry this could be the beginning of a large-scale action to arm members.

Although neither of the associations wants to be linked to a particular political grouping, it is generally known within the

industry that Nafto has strong links with the ANC.

Fabcos seems to take a more neutral stand, although overtures are being made towards the ANC.

A large white presence, however, appears to be an obstacle in Fabcos' endeavour to become more acceptable to a black political grouping.

James Chapman recently resigned as managing director of Sabta and also as consultant and joint managing director of Fabcos Marketing.

Said Chapman: "For three years I have misled Sabta members by convincing them to negotiate with the Department of Transport so as to be recognised as the mouth-piece of the minibus taxi industry.

"However the personnel concerned at the Department of Transport have changed continuously and, in fact, just before we could reach a final agreement on recognition the Department changed the requirements for recognition.

"Sabta is now of the opinion that in view of the changing goalposts an agreement with the Department on such a basis is impossible and order within the industry cannot occur," he said.

Chapman stressed that Sabta was not opposed to the recognition of other taxi associations, but only insists on firm requirements for recognition.

Requirements for recognition were discussed recently by Sabta and Saldta with George Bartlett, Minister of Transport, Public Works and Land Affairs, who indicated that the Department "would recognise all taxi associations with a relatively large membership as long as the guidelines are being adhered to".

The question is now whether the Department of Transport has negotiated with the minibus taxi industry in good faith.

According to Saldta, Sabta is being favoured by the Department, although the relationship between Sabta and the Department has cooled off since Sabta went over the head of the Department and the Minister by asking for a meeting with State President FW de Klerk.

Chapman said he resigned because Sabta could no longer control its members and neither he nor the association could identify with the large-scale taxi war he believes is now threatening.

The murder of Pat Mbatia, executive member of Sabta's management, in particular has stirred emotions within Sabta to boiling point.

"Should Sabta take action it will be on a national scale. The streets of Johannesburg will be cleaned and Sabta's taxis will come to a halt in cities all over the country to prove that Sabta is a force to be reckoned

with," Chapman said.

Peter Rabali, Nafto's chairman, says Nafto deserves to be recognised by the Department of Transport and will fight for recognition. "Nafto belongs to the people and when the government recognises this it will have to open its doors."

Prof Louise Tager of the Law Revision Project and adviser to Saldta, said: "Taxi drivers have the right of free association and to decide for themselves to which taxi group they want to belong.

"Saldta has a right to exist, like all other taxi associations. It is also clear that the taxi industry is better organised when taxi drivers belong to a taxi association," she said.

Jan Prinsloo, a member of a standing committee of the Department of Foreign Affairs and the Department of Constitutional Development who has been researching the minibus taxi industry for the past two years, said the general contention within the industry was that whites should withdraw and the black taxi market be given the opportunity to develop the industry alone.

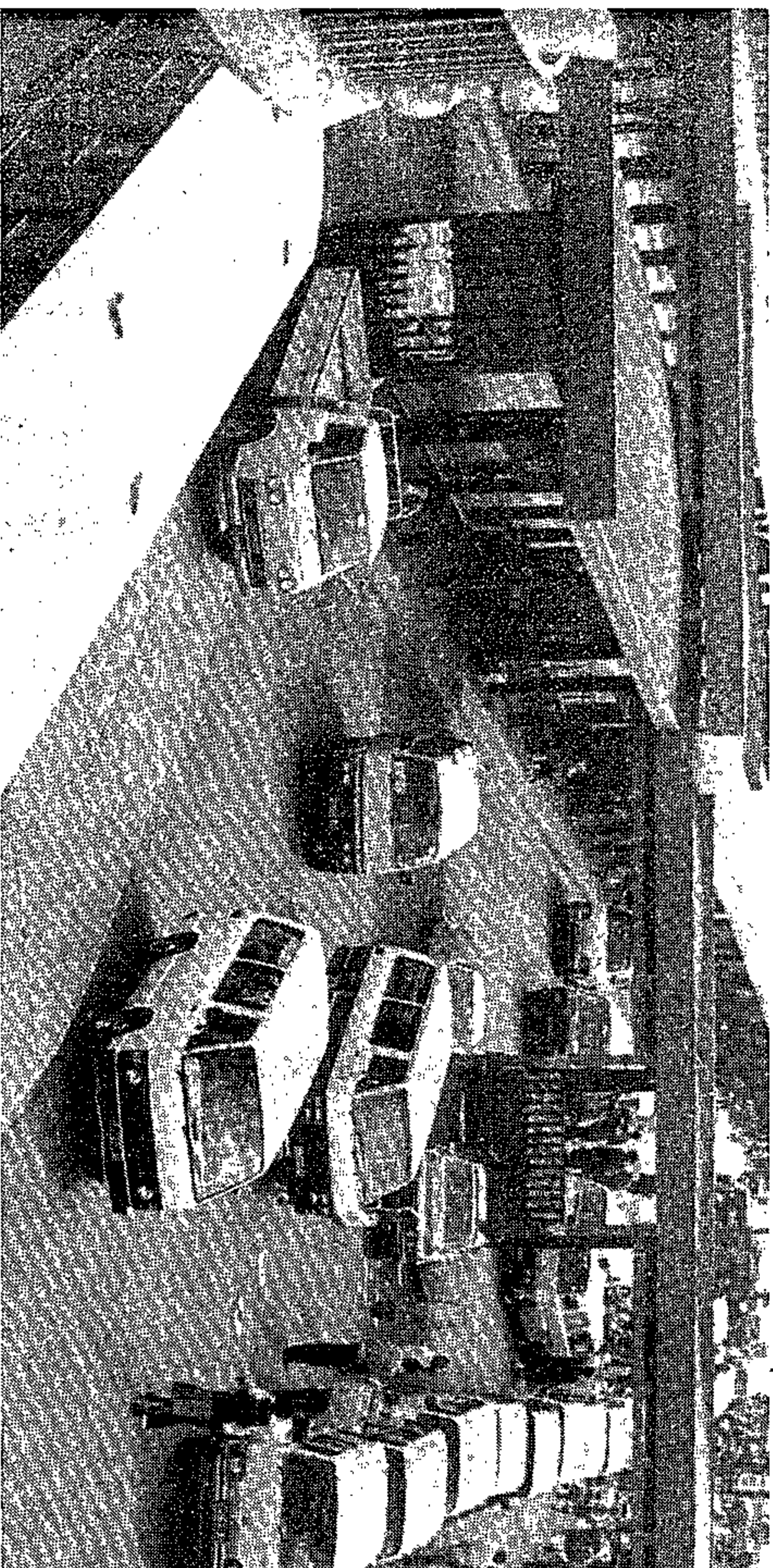
The foreign connections of taxi groups are, however, contrary to ANC policy, which contends that black businessmen should not — in accordance with the ANC's sanctions policy — liaise with businessmen in neighbouring countries.

Mabuza has confirmed that the ANC and Sabta have clashed in this regard.

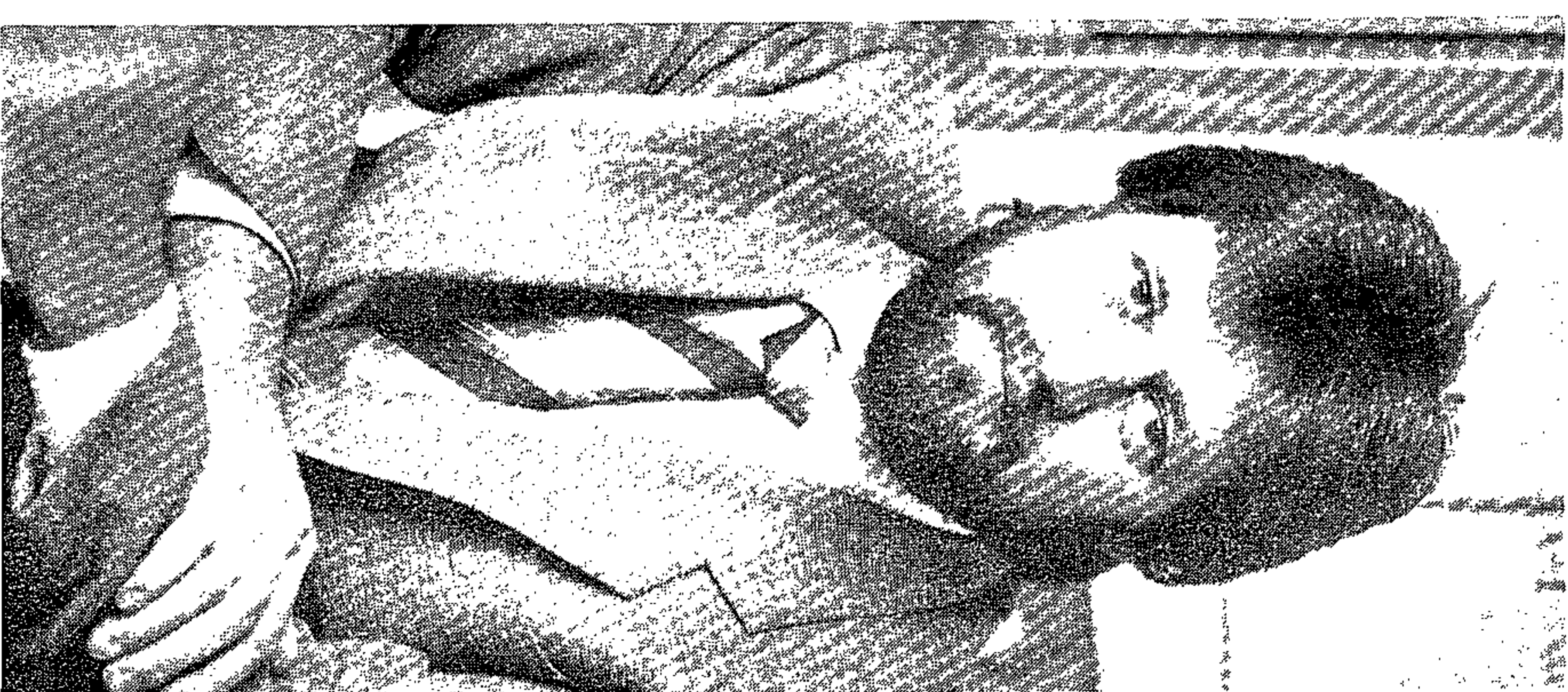
"Sabta already has connections in Mozambique, Windhoek and Harare and perceives the neighbouring countries as being new markets to expand the transport network in Southern Africa."

Nafto is also establishing new routes to Swaziland, Namibia, Zimbabwe and Maputo and it will be interesting to see how the ANC reacts to this.

Large companies related to the taxi industry are already supporting one or other of the two taxi groups.



Taxis . . . the country's cheapest means of transport. But the industry is troubled with political undertones, complaints of government interference and predictions of another taxi war looming in Johannesburg.



James Chapman . . . agreement with Transport Department impossible.

Passenger shot dead as taxi war continues

By EDWARD MOLOINYANE
and DON HOLLIDAY
Staff Reporter

ONE man has been shot dead and several others injured in violence involving black taxi drivers and passengers in the Peninsula in the last 24 hours.

In Khayelitsha, a minibus passenger was shot in the head and killed when gunmen opened fire on the minibus last night.

The man, 42, believed to be from Khayelitsha, has not been identified.

Taxi driver Mr Gciwunzi Minini, 45, told police he was driving in Meeu Road, Khayelitsha, about 9pm when three shots were fired at his vehicle from a car driving behind him.

One shot hit the passenger in the head. Mr Minini lost control and crashed into a pole. He was not injured.

At the Nyanga terminus today, three people were injured when gunmen fired at taxis in the ranks.

Injured in today's shooting were drivers Mr Goodman Ndongeni and Mr Japan Roro, and a male passenger.

Taxi drivers, who were still clustered in nervous groups around the terminus, said about four gunmen opened fire randomly on vehicles loading passengers for Cape Town and Bellville. About 11 minibuses were badly damaged.

A driver who did not want to be identified said: "It was a miracle that no one was killed."

Witnesses said the injured were taken to hospital. Mr Roro had been shot in the right side of the chest and Mr Ndongeni and the passenger in their legs.

The situation at the taxi rank was still tense at noon today. A small contingent of police was standing by.

The war between the Lingeletu Taxi Association and the Western Cape Black Taxi Association erupted last week after a dispute over the opening of a new rank by the Lingeletu Taxi Association in Site C, Khayelitsha.

● Taxi driver Mr John Daniels, 56, was held by five men, one armed with a shotgun, in Spine Road, Rocklands, Mitchell's Plain about 9.10pm last night and robbed of his taxi worth R32 000.



Picture: ANDREW INGRAM, The Argus.

NARROW ESCAPE: Taxi driver Mr Ndotyeni Phindani in his minibus, the windows of which were shattered by a volley of bullets in Nyanga today.

Charred body found as taxi war rages on

By DON HOLLIDAY and
EDWARD MOLOINYANE, Staff Reporters

THE charred body of a Crossroads taxi driver has been found in the boot of a burnt-out car as the black taxi war continues.

This is the second violent death in taxi clashes this week, which may lead to a boycott of taxis.

A man reported to Nyanga police station at 7pm yesterday that his brother, Mr Sandi Luwazi, a taxi driver, had been abducted from his Crossroads home by unidentified men who drove away in a car.

Twenty minutes later a burning car was spotted at a Nyanga taxi rank. Police said it fitted the description of the car driven by the abductors. They extinguished the flames.

15 DOCKETS OPENED

In the boot they found a badly burnt body, later identified as that of Mr Luwazi.

Police have opened 15 dockets relating to the taxi violence since the weekend.

Three men are being treated in Groote Schuur Hospital for injuries from the fighting.

Last night police patrolled the townships, stopping and searching vehicles.

Six unlicensed firearms and several rounds of ammunition were recovered. Eight men were arrested but it was too early to say whether the firearms were linked to the current violence, a police spokesman said.

PASSENGER SHOT

A taxi passenger was shot in the head and killed on Monday night in Khayelitsha.

A boycott of township taxis is on the cards after the collapse of mediation efforts at the weekend. An agreement between the Western Cape Black Taxi Association and Lingeletu and Langunya Taxi Associations failed when renewed fighting occurred on Monday.

The talks had been organised by the Western Cape Hostel Dwellers' Association and the Western Cape United Squatters' Association on Saturday and Saturday.

Spokesmen for the Western Cape Civic Association and the squatter and hostel associations confirmed today that community meetings had "agreed on a boycott in principle".

'Boycott taxis' call

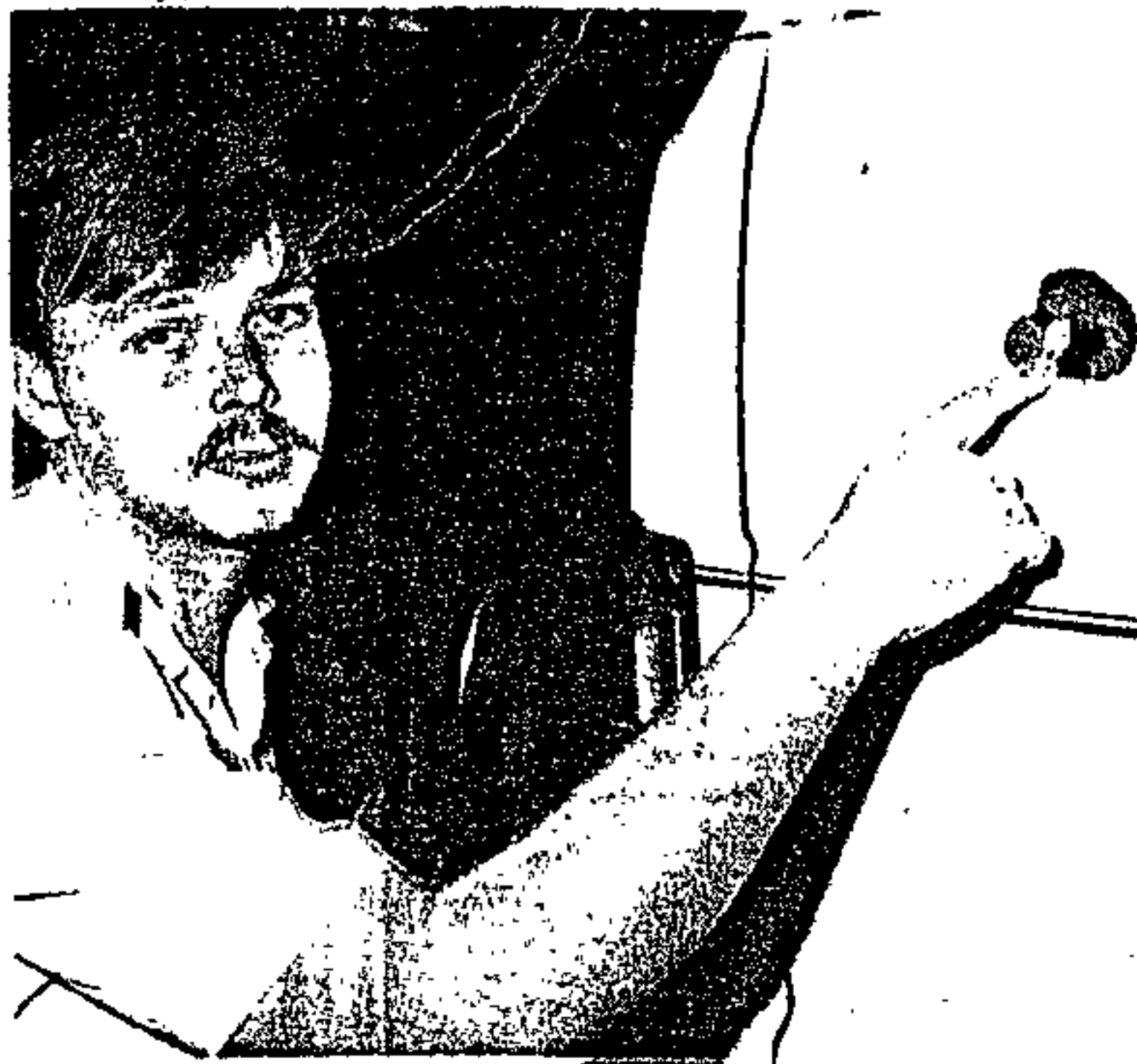
CVT TMTS 13/3/91
BLACK taxis should be boycotted for one month to "punish the owners" for the violence the drivers were causing, it was decided at a community meeting in Uluntu Centre, Guguletu, last night. The boycott should be launched also to "bring the taxi drivers to their senses on other issues like safety of passengers and ridiculously high fares", the meeting decided.

The decision will be taken to a mass meeting on Sunday for ratification.

Several speakers said the owners were doing "absolutely nothing" about dangerous drivers.

● Man dies as taxi war flares — Page 2

CAPE TOWN
Tuesday, March 13 1991



TAXI ATTACKS ... Constable J Schelhase (left) indicates where a bullet struck, injuring a driver, in a pre-dawn attack at the Nyanga terminus. A taxi was also gutted at the Nyanga terminus in the afternoon during ongoing fighting.

Pictures: OBED ZILWA

Man dies as taxi war flares

By CHRIS BATEMAN

A PEACE agreement between warring township taxi organisations lay in tatters yesterday after a 42-year-old passenger was shot in the head and killed in Khayelitsha and three drivers were injured in a separate attack at the Nyanga terminus rank.

The unidentified passenger died instantly on Monday evening in a taxi driven by Mr Geinuzi Manini, 45, in Meeu Drive, Khayelitsha.

Police said three shots were fired from a car behind the taxi.

In a subsequent pre-dawn attack yester-

day shots were fired at WCBTA members and eight taxis were smashed at the Nyanga terminus rank. The three drivers were admitted to Groote Schuur Hospital, one in a serious condition.

Early yesterday afternoon violence flared again at the rank when a taxi was hijacked and burnt out.

Police said they had opened 11 dockets yesterday — including public violence, attempted murder, malicious injury to property and armed robbery — from the pre-dawn attack alone.

The peace agreement was brokered by the Western Cape Hostel Dwellers' Association (WCHDA) and the Western Cape

United Squatters' Association (WCUSA) on Saturday.

Taxi groups agreed to stop using the controversial new Site C taxi rank and to lay down their arms and return to sleeping overnight at their homes.

The killing of the taxi passenger has angered township residents and given momentum to a Western Cape Civic Association (WCCA) initiative to institute a lengthy boycott of the warring taxi drivers.

Mr Roseberry Sonto, WCCA secretary, said it was now "paramount to find a way in which the community can control these taxi associations".

He praised the WCHDA and WCUSA for their groundwork.

Thousands stranded as buses are withdrawn 332 Soweto 13/3/91

CHAOS reigned in many areas around Pietersburg yesterday morning as workers battled to get to work after the Bahwaduba Bus Service (BBS) stopped operations on Saturday.

The action by BBS, owned by Zion Christian Church leader, Bishop Barnabas Lekganyane, followed a boycott of its buses in vital areas since December after a fare increase.

BBS manager, Mrs S Macleans, confirmed yesterday that the company had folded up but denied it had been sold to a white consortium.

The withdrawal of the buses, which is in conformity with calls by commuters in many areas, left many with no means of getting to work yesterday.

By MATHATHA TSEDU

The move affects a wide area spreading from Botlokwa, Bochum, Duiwelskloof, Mankweng, Dikgale, Solomondale and neighbouring areas.

The chairman of the Far Northern Transvaal Transport Coordinating Committee (FNTTCC), which is an umbrella of transport committees in many areas, the Rev KE Leputu, said yesterday that his committee would meet with Lebowa Transport this morning to discuss a takeover of the routes.

Leputu said the FNTTCC was attending to the problem of commuters urgently and would also discuss the increase in Government subsidy.

Taxi merger could end war

By DANIEL SIMON

A MERGER between three city black taxi associations would end the ongoing taxi war, the Western Cape Civic Association (WCCA) said yesterday.

And WCCA chairman Mr Michael Mapongwana said yesterday that if the three taxi services involved in the war refused to comply with the WCCA initiative, a "mandate" would be sought from various township communities which could result in a one-month boycott of these taxi services.

He added that the move would entail a one-month suspension of operations by the Western Cape Black Taxi Association and the Lingeletu

and Langunya Taxi Associations to allow a working committee to establish the new controlling body.

The WCCA proposal, which has not been officially announced, follows the renewed outbreak of the taxi war on Tuesday. So far two people have died and three have been hurt in the fighting.

Commenting on the violence, Lingeletu West Town Clerk Mr Graham Laurence said the dispute appeared to be between the Western Cape Black Taxi Association and the Langunya Taxi Association over the use of a newly built depot in Site C Khayelitsha.

Cart
Taxis
14/3/91
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Truck-hire operators back on right track

S1 Times 17/3/91

THE deregulation of the transport industry will open up major growth areas for the truck-hire market, but conditions in the next 12 months will remain difficult.

Truck hire presently has about 5% of the total transport sector, but it has matured as an industry and has a major role to play in the future of the transport industry, says John Pearse, managing director of Bataleur Transport Holdings, which now controls Fleetrent, Perkins Truck Hire, Supreme Truck Rental and Fleet Car Hire.

Mr Pearse and Nedfin Bank recently acquired the truck and car hire interests of the McCarthy Group for R19-million.

At the time of the sale, McCarthy Group chairman Brian McCarthy said nobody was making money on casual truck rentals, although contract deals were more profitable. (252) 332

"We were making totally unsatisfactory returns, hence the reason for the sale," he said at the time. (252)

Since acquiring the additional interests, Mr Pearse has introduced a number of cost-cutting exercises which he believes will improve profitability.

These include staff reductions, a restructuring of financing of vehicles, security cost cuts, an improvement in management information systems, a reduction

By DON ROBERTSON



JOHN PEARSE: Cost-cutter in the size of the fleet and insurance cost cuts.

Mr Pearse believes that after the current, difficult 12-month period, the industry will flourish and he expects growth of between 20% and 25% a year. The Full Main-

tenance Lease concept for trucks is expected to grow at a faster rate.

"Soaring vehicle prices are driving the FML sector to new heights. Last year there was a 25% growth in FML as companies, looking to maintain liquidity in uncertain trading conditions, tried to take expensive in-house fleets off the balance sheet," says Mr Pearse.

Bataleur has about R100-million invested in vehicles, which Mr Pearse says would have cost about R15-million in 1985.

"Costs have escalated to such a degree that a company can no longer afford to keep its own trucks standing idle in the yard. This is where truck hire companies offer a better, cost-effective alternative."

In 1981, when Mr Pearse established Fleetrent, it cost R10 a day to hire a one-ton truck and 10c a kilometre. Today it costs R77 a day and 77c a kilometre, he says.

"In 1991, I can purchase six eight-ton trucks for the same price I paid for my first 100 vehicles in 1981 — 12 of which were eight tonners."

After due research, it has been decided that the three truck rental divisions will operate independently.

New transport control system gets into gear

The Midrand Transport Association, the first of its kind in South Africa, will be established tomorrow.

The aim of Midtran is to promote the establishment, maintenance and monitoring of transport systems in the area and is in line with government policy to encourage Regional Service Councils to become involved in transport matters.

The association, which will be launched by George Bartlett, Minister of Transport and Public Works and Land Affairs, will concentrate on co-ordinating passenger services, arrange new services and assume responsibility for the monitoring and con-

Business Times Reporter

trol of public transport service contracts.

The main objective is to ensure that the community's transport system is effectively and efficiently managed.

All employers who conduct business in the municipal area will be eligible for membership. Services provided will be financed by membership and management fees.

Midtran will also levy a fee of 2,5% of the monthly contract managed or administered by it.

11/13/91
Business Times

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Boatyard beats the world

A CAPE TOWN boat-builder has won an overseas contract to build the largest production yacht in the southern hemisphere in the face of strong international competition.

A feasibility study conducted by the investor — a Guernsey-based company — looked at all major boatyards and found that Cape Town produced boats of outstanding quality at competitive prices. The company has invested R2,6-million in the operation.

Phil Southwell, designer of the Richleigh 63 — a 20-metre production charter yacht — says that work on the mould has already begun at the Robertson and Caine yard in Epping. The first of the upmarket vessels is expected to be completed by mid-1992.

□ VIEWPOINT

'Statutory control will solve the taxi muddle'

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17/3/91

THE minibus-taxi industry has grown in leaps and bounds over a relatively short period – spanning no more than a decade – to become dominated by the Southern African Black Taxi Association (Sabta) and the Southern African Long Distance Taxi Association (Saldta).

Many commentators claiming an in-depth understanding of this complex industry have hitherto, both wittingly and unwittingly, done untold harm to the growth of this industry.

It is true that the industry has been plagued by fatal rivalries, exaggerated claims, rumours, innuendos and unsubstantiated allegations.

An article in *City Press* last week under the headline "Politics, punchups in the taxi industry" quotes anonymous "informed people" in the transport industry alleging that "two loads of firearms (destined) for Sabta members were recently intercepted by the police on the East Rand".

The article alleged this could be the beginning of a large-scale action to arm members.

It is surprising the author chooses not to indicate whether the police have confirmed this incident.

The article's claim that Fabcos, of which Sabta is an affiliate, is making overtures to the ANC, is put into perspective by Fabcos General Secretary Joas Mogale.

"Fabcos is a politically non-aligned organisation which maintains an open-door policy towards all political players and encourages its members to feel free to participate in their individual capacities within any political party of their choice," says Mogale.

Such false allegations in the media are extremely serious and can fuel petty personal and localised disputes which can then turn into serious conflicts and rivalries which have been a sad feature of the taxi industry.

What needs to be clarified beyond doubt is the fact that Sabta and Saldta have sought recognition from the government in the hope that such recognition will enable them to influence the government to establish the necessary mechanisms that will lead to effective control of the industry.

It is in this light that Chapman's resignation as national advisor to Sabta should be understood. Further, the bad faith of the Department of Transport in

The Department of Transport was reported last week to be issuing too many taxi permits, which is leading to lack of control in the country's taxi industry. TEBELLO RADEBE, on the political desk of the giant Foundation for African Business and Consumer Services (Fabcos) replies to a number of questions raised by an article in *City Press* last Sunday.

negotiating with the taxi industry can be seen clearly, not just in the flood of taxi permits that are being issued indiscriminately, but also in its support for the government's plan to deregulate the industry.

This is taking place at a time when many black communities are increasingly trying to exert some form of control over the taxis in their areas through civic organisations and other bodies.

The communities are seeking such direct control at a time when the government recognises its failure and attempts to renege on its responsibility by hiding behind the curtain of a supposed deregulation because its regulations are already of no consequence or effect. Nafto's Peter Rabali says: "The National African Federated Transport Organisation belongs to the people and when government recognises this it will have to open its doors."

Such recognition should be expected to lead to solutions. But it will not, as indicated by Chapman's resignation over the "changing goalposts" within the Department of Transport.

What Sabta, Nafto, and its affiliate Saldta, ought to work for, is not just recognition, but statutory control of the industry.

Statutory control will force the individual taxi operator to comply with a set of regulations in an environment where he or she will be free to belong to any grouping of his or her choice.

It is only within such an environment that accidents and the internecine strife within the industry will be effectively controlled.

Should there be real and effective control, the country as a whole will appreciate the vital contribution transportation can, and will, make to the entire social and economic fabric of our lives.

Township taxi boycott set to start today

CAM-T-1 18/3/91

By BRONWYN DAVIDS

ABOUT 400 Guguletu and Khayelitsha residents yesterday decided at a meeting to boycott minibus taxis from today until fighting between rival taxi groups stopped.

The meeting followed a 15km protest march through Guguletu by 200 residents, waving placards and shouting "Phantsi (down with) taxis" at impassive taxi drivers who passed by.

Placards read: "We are sick and tired of taxi fighting", "We demand one taxi association", and "Taxi drivers wash yourselves and have manners".

Khayelitsha Taxi Crisis Committee spokesman Mr Richard Mbali has called for all taxi operations to be suspended from today until the rival taxi groups — Western Cape Black Taxi Association and Lagunya — have formed one taxi association.

He said a meeting would be held today with the leaders.

At an anti-violence meeting at Guguletu Stadium, Mr Sam Dakuse, chairman of the Guguletu branch of the Western Cape Civic Association, said the "taxi drivers were the cause of the fighting".

City Tramways spokesman Mr Bob Krause said the Khayelitsha off-peak bus services on the main routes to Claremont, Bellville and Wynberg would be increased from today.

Masstran planners hope to integrate all transport

By Julianne du Toit

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Masstran, the consultants conducting a feasibility study into the optimum integrated mass transport system for Greater Johannesburg, say all existing means of transport, including minibuses, should complement each other.

Masstran is investigating means to integrate modes of transport — buses, minibus taxis, light rail (trams), and conventional heavy rail.

The trams, also called Light Rail Transport (LRT), and possibly an underground metro system at some later stage, have also been taken into consideration.

Minibuses would be encouraged to be feeder services from residential areas to railway or tram stations.

This would mean they could make more money out of many short trips during rush hour than only one or two on long haul routes.

The existing rail service, the "backbone of mass transport" according to Masstran, should be made more attractive and cost effective.

Ben Kruger, one of the consultants, said railway stations should be made safer by a police presence. This would encourage private enterprise to set up businesses nearby.

"We will be opening up niches for the market, (and) not forcing anyone," he said.

A final report on the feasibility study, which projects its plans to the year 2005, will be presented to the Department of Transport in June.

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A final report on the feasibility study, which projects its plans to the year 2005, will be presented to the Department of Transport in June.



Singer-actress Thembi Mtshali presents Hugh Masekela with a gift of a traditional calabash this week on behalf of sorghum breweries who are sponsoring the Sekunjalo festival which starts next month. The shows will be countrywide starting in Pietersburg on April 4. Proceeds from the concerts will go towards the establishment of the South African Arts and Music Foundation.

Pic by PAT SEBOKO

Lebowa Transport to submit fare proposals

LEBOWA Transport is to submit proposals of fares on routes vacated by Bahwaduba Bus service to the various affected communities, a spokesman for the commuters said yesterday.

A spokesman for the Far Northern Transvaal Transport Coordinating Committee (FNTTCC) said this was part of an agreement reached between the committee and the company at a meeting held in Pietersburg on Tuesday.

Leputu said thousands

of workers and general commuters had approached his organisation, an umbrella of various transport committees, for help after Bahwaduba stopped all its operations last Saturday, leaving many areas without public transport.

He said Tuesday's

meeting had looked at LT's take over of the routes.

"LT said they would formulate proposed fares for the routes and possible staggered fare increases. These would be handed to us for dissemination to all affected areas where they would be discussed.

"On the basis of responses of the affected communities, LT would

then make its move. If the proposals are accepted, an emergency application would be made for temporary permits to move into the vacated routes".

Leputu said the proposals would be made available this week and could be discussed in various communities this weekend.

"We are trying to move as fast as we can on the matter as many workers are unable to get to work due to this problem", he said.

By MATHATHA
TSEDU

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Civic leader fears taxi-war 'explosion'

By CHRIS BATEMAN

THERE are fears of large-scale violence in local townships after the killing of a Guguletu resident, allegedly by a taxi driver, and threats on the life of Western Cape Civic Association chairman Mr Michael Mapongwana.

The civic association accepted a call for a boycott of warring township taxi associations after Khayelitsha and Guguletu on Sunday. Mr Mapongwana, who claims his home was invaded by Lagunya Taxi

Association members after the Khayelitsha rally — and again yesterday, said: "The situation is getting out of hand — everything is going to explode."

The drivers accused him of starting the boycott and alleged that civic supporters had damaged one of their vehicles after the rally, he said. Meanwhile, a taxi driver shot and killed a pedestrian in Guguletu after allegedly persistently offering the group the man was in a lift. It was claimed yesterday.

The victim was identified as Mr Mzwandile Mapel, of NY 89.

Police said they believed the incident was "unrelated to the taxi war". A murder docket has been opened.

Mr Mapongwana said that yesterday afternoon a group of taxi drivers again entered his home and told him that "If I don't stop they'll kill me". "I could see they were holding guns in their pockets," he said.

Township residents said the boycott, against the Western Cape Black Taxi Association (WCBITA) and La-

gunya, had begun "biting" yesterday.

Links between the civic and WCBITA on one hand and the Western Cape United Squatter Association, the Western Cape Hostel Dwellers' Association and Lagunya on the other hand, have the potential to exacerbate the explosive situation.

Long-standing enmity also exists between Mr Mapongwana and the Lin-gelethu West Town Council, whose supporters firmly back Lagunya.

Sale of Aquanaut helps lift Sinclair's earnings

Biday 19/3/91 (P2) (312)

BEVERLY HUCKLESBY

INDUSTRIAL and Commercial Holdings (ICH) subsidiary Sinclair Holdings lifted earnings by 62,6% to 12,5c (7,7c) a share in the six months to end-December.

Turnover increased 11% to R121,6m (R109,7m) while a 74% drop in the interest bill and no taxation lifted net income to R3,2m (R2m) in the period under review.

Net attributable earnings rose to R9,1m (R2m) as a result of the extraordinary profit in review period. This related to the sale of pool cleaning subsidiary Aquanaut and the closing of two motor dealerships.

No interim dividend has been declared.

It was announced earlier this month that Aquanaut

had been sold to an unnamed US company for \$7,1m. The decision for the disposal was in line with Sinclair's stated intention of concentrating on the retail motor business after selling off other assets.

Because of the sensitive issue of sanctions against SA, the US company remains unnamed. Speculation in the industry pointed to US-based Aquanaut Inc in which Sinclair has a 20% interest and US pool cleaner company Arneson.

MD Simon Koch said yesterday the necessary turnaround of Sinclair had started but there was still much to be done.

"We are happy with the results of the disposal of

Aquanaut and by next year the capital from the sale will have been distributed to shareholders.

"The company will now concentrate on the transport industry which is experiencing tough times in the present economic recession, but I am confident the rot that had begun to settle in the company has been stopped," he said.

All the pressing administrative problems had been solved and the company was expecting earnings to remain in line with those of the first half of the financial year.

The next six months would see the restructuring of the company taking place and Koch predicted year-end earnings of 25c (6,7c).

He said Sinclair was looking to expand in the transport sector and related fields and was in the process of acquiring a property company.

Man hacked in taxi war

Capt Tink 20/3/91

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Staff Reporter

AN unidentified man was brutally hacked with pangas and shot after a surprise "kamikaze" attack by a taxi driver at the Nyanga terminus early yesterday, the second day of the civic boycott against warring taxi associations.

According to Ms Florence Phatiwe, of Nyanga East, who helped transport the critically-injured man to the nearby Guguletu Day Hospital, and a taxi association source, this followed an earlier "kamikaze-like" revenge attack.

They said a taxi had driven into a group of parked rival taxis at the terminus and shots were fired. This attack had been "repulsed", they added.

They were unsure of who the victim was or whether he was a member of the Lagunya Taxi Association or the Western Cape Black Taxi Drivers Association (WCBTA). It could not be established whether the man had died yesterday.

Police said last night they had no record of the incident.

Another township source said WCBTA drivers had taken to using cars to transport passengers instead of the more easily-identifiable minibuses.

Beating

He estimated that between five and ten percent of all taxis from both associations in Guguletu were actually running.

Members of both taxi associations were identifying rival car

taxis and "pulling people out, beating them and setting the cars alight", he claimed.

In Khayelitsha's Green Point suburb a minibus carrying handicapped children was stoned and a child injured when it was mistaken for a taxi early yesterday.

Mr Stephan Raubenheimer of the Tembalethu School for the Disabled in Guguletu said three windows were shattered by stones thrown from behind a concrete fence. One child was slightly injured when hit on the head by a stone.

Mr Johnson Mpukumpa, a member of the ANC-linked township violence monitoring committee, said co-ordination of the boycott needed to be tightened up as unidentified people were stopping taxis and threatening passengers.

Taxi war horror attack at garage

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26/3/91
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Staff Reporters

A DRIVER of a minibus was badly injured when he was chased by about 50 men in a convoy of seven vehicles and cornered when he sought refuge at a service station at DF Malan Airport.

This was the latest incident in the Cape Flats taxi war in which commuters are increasingly becoming the victims of terrorism and intimidation.

The boycott of taxis, called for by about 500 influential residents at meetings in Guguletu and Khayelitsha at the weekend, has apparently fuelled the war.

Taxi-drivers on one side and boycott supporters on the other are trying to gain the support of residents by force and intimidation.

Gone into hiding

In another development in the war which has left transport in the townships in tatters, Western Cape Civic Association chairman Mr Michael Mapongwana has gone into hiding following death threats.

Mr Mapongwana, one of the leaders in the boycott call, is said to have fled to Alice in Ciskei.

Yesterday's incident at the airport was described today by a shocked employee of the service station.

"We were sitting in the workshop about 5pm when we saw this minibus coming towards us very fast. It drove right into the workshop," she said.

"Then four minibuses and three cars came from the same direction, also at high speed. More than 50 men jumped out and dragged the first man from his minibus and questioned him," she said.

The employee, who cannot be named for fear of reprisals, said "in no time" the group attacked the man with pangas.

"It was terrible. We did not know what to do because some of the men ordered us not to touch telephones.

"They took his minibus away. The man had nasty gashes on his head," she said.

The woman said the victim said he was from Langa and had been employed as a taxi-driver about a month ago.

She said while the garage staff were trying to call an ambulance the man disappeared, apparently afraid the attackers might return to finish him off.

Service station owner Mr Malcolm Manning confirmed the incident.

Since the boycott call on Sunday violence and intimidation have increasingly disrupted the lives of thousands of commuters.

The boycott is due to remain in force until the two warring taxi factions have settled their differences.

But many people are uncommitted. Since the weekend the violence has spiralled as the pro-boycott faction and the taxi operators attempt to win residents over.

Firearms and physical force are often used to intimidate people into either using taxis or using alternative transport such as buses or private vehicles.

Witnesses have reported seeing repeated clashes between taxi-drivers and members of the public.

Shot in head

Two people were wounded in clashes at the Nyanga taxi rank yesterday, while on Sunday a Guguletu man was shot in the head and killed, apparently for refusing to use a taxi.

Mr Mzwandile Mapei and two of his brothers were walking home from a nightspot in Nyanga about 7pm on Sunday when a minibus taxi stopped next to them.

The driver allegedly tried to persuade them to go to a taxi terminus to catch a taxi but they declined and said they preferred to walk, a member of the Western Cape Civic Association said.

Minutes later the driver reappeared on foot and again tried to get them to use the taxi. When they refused the driver allegedly opened fire, hitting Mr Mapei in the head.

Police were unable to confirm a report that a man was seriously wounded after being hacked with pangas and shot during a clash at the Nyanga rank.

A minibus ferrying handicapped children in Green Point, Khayelitsha, was stoned and one of the children was injured yesterday after the minibus was apparently mistaken for a taxi.

The child's condition was not serious.

By Rehana Rossouw

RESIDENTS of African townships in the Peninsula are "sick and tired" of taxi wars but can see no short-term solution to the recurring problem.

In the past week, a passenger and driver were killed and three drivers injured in a feud between taxi associations.

However, the secretary of the Western Cape Civic Association (WCCA), Mr Rose Sonto, denied that his organisation had called for a boycott of taxis.

"We are sick and tired of the problem but we have not yet reached finality on what can be done," Sonto said.

"The WCCA has embarked on a process of consultation in a few communities, arranging a series of mass meetings to discuss action with residents."

Boycott

Sonto said a boycott was "the talk of the town" after it had been suggested at a few meetings, but there was no official call for a boycott.

"A boycott is the best form of punishment, but because taxis are the only transport available to our communities, it is difficult to sustain a boycott.

"In the end, it will not be supported by commuters unless alternative transport is arranged."

He said residents were suggesting that they attempt to control the taxi industry by launching a single taxi association or controlling body.

"This way the community can be involved in drawing up guidelines under which the taxis can operate," Sonto said.

This suggestion has not yet been put to the warring factions. The WCCA has not met with the two rival bodies, but intends doing so as soon as its consultations with the communities have been completed.

Sonto said in the past week the Nyanga terminus had been turned into a "scrapyard" with taxis and other vehicles stripped.

'Gatvol' factor

Taxi wars anger township residents

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Three injured by armed taxi drivers

By ANDRE KOOPMAN

ARMED taxi drivers injured at least three people last night when they fired on Nyanga East residents leaving a meeting at which it was decided to boycott mini-bus taxis for six months.

According to an eyewitness, who did not want to be named, the shooting started soon after the decision was taken at the end of the meeting in the Zolani centre.

"A group of taxi drivers who were in the meeting stormed out saying 'you will not leave this meeting if you boycott us'," said the eyewitness. "As we struggled to get out of the hall they started shooting. It was terrible."

Mr Mzwamadoda Dangazele, who was shot in the foot, said this signalled

"the start of the real violence. They are now not only fighting amongst themselves but with the community".

Mr Thembekile Ngoma, who gathered shoes in the hall after the shooting, said: "Many people ran so fast they left their caps and shoes behind."

In Khayelitsha yesterday taxi drivers set up roadblocks in Site C to stop pirate car taxis, reliable sources said.

Passengers were reportedly pulled out of the cars and forced into taxis.

Police said last night they were investigating the incidents.

● Mr Michael Mapongwana, chairman of the Western Cape Civic Association, said from his Khayelitsha home last night that a report claiming he had fled to Ciskei in fear of his life was incorrect.

Taxi anger over 'crumbs'

THE taxi war in Cape Town townships is a direct result of the deregulation of the taxi industry, a leading member of the Western Cape Black Taxi Association (WCBTA) said this week.

Mr Billy Daniels, secretary of WCBTA, one of the warring parties, said on Wednesday fighting was inevitable because "so many licences" were granted each year.

Daniels claimed that more than 5 000 taxi licences had been granted last year.

"The cake is only so big. Everyone who is eating crumbs is tense and angry," he said.

Daniels said the WCBTA association had warned the government five years ago that "there would be trouble" if there was no regulation.

On Wednesday, WCBTA drivers at a quiet but tense Nyanga terminus, a flashpoint in the taxi war that has left four people dead, claimed that the fighting arose because drivers from the rival Lagunya Taxi Association were invading

South 21/3 - 27/3/91
ing their territory by starting ranks on their routes.

They also claimed that Lagunya was taking business away from them by keeping their fares lower than WCBTA rates.

There were no Lagunya taxis operating at the terminus on Wednesday. Lagunya was supposed to operate only within the townships, not to areas outside that radius, WCBTA drivers claim.

Blatant

Lagunya denied that they were encroaching on WCBTA territory, and in turn accused the WCBTA of trying to monopolise the taxi industry.

"Rumours that we are fighting about the new rank in Khayelitsha are blatant lies," Mr Johnson Martins, chairperson of Lagunya, said on Wednesday.

Martins said Lagunya had opened the rank in Site C in Khayelitsha because commuters had demanded it.

He said WCBTA wanted to work alone in Cape Town, but Lagunya members had received permits for ranks before

the WCBTA was formed.

Martins claimed that WCBTA had forcibly removed Lagunya from the taxi rank in Strand Street in Cape Town.

The Khayelitsha Crisis Committee has been strengthened by eight extra members after a meeting of the various civic organisations held on Tuesday night.

Mr Michael Mapongwana, chairperson of the Western Cape Civic Association, confirmed that the bodies, including the Western Cape Hostel Dwellers' Association and the Western Cape United Squatter Association, had decided at a meeting at the Zolani Centre in Nyanga to include two members from their organisations, and two representatives of the Congress of South African Trade Unions.

The Crisis committee was scheduled to meet on Wednesday to discuss the situation. Mapongwana said the crisis committee wanted to meet with the warring taxi associations later this week.

● The Cape Town Traffic Department could not be reached for comment.

Woman burnt to death in petrol-bombed taxi

By JOHAN SCHRÖNEN
Crime Reporter

A WOMAN was burnt to death and two other people were injured when a petrol bomb was thrown at a taxi carrying restaurant workers.

Occupants burning like torches fled the Bellville taxi which was taking Tyger Valley restaurant workers home to Khayelitsha about 2am today.

Police who tried to put out the fire with an extinguisher had to take cover when shots were fired at them through a gap in a wall.

The driver, Mr Marius Snyders, 38, of Dalhousie Taxis in Bellville, said he ran for his life with flames licking his head and arms.

"It was terrifying. The woman sitting in the front with me ran away in a ball of fire," said a shaken Mr Snyders.

"I had fetched workers from the Hard Rock and Pizza Cafes near Tyger Valley Centre and was travelling in Zola Budd Drive opposite M and L Block when I saw a group of

men lighting something."

A petrol bomb crashed through the driver's window, spraying the interior with burning petrol.

"The woman next to me jumped out screaming and ran away with her clothes on fire.

"I panicked when I couldn't undo my seatbelt. The seat was burning and flames were licking the back of my head."

Mr Snyders said he loosened the belt and ran until he saw a house with lights burning, from where he called the police.

"It was like a bad dream. I've never run so fast in my life. I thought it was my last day on earth," Mr Snyders said.

Police found the burning taxi with the body of one of the passengers hanging half-way out of a back door.

A spokesman for Mitchell's Plain Fire Brigade said 10 of their men had arrived with three tenders shortly after and doused the flames before they found the woman's charred body.

Police found a spent cartridge and

a live round of ammunition.

Mr Snyders who was burnt on his head, face and arms, and the injured woman were taken to Khayelitsha Day Hospital for treatment.

The woman was admitted to the hospital but Mr Snyders was discharged.

A police spokesman confirmed that a woman was burnt to death in the vehicle and that three shots were fired at policemen when they tried to put out the fire. No policemen were injured.

A man in the taxi also had light head burns and another woman was burnt on the hands, arms and head, police said.

The attack on the taxi is believed to be the latest incident in a Cape Town minibus taxi war which broke out between the two main rival taxi associations over the control of a new rank in Site C, Khayelitsha.

Taxis have been destroyed and several people, including taxi owners and passengers, have been killed. Others have been beaten and stoned.

Airbus deal 'will cost Trek R795m'

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B/day 21/3/91

LINDEN BIRNS

TREK Airways, which will soon compete against SAA on domestic air routes, is understood to have placed an order worth at least R795m for "five to seven" Airbus A320 aircraft, which it will have in the skies by the end of July.

SAA has ordered seven of the same 150-seater aircraft, but will receive its first plane, also to be used on internal routes, only in November.

Trek MD Jan Blake was unavailable for comment yesterday. The airline's GM Reinhart Mecklenburg said Blake was yesterday signing contracts confirming aircraft orders.

Mecklenburg declined to specify exactly what aircraft had been ordered, but said he hoped Trek would be able to "confirm the rumours once and for all" today.

It is not yet clear whether Trek will be leasing the aircraft as was initially planned, or whether they have opted to buy outright the aircraft from Airbus.

A recent newsletter from Airbus Industrie in Toulouse, France, said an unnamed customer had placed an order for seven new aircraft. Airbus spokesman David Velupillai would not confirm whether Trek was the unnamed customer.

"All I can tell you at this stage is that Airbus has briefed Trek on the A320, and Trek is very interested. More than that I

am not allowed to tell you right now," he said.

Sources close to the Boeing Commercial Airplane Company, which sent several missions to Johannesburg to try to close a deal with Trek, confirmed that Trek had rejected Boeing's offer.

British Aerospace has also made a bid to secure a sale, but was also unsuccessful.

Another unsuccessful contender was McDonnell-Douglas, which was anxious to create a presence in the Boeing-dominated African civil aviation market.

Last December Trek was awarded licences to operate 12 daily flights between Johannesburg, Durban, Cape Town, Port Elizabeth and East London.

At the time Blake said he aimed to capture at least 20% of the total local passenger market. This week sources close to SAA's domestic services predicted Trek might in fact get an even bigger market share, possibly in the region of about 35%.

Trek is jointly owned by Rentmeesterbeleggings Ltd, Safmarine and Muelklin (Pty) Ltd. None of the three owners has a controlling interest in Trek.

Blake said earlier the new domestic services would be financed mainly from internal sources but that further investments by the three co-owners would probably be required.

CM. 11/25 22/3/91

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Horror death in city taxi war



BURNOUT

One of the vehicles which fell victim to violence in "Zola Budd Drive" (Lansdowne Rd Ext), Khayelitsha, yesterday.

By DANIEL SIMON

A CHILD-PROOF door lock prevented one of three passengers from escaping from a blazing car taxi after it was attacked by three men with a petrol bomb in Khayelitsha early yesterday morning.

The taxi, belonging to Dalhouzie Taxis in Bellville, was gutted and the charred remains of Ms Philadelphia Kwezi, who was in her mid-30s, were found inside when firemen put out the blaze.

Police yesterday said they could not confirm whether the attack was linked to the current taxi war.

A second woman, Ms Nanziwe Xengeshe, 28, of Nyanga East, received burns to her face, arms and body and is being treated at a hospital in Khayelitsha.

The incident occurred about 2.15am while taxi driver Mr Marius Snyders, 42, was taking home five restaurant employees.

A shaken Mr Snyders, whose head was singed by flames, said he had just dropped off one employee and was travelling along Zola Budd Avenue in L-Block when he saw three men standing on the side of the road.

"I saw something being lit and the next thing one man ran into the road and threw a Coke bottle

through the windscreen," Mr Snyders said. He said the bottle smashed on impact spraying ignited petrol throughout his Nissan Sentra.

"I managed to undo my seatbelt and get out. The man next to me also got out and together we ran for about two kilometres and phoned the police."

He said as they both ran for their lives they could hear the screams of Ms Kwezi — who was clearly trapped and could not get out of the car.

The police later ascertained that Ms Kwezi must have unwittingly pressed a child-safety door lock as this was what prevented her from escaping from the car.

SAP tackles taxi conflict

CAPE TOWN 22/3/91
By CHRIS BATEMAN

A SPECIAL police taxi task force has opened 25 dockets of violent crimes since the current strife over lucrative passenger routes began 16 days ago.

Captain Louis van Brackel, who heads the unit, said the violence seemed to centre on the granting of a taxi rank in Site C to the Lagunya Taxi Association, and their subsequent running of a service direct to Cape Town.

Lagunya had previously run a service from Khayelitsha to Guguletu and Nyanga, from where Western Cape Black Taxi Association (WCBTA) taxis transported passengers on to Cape Town.

Police attempts by police to get the two sides to bury the hatchet have failed.

The Western Cape Civic Association called for a total boycott of both associations at the weekend.

● Local taxi associations meet Cape Town City Council and its traffic department on Monday, to discuss routes and the ongoing strife, acting traffic chief Mr Nick Rheede said yesterday.

Take a walk, commuters tell taxi men

W/Man/ 22/3 - 27/3/91

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ANGERED by yet another bloody feud between warring taxi associations, residents of townships around Cape Town got tough this week and launched a taxi boycott to force operators to toe the line.

The chief community demand is that the two rival associations form a single body and honour an agreement brokered during peace negotiations in the wake of the last taxi war some six months ago.

At least three people have been killed and several injured in the latest conflict, which erupted three weeks ago, between the Lagunya Taxi Association and the Western Cape Black Taxi Association. At issue appears to be the use of a newly-opened depot in Khayelitsha's Site C squatter settlement.

At meetings called by the Western Cape Civic Association (WCCA), residents of Khayelitsha and Guguletu decided last weekend to boycott taxis indefinitely until the rival associations acceded to community demands.

But the boycott has created problems of its own. This week, WCCA chairman Michael Mapongwana told *The Weekly Mail* his life had been threatened by taxi drivers who ac-

Residents of Khayelitsha and Guguletu resolved this week to boycott taxis indefinitely, following the eruption of yet another war which has left at least three people dead. **GAYE DAVIS** reports from Cape Town

cused him of inciting residents.

And because it took time for WCCA zones in other townships to organise meetings around the issue, some residents were caught unawares and found themselves the victims of over-zealous enforcers of the boycott.

This week, as their mini-buses stood idle in the ranks, taxi drivers resorted to using conventional cars to ply their trade — resulting in cars being stopped and passengers dragged out by rival operators.

In Guguletu last Sunday, a man was gunned down after allegedly shunning the services of a taxi operator. In Nyanga this week, a man was hacked with pangas after conflict erupted between rival taxi drivers. In Khayelitsha, a mini-bus ferrying disabled schoolchildren was apparently mistaken for a taxi and stoned, slightly injuring one child. Several mini-buses

have been torched and gutted.

After the region's last taxi war, a committee was set up — consisting of representatives of the two taxi bodies as well as community organisations including the WCCA, the Western Cape Hostel Dwellers' Association, the Western Cape United Squatters' Association and the Congress of South African Trade Unions.

It was agreed that future disputes should be brought to the committee for resolution. According to committee members, the failure of taxi operators to adhere to this is one of the chief reasons behind the decision to boycott.

"The community feels very strongly about what is happening," said Mapongwana. "They are sick and tired of all the fighting. The boycott will continue until taxi owners realise that the industry is dependent on the community."

According to Johnson Mpukumpa, of the Western Cape Hostel Dwellers' Association, the purpose of the boycott "is not to destroy the industry, but to get them (taxi-owners) to recognise the agreement."

"There must be one organisation representing the industry and each and every taxi-owner and driver must be registered with the multi-organisational committee."

Laser on road to commercial service

SA's largest household removals group, Laser Transport, is concentrating on developing a commercial delivery service between the main centres and into several neighbouring states.

Lasertrans, the new commercial service, underwent a test phase during 1990 and was transformed into a fully equipped and scheduled operation at the end of January 1991. *B/Dan 22/3/91*.

Laser group project manager Stuart Venn said the motivation for launching Lasertrans was a perceived need in the market for a swift, scheduled and reliable commercial service.

It would pay attention to lightweight,

MARC HASENFUSS

high value commercial goods that would make up full container loads from manufacturers to retailers around the country.

(332)
"Ultimately we are looking at a multi-faceted commercial operation, which could even include a tanker fleet."

He said a joint venture operation in Zimbabwe with another transport company was being investigated.

Plans to use Swaziland as a springboard for two-way traffic between SA and Mozambique were well developed.

CH 7-11 22/3/91 332

Township busfares down

BUSES operating in the taxi-war areas have lowered their fares, but not as a result of the tension in the townships.

A City Tramways spokesman said the temporary cheaper rates coincided with the decrease in petrol costs, and was in line with the President F.W. de Klerk's "drive to provide relief to the poorer members of the community".

Fares in Nyanga, Guguletu, Crossroads and Khayelithsa have been decreased during the off-peak times, between 5am and 8am and 4.30pm and 6pm.

The price concessions will be sustained as long as possible, but increased staff wages backdated to January this year will mean a revision of fare prices for all, the spokesman said.

SHIPPING FM 22/3/91

BOWING OUT

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A Swiss shipping company has bought out its local agency and will be setting up part of its international operation in Durban, using the port as a base from which to route container cargo to most parts of the world.

Médite Shipping, SA agents for international independent carrier Mediterranean Shipping Co (MSC), sold out to its Geneva-based principal and will now operate as the shipping line's SA office.

Médite former chairman Peter Storm has sold his 49% interest in the company to MSC, which is building a R20m office block on the Victoria Embankment, near the harbour entrance, as its new head office.

The building was originally planned as Médite's HQ but the development is now being taken over by MSC.

The Swiss company commands a fleet of 43 vessels, expanded last year with the acquisition of Italian Star Lauro Lines, which included the 23 000 t passenger liner *Achille Lauro*. The vessel, now MSC's flagship, arrives in SA in May from Australia, after calling at ports along the east African coast. It is bound for Europe.

The buyout is in line with MSC's policy of owning agency offices in the main trading centres across the world, says chairman Salvatore Sarno. "SA has always been a priority in our planning," he explains.

An average of 15 MSC ships call at its main ports each month. A record was set last month when nine MSC vessels were tied up in Durban harbour on the same day. Last Monday, six of its vessels were in port.

Sarno says Durban has almost become MSC's home port and that SA accounts for about 45% of the company's total container traffic. MSC is also responsible for about 30% of the box cargoes transported between Europe and SA.

"We do all our dry docking, maintenance and major repairs in Durban," he says. Last year maintenance and repairs cost an estimated R100m and a further R15m was spent on dry docking and provisions.

The firm specialises in container cargo but is expanding into the passenger market. Besides the *Achille Lauro*, it is refitting cargo vessels to take up to 12 passengers each on international voyages. ■

SOWETAN

Taxi operators suffer losses

Sowetan 26/3/91 (332)

THE income of most of the black taxi operators in South Africa has gone down, according to a study by the executive consultant of Toyota Taxi Business Circle, Mr Paul Browning.

Browning, who is one of South Africa's leading experts on the black taxi industry, said a taxi owner today usually got less income than he or she earned last year.

The survey has shown that a taxi owner was presently earning between R1 500 and R2 000 a month, compared with about R3 200 last year.

This represents a slump of about 50 percent.

Browning attributed the plunge to the increase in the price of petrol ear-

lier this year, the spiralling costs of spare parts and the price of new minibuses.

"The community cannot afford higher taxi fares and some have gone back to trains. Unrest, stayaways and boycotts have also contributed to the slump in income," Browning said.

He said the taxi industry was part of the informal sector and had the same problems that affected businesses in the formal sector.

"Big companies have had the same problems, but they have managed to survive.

"The answer is that they - like other formal businesses - have systems and methods which

enable them to control their costs and plan ahead to meet losses and income," Browning said.

Taxi owners must also adopt these techniques if the taxi industry was to survive and prosper, he said.

He suggested that taxi owners must start looking for ways of increasing their income.

Benefit

He said Toyota's "business circle" had been created to help owners become more profitable.

"One need not own a Toyota taxi to benefit. The circle is open to all taxi owners," Browning said.

The circle offers members:

- * A "business skills" training course which has been specifically prepared to meet the needs of the taxi owner.

- * Specially arranged professional services such as those of attorneys and accountants.

- * A "new business" service to enable the taxi owner to become more profitable.

Mr Fanyana Shiburi, public relations officer of the Southern Africa Black Taxi Association, said the scheme should be welcomed as it would help the association's members.

He said Sabta would discuss the matter with its affiliates countrywide.

Mr Peter Rabali, president of the National African Federated Taxi Organisation, also welcomed the move.

Council to clamp down on taxi hogs

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ON TIME 27/3/91
Staff Reporter

THE number of traffic officers policing Cape Town's 4 000 mini-bus taxi drivers has been doubled, to combat bad driving.

Mr Leon Markovitz, chairman of the council's taxi liaison committee, announced the clampdown yesterday.

He also said an education campaign would be undertaken, aimed at mini-bus-taxi drivers, owners and passengers.

The council would draw up three separate pamphlets, each in three languages, to inform the various parties involved of their rights and duties.

"The activities of a small number of taxi drivers is giving a bad name to the entire industry," Mr Markovitz said. "It is clear that we must increase our commitment to strict enforcement... we have to do something."

"We intend to be quite strict on the regulations. People's lives are at stake."

Mr Markovitz declined to say how many traffic officers would now be on the taxi beat. A senior council official, Mr Ben van Rensburg, explained: "We don't want to tell the taxi drivers how many men we have available."

Little progress on taxi talks

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South 28/3 - 3/4/91.
THE taxi boycott in Cape Town's African townships has entered its second week with little progress being made to bring the two warring parties to the negotiation table.

The Western Cape Black Taxi Association (WCBTA) and the Lagunya Taxi Association have yet to meet to sort out their differences. Taxis belonging to members of the two associations have been gathering in separate areas in Nyanga and Khayelitsha.

None of them have been operating after a blanket boycott was imposed by the communities in Nyanga, Langa, Khayelitsha and Guguletu.

Mr Michael Mapongwana, chairperson of the Western Cape Civic Association (Wecusa) and the Khayelitsha Crisis Committee said the situation would not be resolved "soon".

Mapongwana said the civic associations were setting up sub-committees in the townships affected by the boycott.

Tollgate trounced in restructuring

CAPE TOWN — Substantial losses and a decline in permanent capital reported by Tollgate Holdings (TGH) for the year to December 1990 are indications that the group, which has since returned to profitability, took the punishment of restructuring on the nose.

This was the explanation TGH chairman Julian Askin gave shareholders when asked to comment on the results yesterday.

The difference in reporting periods and the transformation of the group during the year under review make it virtually impossible to compare the results.

Operating income plummeted from R87,4m in the 18 months to December 1989 to R25,6m in the 12 months to December 1990 on a decline in turnover from R1,13bn to R589,5m.

An interest bill, which declined by R10m during the year but remained

B1 Day 28/3/91 332
LESLEY LAMBERT

high at R52,3m and abnormal items of R7,9m related to non-recurring costs of the restructuring, resulted in a pre-tax loss of R34,7m. Pre-tax profits of R9,9m were reported after the previous 18 month period.

Attributable losses amounted to R21,9m after a light tax bill (R166 000) and higher dividend income from associated companies.

Provisions

The poor profit performance, anticipated by Askin when he and a consortium of businessmen took control of the group in June, was attributed largely to losses in Gants' deciduous fruit processing division, certain commuter bus divisions, the car rental division and interest costs incurred in the acquisition and funding of these loss-making divisions.

Full write-downs and provisions

had been made for those subsidiaries sold or closed down, Askin said.

The performance of the group's profitable divisions had been restrained by the non-performing divisions and the high interest burden. This had been rectified by disposals and all operating companies had returned to profitability, he said.

An extraordinary item of R57,6m was related to the cost of transforming the group. It included R46,1m in net losses from disposals, R3m in restructuring costs and R2,2m in goodwill written off. The full amount was written off against permanent capital, Askin said.

The decline in interest-bearing debt by the end of the financial year had been less than anticipated because it included the R30m cost of buying out minorities.

Negotiations for the acquisition of an industrial distribution company in the UK were at an advanced stage.

TRUCK HIJACKINGS

FIGHTING AN EPIDEMIC

The SA Chamber of Business has decided to lead the campaign against the escalating truck hijacking crisis. The National Association of Private Transport Operators estimates that truck hijackings cost the country R6,1bn last year. According to the chamber, that excludes indirect costs of around R1,5bn.

Peggy Drodskic, who handles the chamber's transport affairs, took the decision to spearhead the campaign after a conference last week on the truck hijacking epidemic ended with little progress being made. The conference was organised by the Insurance Surveyors Association, but it wasn't attended by some important players — including the Department of Transport.

Drodskic says the chamber has the infrastructure to co-ordinate the efforts of all who are, or should be, involved in the fight against truck hijackings. She proposes that it create an organisation similar to its successful business-watch operation, with its own control room and linked computer facility.

The chamber has been conducting a low-profile study of truck hijacking for several months and has made good progress. It has formed a working group that deals solely with truck hijacking and has produced an informative booklet on hijacking.

Paul Lewis of SA Eagle, who delivered a paper at the conference, "sees tremendous benefits in having a single body co-ordinate the ideas, efforts and action needed to curb the incidence of truck hijacking."

He told delegates that truck hijacking wasn't a serious problem until 1989, when 733 commercial vehicles were hijacked. Another 2 318 were hijacked last year. The value of the insured vehicles hijacked last year, excluding their cargo, was R33m.

The fact that none of the speakers could estimate the value of the insured cargo stolen was disappointing. It confirmed the view that the insurance industry is pretty apathetic towards truck hijacking (*Business* November 9). Joe Pretorius, chairman of the Transport Security Association, later estimated that some of the loads lost were worth

R1,2m. On the day of the seminar, *The Citizen* reported the hijacking of a truck carrying cigarettes worth R1m.

In his address, Lewis noted that self-insurance is one option for companies. He said the insurance industry could show profits from this type of business only if claims did not exceed 65% of premium income, adding that "they're way above that already."

Sketching the damage that hijacking is doing to SA's road transport fleet, André Jacobs, executive director of the operators' association, said the Council for Scientific & Industrial Research's motor traffic bureau had predicted that if current trends continue, about 120 000 vehicles will be lost in SA through theft in 1998.

This exceeds the number of new commercial vehicles now being produced. "At current prices, this will mean a loss of more than R11bn, or 23,7% of our current gross fixed domestic investment."

The bad news doesn't end there. Jacobs pointed out that "new vehicle sales have dropped to tremendously low levels; sales for 1988-1989 were less than half those of 1986-1987." The result is that SA's transport fleet is ageing rapidly and improved vehicle technology is not being fully exploited.

Most of the hijacked vehicles driven across the border and sold in other countries are the newer, technologically advanced vehicles. He points out that no country where the number of new, high-technology vehicles is declining, can afford to "have its vehicles stolen and turned into a vibrant informal export business."



Costly problem ... the industry bands together

TRANSPORT - PRIVATE - GENERAL

1991

APRIL - JULY.

178 die in rising Easter road toll

CAP TIPS 11/4/91 332

THE Easter traffic death toll rose to 178 people killed (by 9pm yesterday), and 805 people injured — with the National Road Safety Council (NRSC) expecting a very high number of accidents and deaths this year.

During the first two days, a total of 150 people had already been killed by mid-Saturday afternoon while 600 had been injured, 157 of them seriously.

Last year the death toll for the entire five-day holiday was 219 killed while the total for 1988 was 286 deaths.

It was feared that the high road death count could become one of the bloodiest yet, and traffic authorities have described the be-

haviour of road users as "unacceptable" and "typical" of Easter weekends.

Traffic volumes were up by as much as 20% this year, believed to be because schools in all four provinces closed before Easter.

Traffic authorities and police countrywide have announced intensified law enforcement to combat road deaths for the remainder of the Easter holidays.

The busiest and most dangerous roads were the N3 towards Durban and the N1 north of Johannesburg to Pietersburg.

Early yesterday the NRSC said 62 people were killed in the Transvaal, 46 in the Cape — 20 of

them pedestrians — and 28 each in the OFS and Natal.

Causes of accidents were given as:

- Drinking and driving;
- Driver fatigue;
- Failing to keep a safe following distance;
- Overloading;
- Overtaking, and
- Moving violations.
- Pedestrians accounted for more than a third of deaths — with many unable to judge the speed or distance of oncoming vehicles and most failing to make themselves visible with bright or

To page 2

From page 1

Road deaths

CAP TIPS 11/4/91 332

reflective clothing.

According to the NRSC, single-vehicle collisions in which vehicles left the road and overturned, drinking and driving and collisions involving pedestrians have been the cause of most deaths on the roads so far.

The highest number of fatalities — a total of 64 deaths — were recorded in the Transvaal, with 280 people injured, at least 35 of them seriously, the NRSC said.

In the Cape Province 134 people were injured, 37 of them seriously, while 24 people were killed in Natal and 23 in the Free State.

At least 176 people

were injured in road accidents in Natal — 35 of them seriously — while in the Free State 83 people were injured, 32 seriously.

The director of the NRSC, Mr Eric Wise, said it seemed that South African decision-makers, either the driver or at higher levels, regarded the high number of Easter deaths as an acceptable price to pay.

"Thirty-three people die daily on our roads and yet many road users ignore all safety advice. The time might have come that only stricter law enforcement and penalties for offences could improve the situation." — Staff Reporter and Sapa

FOR THE
LOBSTER

Carnage on roads rises to 220 in traffic peak

CAPE TOWN 21/4/71
332

THE death toll on roads this Easter holiday could be among the highest, with 220 lives lost and 977 people injured by 10pm yesterday.

Last year, 219 people were killed during the five-day weekend.

The latest figures for the four provinces last night were:

- Transvaal: 89 killed and 409 injured;

- Natal: 48 killed and 251 injured;

- Free State: 28 killed and 84 injured; and

- Cape: 55 killed and 233 injured.

The director of the National Road Safety Council, Mr Eric Wise, said that without the combined actions of the NRSC, traffic authorities, the police, Shell Ultra Cities and the SA Black Taxi Association, the situation would have been "ghastly".

The safety campaign had also played a part in containing the death toll, a spokesman for the Cape Provincial Traffic Services, Mr Tony Miller, said.

In the Cape, most of the fatal accidents had been on lesser-used roads where there were fewer law-enforcers, he said.

A spokesman for Metro Rescue services said three parliamentary policemen had been injured seriously and four people slightly hurt in a three-car pile-up in Main Road, Woodstock.

Mr Miller said pedestrians accounted for about a third of the deaths. These fatalities could have been averted if motorists had driven with "consideration and defensiveness".

Alcohol

"Alcohol played a big role in pedestrian deaths, with many of the victims not being able to take evasive action."

The NRSC information centres at Shell Ultra Cities across the country reported that peak traffic had been recorded early last night.

Late yesterday afternoon, about 2 500 vehicles an hour were passing over Sir Lowry's Pass in both directions. — Sapa and Staff Reporter

CHD T/48
2/4/91 332

Huge new SA ship launched

Staff Reporter

SAFMARINE'S newest container ship, the R100-million Oranje, has been launched at the Uljanik shipyard in Pula, Yugoslavia.

The 33 000-ton vessel, to be used for trade between SA and the Far East, was launched last week by Mrs Sandy Farr, wife of Safmarine managing director Mr Tony Farr.

The Oranje was built to provide for the refrigeration of perishable goods such as fruit and frozen fish.

Trade decline, exports put the brakes on Uniserv

MARC HASENFUSS

UNITED Service Technologies' (Uniserv's) earnings growth was curtailed by declining trading patterns in the second half of its last financial year and a poor performance by its export division.

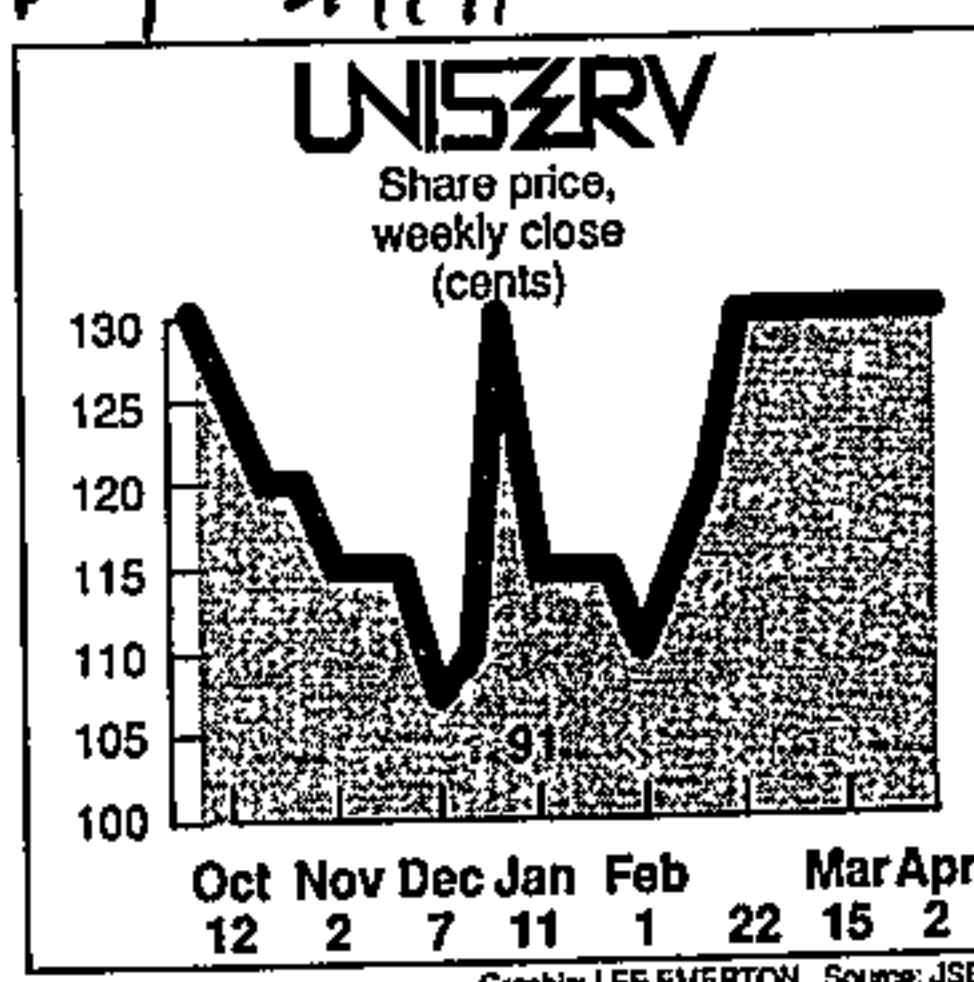
The courier, freight and forwarding group reported a slender 2% increase in attributable earnings to R12,2m (R12m) or 27c (26,5c) a share for the year to end-February.

Although operating income fell 3% to R18m (R19m) and taxation lifted to R1,4m (R1,3m), interest charges were reduced 23% to R3,3m (R4,3m). The turnover figure was not disclosed.

The dividend payout was maintained at 8c, covered 3,4 (3,3) times.

Since its September 1988 debut on the JSE's main board Uniserv boosted year-end earnings by 93% in 1989 and 88% in 1990.

Uniserv chairman Tiger Wessels said real growth was achieved in Sun Couriers and Burlington Air Express, but was offset by the poor performance of Uniserv's export division which stemmed from a higher cost



structure initiated the previous year.

However, Sun Couriers' growth was restricted by labour instability and theft.

The rapid growth in the last few years of Burlington Ocean Express was not sustained, but Wessels said the company was well placed to benefit from expanding trade in the southern African sub-continent.

"The attention in this area diffused the focus of effort in this division and together with highly competitive pricing in a declining market resulted in the growth of the previous years

not being sustained.

"The focus on productivity and achieving an acceptable return on assets has allowed us to be better positioned in the current economic climate, with a positive cash balance of R13m," Wessels said.

He said Uniserv would continue its policy of growth by acquisition when appropriate opportunities arose.

"It is envisaged that the dividend cover will probably be increased in future years as earnings grow to maximise our cash position for this purpose."

An extraordinary loss of R1,5m stemmed from relocation costs incurred by Burlington Ocean Express.

Uniserv's balance sheet has been strengthened over the past few years with net asset value a share increasing from 17c at its 1987 listing to its current 70c a share.

Looking to the future, directors said although no upturn in the economy was expected in the current year, the group's core businesses were sound and all operating divisions were profitable and able to handle considerable expansion.

The share was untraded yesterday at 130c.

Annual Report

shocks teachers

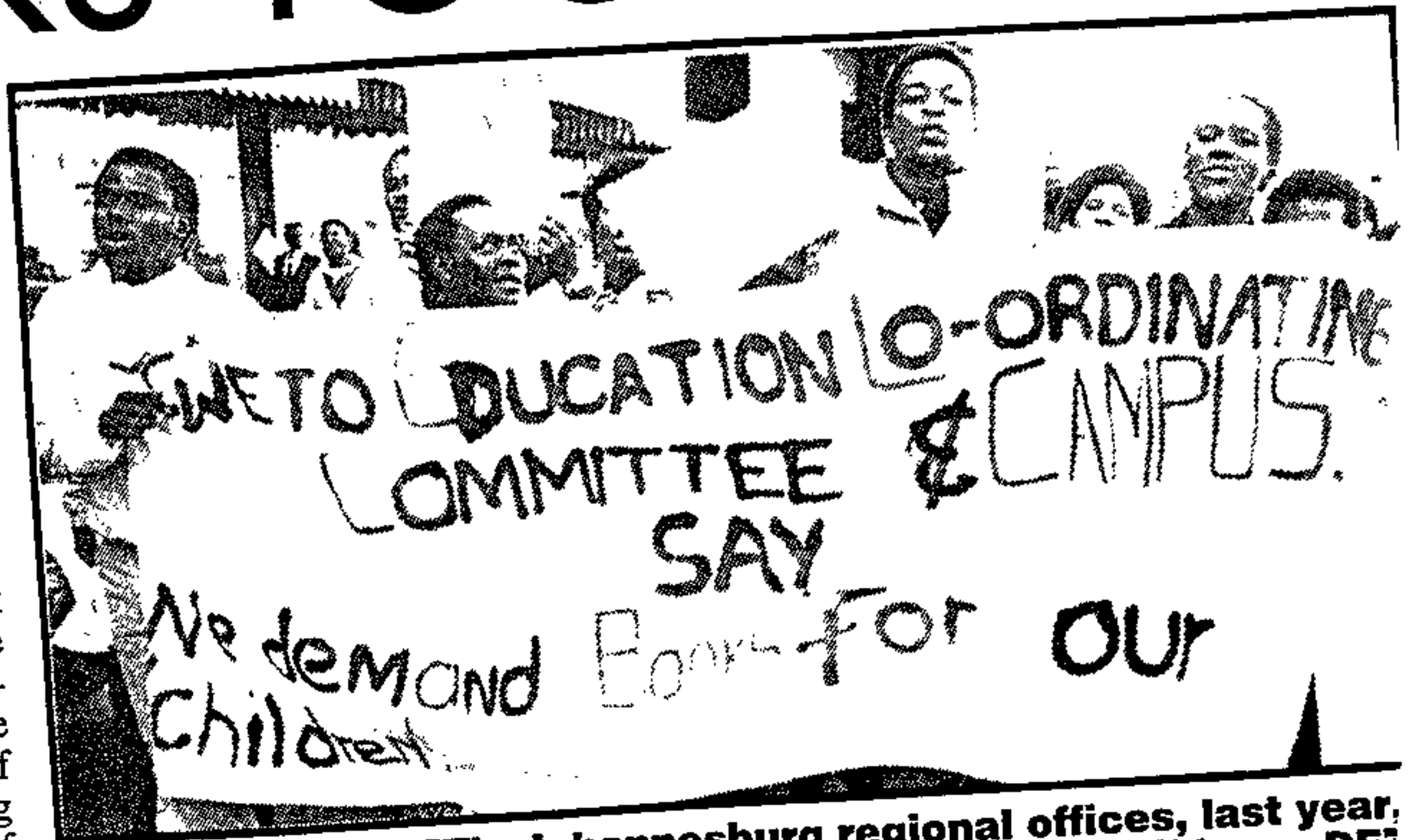
New Nation
(Learning Nation) 19/4-25/4/91.

BRF

ASH

SH

However, the document does not explain how those pupils happened to be in those standards. It simply expresses concern that "such pupils" presumably play a significant



Mamelodi schools in turmc

The threat was made shortly before the beginning of this term and it was to be carried out if the head teachers were not allowed to resume their duties.

Taxi war brings late buses to city

CAA TRS 4/4/91
332
Municipal Reporter

THE taxi war in the townships is bringing late-night buses back into the city.

Mr Roger Taylor, a marketing manager of City Tramways, told a gathering of Restaurant Guild members at La Med at the Glen Country Club yesterday that late buses had already been running in Sea Point and the central city for a week.

"We went to meet various committees in the townships, and they told us that they expected the taxi boycott to last at least six months before the three warring taxi associations would be forced to unify," Mr Taylor said.

City Tramways had then decided to run a "skeleton" late-night service on the most viable route: From Sea Point, which had many restaurant workers, to the black townships.

Mr Ted Frazer, chairman of the liquor and catering Industrial Council, warned restaurateurs that anyone who had a liquor licence was legally obliged to provide transport home for late-night workers.

Mr Taylor of City Tramways said his company was willing to take the risk of running a late-night service on the main route, without taking people all the way to their doorsteps.

appointed Minister Piet Welgemoed immediately reacted over the weekend to say that he plans a major conference of all parties concerned to seek methods to curb death on the roads.

"I am thrilled about his appointment," National Road Safety Council director Eric Wise tells the *FM*. Like the new minister, Wise understands the economic thrust which accompanies the developing nature of transport in SA. He explains this in terms of the burgeoning black taxi industry, which has been cited the main culprit of the weekend accident toll.

"Statistics show," says Wise, "that taxis



are the next phase of the development of a subgroup of people who only had access to free movement during the last three years. Now, millions of those people are moving... with a tremendous economic effect," says Wise.

He says official figures show that the traffic volume has increased by 30% on last year. "Take as an example, the R70 for a return taxi trip between Johannesburg and Morija (where the Zionist Christian Church meeting takes place each Easter weekend). This means that R140m had been invested in just over four days. That is a major economical thrust."

But it is also economic factors which cause many of the collisions involving minibus taxis, says Wise. "The lack of maintenance of these taxis is a major concern. It is known that 27% of accidents are indirectly caused by tyre failures — in most cases, an inferior retread. Speed and overloading — all to insure a bigger income — are further factors which threaten road safety."

On the other hand, Wise agrees with the Southern African Black Taxi Association (Sabta), which describes its campaign with Shell to assist minibus drivers on the N1 route between Pretoria and Pietersburg as a success. "If there had been no such campaign, the fatality figure would have been much higher — and I still think it is a miracle that the figure was not higher, given the huge increase in traffic volumes in the past few years," says Wise.

He welcomes Welgemoed's idea of a conference, because it's important to assess the campaign which preceded the weekend, says Wise. With his specialist academic back-

ROAD SAFETY FM 5/4/91 (332) **CURBING THE REAPER**

The carnage on the roads over Easter — at the time of going to press, 220 people had died in 144 collisions and over 1 000 had been injured — will cost the country at least R28m. That is according to a calculation by the CSIR, based on the medical, legal and law enforcement costs as well as the lost productivity of those who died.

These figures seem to emphasise the importance of the appointment by President F W de Klerk of a transport economist to head the Department of Transport. Newly

CURRENT AFFAIRS FM 5/4/91
(332)

ground, Welgemoed seems to be that relative rarity: a Cabinet Minister qualified for the job.

Forecasts point to good year for Grincor

8/10 cy 4/4/91.
LATEST forecasts are that Grindrod Unicorn Group (Grincor) will again achieve real growth in earnings, chairman Murray Grindrod says in his group's annual report.

In the year to end-December 1990, Grincor's attributable income increased 18% to R18,5m.

Grindrod says political reform will facilitate expansion of the shipping and transport group's international activities and provide investment opportunities, which are being pursued with a view to investment this year.

"In SA there is little likelihood of an early relaxation of the current restrictive economic policy. As a conse-

Business Day Reporter

quence, neither imports nor the volume of movement in domestic cargo are expected to show any improvement over 1990 levels."

In his statement, MD Mike Groves says the group was largely unaffected by high interest rates because local borrowings were limited to short-term requirements.

Of the total interest-bearing debt, 95,3% or R86,5m was financed offshore at an average rate of less than 9%. Much of Grincor's financing was related to growth investments.

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Groves says: "A total of R52,7m was spent on fixed assets. About 85% of this represents additional capacity with strong earnings potential over the expected operating life of 10-15 years."

Groves says the group aims to invest in a balanced portfolio of local and international activities, with offshore investments estimated to produce 40% of attributable earnings.

While SA's international image is improving, Grincor remains reluctant to divulge details of offshore activities. However, Groves says earnings in this area, at R6,9m, amounted to 37,4% of the total.

Friday, April 6 1991

Merger will end taxi war

CHARTER-TAXIS 6/4/91
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By CHARL DE VILLIERS

AN agreement yesterday by two Cape Town taxi groups to merge into a single organisation has brought to an end the taxi war in which at least seven people have been killed.

The decision to merge the Western Cape Black Taxi Association (WCBTA) and its Le-gunya rival was taken at a meeting in Nyanga attended by some 400 taxi owners, said Mr Johnson Mpukumpa, chairman of an interim

community crisis committee.

Commuters, caught in the violent crossfire sparked by competition over routes and ranks, have boycotted taxis for the past few weeks, demanding that the operators amalgamate to end the violence.

The boycott has not been called off and will be reviewed only after the official launch of the new organisation and the adoption of a single constitution.

At least seven people have died in the conflict and vehicles worth tens of thousands

of rands have been destroyed or damaged.

Yesterday's meeting in the Zolani Centre in Nyanga East was convened by the Taxi Crisis Interim Co-ordinating Committee and came as a sequel to a "principled decision" by the taxi groups last weekend to form one association, said Mr Mpukumpa.

"The taxi owners have now agreed in writing to work jointly with the community at large under the auspices of the co-ordinating committee," he said.

Taxi owners also agreed that the official

launch would be convened jointly with community representatives, said Mr Mpukumpa.

Besides agreeing to amalgamate, taxi owners bound themselves to a disciplinary code, an identification mark for each driver, registration of all taxis and owners and the opening of ranks where needed.

A committee will also be elected to investigate complaints.

Commuters will be informed of the agreement at meetings in Khayelitsha, Site C, Langa, Nyanga and Gugulethu today. — Sapa

Taxi-drivers bury hatchet

W/CAK643 6/4/91

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By EDWARD MOLOINYANE
Weekend Argus Reporter

THE two rival township associations have agreed to form a single body because of a community boycott which resulted in taxis not operating for six weeks.

The decision was taken by about 400 taxi owners at a meeting in Zolani Centre, Nyanga, yesterday.

At least six people, including passengers, are known to have died, and several injured in the deadliest taxi war in years in the Peninsula.

The associations themselves have been hard hit by loss of income.

Scores of vehicles have either been hijacked or burnt out in the conflict between the Western Cape Black Taxi and the Langunya/Lingeletu Taxi associations, who clashed over the opening of a new rank in Site C, Khayelitsha.

The community, which found itself caught in the crossfire, subsequently embarked on a taxi boycott while church leaders, at times snubbed by the factions, tried to end the bloodletting.

With no end in sight to the feuding, amid the continuing violence and the sporadic service, operators were ordered to remove their vehicles from terminuses by the newly formed Taxi Crisis Co-ordinating Committee.

Commuters who were left stranded, were bailed out by City Tramways increasing buses and reducing fares on some routes.

The committee, which represents residents, disclosed this week that the two factions had agreed after a series of meetings to form one association and to liaise with community organisations on matters relating to the industry and to avoid further clashes.

A committee member said before another meeting with the taxi-men on Thursday that the feeling was that the boycott would remain at least until the mechanism for the new body were worked out. He could not speculate on how long this would take.

The root of the trouble is the high cost of routes which associations prevent each other from using.

Mr Clement Ramatlakane, chairman of the Western Cape Black Taxi Association, said the two associations were working round the clock to form a single association in the townships.

A 14-member interim committee had been formed and the constitution was almost complete, he said.

Both associations were "desperate" to resume services because for most this was their sole source of income.

Mr Ramatlakane, also regional chairman of Sabta, to which the two associations are affiliates, said: "My R1 200 bond on my house and other debts have not been paid."

SA girls —



Picture: BRENTON GEACH, Weekend Argus.

Bianca Huys — exporting au pairs by the score.



SA Black Taxi Association president James Ngcoya ... good reason to smile.

Black taxi industry is fuelling the economy

Open 7/4/91
SOUTH Africa's black taxi business is one of the biggest industries in the country, providing employment for thousands of people and transporting millions.

Its growth over 10 years into a multi-billion rand industry proves that private enterprise can put business in the hands of those who have a stake in it.

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Last year minibus taxis transported more than four million people a day and owners raked in an estimated R3-billion in fares at an average of less than 15c a kilometre – probably the cheapest rate in the world.

The industry is now such an economic force that banks and financial institutions vie for the business.

Even the motor vehicle industry depends more and more on the industry for sales, especially in times of recession.

There are an estimated 130 000 taxi owner-drivers in the country and their vehicles, mostly minibuses, cost an average of R45 000 each. This has provided the motor industry with sales of R7-billion over the past decade.

Financial institutions have gained R18-billion in profits from financing the purchase of vehicles, while insurance companies have gained about R200-million in premiums.

So massive is the industry that special insurance companies, like Taxi Advisory Services (Tas), have emerged to cater for its unique needs.

Tas, for example, guarantees that damage to a vehicle will be assessed within 48 hours, will provide a temporary replacement vehicle so the taxi owner will not stop business, and will make the hire purchase payments to the bank.

Community action ends taxi feuding

TWO warring Cape Town taxi groups have agreed to commuter demands that they disband and form a single organisation. (332)

The decision to merge the Western Cape Black Taxi Association and its Legunya rival was announced at a meeting in Nyanga this week, attended by some 400 taxi owners.

Township commuters have boycotted taxis for the past few weeks, demanding that the operators amalgamate.

A conflict between the two organisations over routes and ranks claimed the lives of at least seven people and resulted in damage to vehicles amounting to thousands of rands.

The meeting, in the Zolani Centre at Nyanga East, was convened by the Taxi Crisis Interim Co-ordinating Committee and came as a sequel to a 'principled decision' by the taxi groups last weekend to form one association.

And township commuters - caught in the violent crossfire of the conflict - came together in Khavelitsha, Site C, Langa, Nyanga and Gugulethu on Friday to discuss the formation of a single association.

Johnson Mpukumpa, chairman of the co-ordinating committee, said: "They also formally agreed that the two organisations will disband to form the Western Cape Taxi Industry."

"The taxi owners have agreed in writing to work jointly with the community under the auspices of the co-ordinating committee."

"The boycott has not been called off however, and will only be reviewed pending the launch of the new organisation and adoption of a single constitution."

Besides the agreement to amalgamate, taxi owners agreed to bind themselves to a disciplinary code, an identification mark for each driver, and to the registration of all taxis and owners.

It was also agreed the changes to routes and the siting of ranks will be made only in full consultation with the community, and that an 'ombuds committee' will be elected to investigate complaints. - Sapa

Residents 'positive' about taxi plan

ABOUT 700 Khayelitsha residents reacted "positively" to a 10-point plan at a meeting last night to resolve the ongoing minibus taxi dispute in the Peninsula black areas.

But the three-week-old township taxi boycott has not yet been lifted, Western Cape Civic Association chairman Mr Michael Mapongwana said last night.

The plan, drafted by the 27-member Taxi Crisis Co-ordinating Committee (TCCC), aims to unify the warring Lagunya and Western Cape Black Taxi Association (WCBTA) factions and restore taxi services.

He said a meeting would be held at the Nonzwa-kazi Methodist Church in NY1, Guguletu, at 6.30pm tomorrow night, after which the TCCC — which comprises Lagunya, WCBTA and community representatives — might co-ordinate a suspension of the boycott.

Taxis groups urged to unite 332

BLACK taxi associations have been challenged to form a single body that will bring about peace in the industry.

Speaking at the launch of the Federated National Transport Organisation, president Mr Lennox Magwaza said the new federation would try to solve problems that led to many feuds between taximen in the past.

Fento would also focus on the high rate of accidents on South African roads.

"We are calling on all taxi associations to join us in this mission. We are

**By JOSHUA
RABOROKO**

not dictating terms to anybody but are seeking peace and stability in the industry.

"Black taxis are by far the largest black-owned industry but, in all honesty, it is not geared to become part of the new South Africa. If it were able to do so, it would play a critical part in nation building," said Magwaza.

Political organisations and the trade union movements would be asked to

Sowetan 9/4/91.
participate in the meeting, whose date is yet to be decided.

Some of the feuds have resulted in death for innocent people and one taxi-controlling group would help alleviate the problem, he said.

He was impressed by the way the South African Long Distance Taxi Association and Sabta, the largest taxi organisations, worked in close co-operation during the Easter holidays.

"This is one way in which unity can be ob-

tained among black organisations," he said.

The federation would also help members to obtain financial assistance for new vehicles. It was also hoping to become involved in other modes of transport such as aviation, shipping, trucking and haulage.



CITY

Boycott off — but taxi drivers set tough rules

11/6/85 10/6/81

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By EDWARD MOLOINYANE
Staff Reporter

A month-long boycott of township taxis has been suspended; subject to immediate renewal should operators not adhere to guidelines drawn up by the Taxi Crisis Co-ordinating Committee.

Mr Michael Mapongwana, member of the committee, said the decision was taken at a meeting in Guguletu last night.

The meeting, attended by hundreds of residents, was "tough" and most people initially opposed the suspension of the boycott, saying the taxi people could not be trusted.

10-point plan

"It was ultimately resolved that the boycott be suspended for 21 days after which the committee would report back to residents about the formation of one association.

"The committee was also asked to monitor taxi operations to see if a 10-point plan was being adhered to, failing which the boycott would be re-

newed," he said.

The plan includes:

- A new taxi registration system;
- Drawing up minimum criteria for drivers, including registration and identification cards and numbers;
- The demarcation of taxi routes by the committee and the registration of taxis according to operating zones;
- Minimum and maximum fares to be decided by the interim committee and the establishment of mechanisms for the implementation of fare increases.

Reached agreement

Mr Mapongwana said the two organisations — Langunya and Western Cape Black Taxi Associations — had agreed to adhere to the plan.

War over routes broke out six weeks ago and left at least seven people dead, including passengers. Scores of vehicles were hijacked or burnt.

This led to a community boycott of taxis which led to huge financial losses.

Strict rules to keep the peace on taxi routes

By GAYE DAVIS: Cape Town

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CAPE Town's month-long taxi boycott has been lifted — but operators will have to stick to agreed new rules if they don't want it renewed. *WMA 12/4-18/4/91*

Rival taxi bodies — Lagunya and the Western Cape Black Taxi Association — have to carry out their commitment to form a single association and adhere to a 10-point plan drawn up by the Taxi Crisis Committee (TCC).

The boycott, which has hit taxi operators hard, was launched on the back of community outrage at the outbreak of yet another feud between the two groups six weeks ago over a newly opened depot in Khayelitsha.

At a meeting in Guguletu this week it was resolved that the boycott be suspended for 21 days, after which the TCC will report back to residents about progress made towards the formation of a single body.

The committee consists of representatives of the Western Cape Civic Association, the Western Cape Hostel Dwellers' Association, Cosatu and the taxi bodies, and was responsible for drawing up the 10-point plan.

The plan provides for a new registration system, the demarcation of routes and registration of taxis for those routes, and gives the community some say over fares.

Sliding passenger levels drive Putco into the red

THE unabated decline in Putco's commuter levels, mainly due to the increasing use of minibus taxis, has driven the struggling passenger transport group deeply into the red.

Putco, which has seen its passenger levels halved in the last five years, reported a R14m or 51.5c interim loss (previously earnings of R535 000 or 2c) for the six months to December 1990, on the back of a 6% drop in turnover to R177m (R190m).

The dramatic fall-off in passenger levels resulting from fare increases and unrest has forced Putco to rationalise its fleet and its bus routes.

The number of buses in Putco's fleet has been reduced from 3 348 units in 1985 to 2 662 at June 1990.

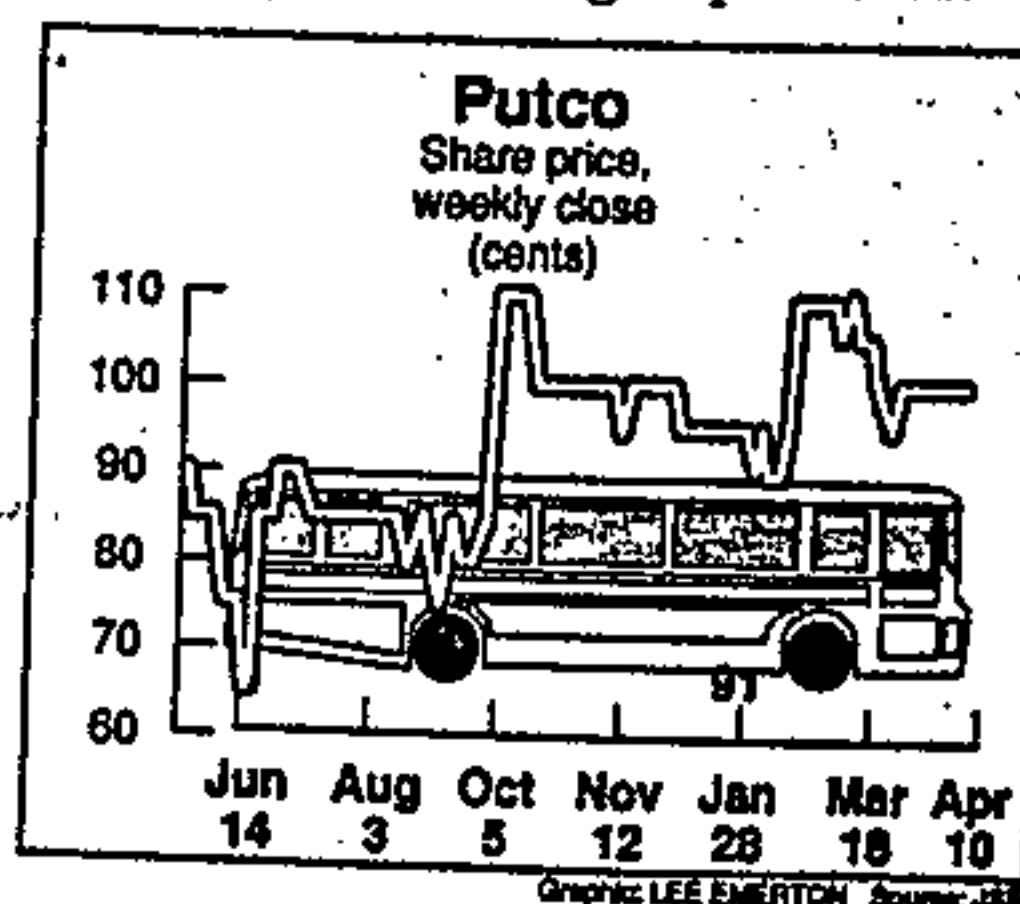
Squeezed margins saw the operating loss slide to R14m (R3m) for the period under review, while interest received fell to R1m (R8.5m).

The group's previous interim results were bolstered by the R8.5m interest received, an indication of the company's cash on hand in that period. An interim dividend was not

MARC HASENFUSS

declared. In the previous interim period a 4c dividend was paid out.

An extraordinary profit of R4m in the period under review stemmed from the sale of an undeveloped portion of the Roseville property which was surplus to the group's needs.



Directors said the group was operating under difficult conditions but remained committed to reducing the scale of company operations in line with passenger demands.

To further rationalise routes and services, Putco has restructured the

group's bus passenger services to form six strategic business units.

The unprofitable Wynberg, Alberton and Springs divisions have been closed, while the closure of the Mamelodi and Edenvale divisions have been postponed pending further negotiations with the Department of Transport and the Edenvale Town Council, directors said.

Looking to the future, directors said the uncertainty which continued to surround the long-term viability of the bus industry made it impossible for Putco to effectively plan for the future.

Putco shares traded at 100c yesterday, well off their 60c low in June last year.

Listed Putco Properties performed better at interim stage, and despite a heavy interest bill of R5m the group managed to increase earnings to R544 000 (R340 000) or 2c (1.3c) a share for the period under review.

Directors said as the group's major tenant, Putco, continued to experience significant declines in passenger volumes, premises could be vacated and sold or sublet to other tenants.

Grincor 'is taking a positive view'

GRINDROD Unicorn Group (Grincor) is taking a positive view of prospects this year and chairman Murray Grindrod forecasts earnings will again show growth in real terms.

He says in his annual review that there is little likelihood of an early relaxation of SA's restrictive economic policy and as a consequence neither imports nor the volume of movement in domestic cargo are expected to show any improvement over 1990 levels.

Grincor achieved real earnings growth last year, with attributable income up 18% to R18,5m. Turnover grew by 17% to marginally below R500m.

No ships were sold during the past year whereas attributable income for 1989 benefitted from the profit of

Act in regard to children's

LIZ ROUSE

R2,3m on the sale of a ship. Grindrod says the sale of ships will occur from time to time and profits or losses arising can be material and could distort income in the year of a sale.

He assures shareholders it has been the practice of the board to disregard the profit on ship sales when considering dividend distribution and to retain such profits in the group to assist the funding of future replacements.

Grindrod reports that Unicorn's domestic service was affected adversely by the downturn in the economy, with tonnages being below the 1989 levels. While the volume of cargo carried on foreign services was maintained, a fall in the world ship-

ping market resulted in freight rates not achieving levels originally forecast.

However, the decline in Unicorn's traditional liner activities was more than offset by an increase in the contribution from the company's international operations and a reduction in interest payments.

Grindrod says the results of Grindrod were marginally up on 1989.

Grincor's interest cover is 5, cash flow to total liabilities a healthy 34,6% and the current ratio is 1,4.

Cash available for investment was R62,6m at the end of 1990, of which R53,9m was invested. The group's growth is reflected in the relatively small amount of cash available for investment of R16,2m, of which R29,1m was invested, in 1988.

Taxis halt service in township

CMA Taxis 15/4/91
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By CHRIS BATEMAN

TAXIS would cease operating in Khayelitsha today following several attacks on drivers after an ANC rally yesterday, Mr Headman Nongwejane, a co-chairman of the newly-formed interim joint township taxi association, said last night.

He apologised to commuters, but said the situation was "not of our making".

Until the ANC executive had given a clear position on the boycott suspension, his drivers could not risk being attacked again, he said.

According to reliable township sources, the rally of "about 100 people" was called by the ANC's Khayelitsha zone leadership to discuss objections to the boycott suspension by the Taxi Crisis Co-ordinating Committee (TCCC).

The TCCC, on which representatives of the ANC, PAC and the Western Cape Civic Association serve, announced last week that the three-week boycott would be suspended for 21 days.

In return, the warring Western Cape Black Taxi Association (Webta) and

Lagunya Taxi Association agreed to form an interim joint association and to follow a TCCC 10-point plan aimed at resolving differences.

Mr Nongwejane said last night he had decided to leave the Khayelitsha rally yesterday when excited youths started chanting that they should attack taxis for allegedly not following the 10-point plan.

Mr Vuyani Ngcuka, chairman of the ANC Khayelitsha zone, could not be reached for comment last night.

Mr Nongwejane and residents said buses and taxis had been stoned by the youths.

In response, the taxi drivers immediately refused to transport commuters in the township. Residents reported having seen taxi drivers pulling passengers out of vehicles.

Regional ANC publicity head Mr Trevor Manuel described the situation as "quite serious in view of the amount of energy and 'representivity' that went into the TCC".

The ANC executive would discuss the matter and comment "once we have all the facts at our disposal".

Police confirmed fighting in Lansdowne Road, Khayelitsha, but said no serious complaints had been laid.

Owners urged to form units

Taxi industry 'could spawn 1 000 firms'

C/M 11/4/91 332

Own Correspondent

JOHANNESBURG. — The taxi industry could spawn 1 000 new companies, each with a turnover of between R3m and R5m, if individual operators combined to set up formal sector operations, said Toyota Taxi Business Circle executive consultant Paul Browning.

Browning was reacting at the weekend to calls at the National African Federated Transport Organisation (Nafto) conference in Johannesburg last week for the black taxi industry to move away from the informal sector and upgrade operators into fully-fledged businessmen.

"There are at least 60 000 taxis operated in ones and twos by individuals,"

said Browning.

"If these were operated instead as, say, 1 000 units each with 60 vehicles, then the result could be 1 000 new companies each with a book value of R3m, and annual turnover of R3m to R5m."

This could also bring about several thousand new managerial posts in an industry which at present had almost none, he said.

Transport Department director-general Ronnie Meyer told the Nafto conference that rival taxi associations Sabta and Saldta would soon come together in a national forum to help government formulate taxi industry policy and legislation.

In a speech read on his behalf, Meyer said the taxi industry had the largest share of the black commuter market at 44%, followed by the bus industry at 24% and trains at 16%.

Taxi and bus drivers attacked in Khayelitsha

By EDWARD MOLOINYANE
Staff Reporter

UNHAPPINESS about the way in which the Taxi Crisis Co-ordinating Committee conducted its business and the suspension of the month-long taxi boycott were behind a weekend attack on taxi drivers, says a committee member.

Drivers were attacked by a mob after an ANC rally in Khayelitsha yesterday and taxi services were disrupted.

Details of the attacks were unavailable but it is understood there were no serious injuries.

The mob also stoned City Tramways buses and took R203 from a driver, said TCCC member Mr Michael Mapongwana.

He said the Khayelitsha zone of the crisis committee had expressed its displeasure about the suspension of the boycott last week and claimed to have been "overlooked".

He said the group claimed it was not told of the decision to suspend the boycott and ques-

tioned the workings of the TCCC, which is said to represent residents in all the townships.

"Some people are personalising this issue. Those unhappy should call us to a meeting so we can clarify the position. Lack of communication seems to be the problem here," he said.

He said the attacks on taxi drivers occurred after an ANC rally at Njongo Primary School in C Section, Khayelitsha.

He said Khayelitsha Zone ANC chairman Mr Vuyani Ngcuka had also expressed dissatisfaction about the suspension of the boycott and this had been discussed at yesterday's rally. Mr Mapongwana said the TCCC had requested a meeting with the regional heads of the ANC to address the crisis today.

Reports that taxi services had ground to a halt were untrue.

"Taxis are operating and there is no reason for them to stop," he said.

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Taxi industry 'could spawn 1 000 firms'

THEO RAWANA

15/4/91
THE taxi industry could spawn 1 000 new companies, each with a turnover of between R3m and R5m, if individual operators combined to set up formal sector operations, Toyota Taxi Business Circle executive consultant Paul Browning said.

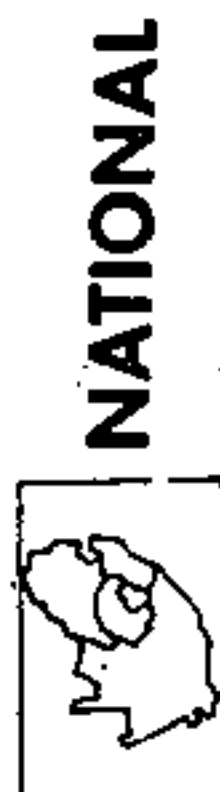
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NATIONAL

CITY

Tramways plan to beat city traffic congestion

332

16/4/91

Staff Reporter

A TRAFFIC plan involving measures such as exclusive bus lanes, peak-hour one-way systems and light rail systems for the central business district has been put forward by City Tramways in an effort to reduce increasing congestion on the city's roads.

The plan was unveiled yesterday at an audio-visual presentation attended by members of parliament, traffic authorities and businessmen.

Mr N S Cronje, chairman of City Tramways, said a solution to traffic problems was essential in the creation of a future South Africa but the emphasis on housing, education and health had resulted in little money being available.

Thirty-eight thousand cars poured into the centre of the city daily, most with only a driver.

"With the public transport operators, Cape Town's employers need to decide on the best policy for getting their workers to and from work and they then have to get the authorities to do whatever is necessary to make it more attractive for people to leave their cars at home."

Three-phase plan

The Tramways plan, to be introduced in three phases, begins with immediate "low-cost" measures such as exclusive bus lanes, peak-hour one-way systems, left turns for buses at stop streets and traffic lights, the banning of right-hand turns and giving buses right-of-way when pulling out if stops.

The reserved bus lanes would be introduced in Victoria Road, Lansdowne Road and Vanguard Drive.

The plan envisages reversible one-way streets incorporating bus lanes on such roads as Sir Lowry and Victoria and Lansdowne Road between Wetton Circle and Turf Hall Road.

The second phase of the plan proposes the introduction of O-bahns, or priority bus routes, covering part of the N1 and N2, Otto du Plessis/Marine Drive and the Black River Parkway/Kromboom Expressway.

The final O-bahn phase would cover Khayelitsha to Blue Downs, the R300 and the extension of the N1 and N2 routes.

The last phase of the plan envisages the introduction of light rail systems consisting of single-decker tramway systems for the central business district, an east-west line from Cape Town to Sea Point and possibly one to Claremont.

ANC in taxi boycott clash with activists

By CHRIS BATEMAN

A SPLIT among township activists has left thousands of Khayelitsha commuters uncertain of whether it is advisable to catch a taxi to work today or not.

The split is between the Taxi Crisis Co-ordinating Committee (TCCC) and the township's ANC leadership over whether to suspend the taxi boycott or not.

Mr Trevor Manuel, regional ANC publicity chief, appealed to taxi drivers not to operate in Khayelitsha until a mass rally tonight decides on a TCCC 10-point plan aimed at ending the taxi war and unifying taxi associations.

The ANC claims that the TCCC plan was not properly "mandated" in Khayelitsha.

However, TCCC spokesman Mr Roseberry Sonto denied that anything had changed since the TCCC announced a 21-day suspension of the boycott last week.

The problem came to a head on Sunday after about 100 ANC youths under the leadership of Mr Vuyani Ngcuka,

chairman of the ANC's Khayelitsha zone held a "rally" at which they decided to re-institute the boycott. They subsequently stoned Khayelitsha taxis.

The drivers responded by refusing to operate in Khayelitsha, but were yesterday reported to be running a partial service.

Mr Sonto said yesterday that the hard-won TCCC peace pact between taxi associations, and the TCCC's decision to suspend the boycott, "still stand".

At the heart of the controversy lies a long-standing power struggle between Mr Ngcuka's executive and the Western Cape Civic Association, which has been instrumental in setting up the TCCC.

Mr Manuel last night denied that the ANC's regional executive was "standing with" the Khayelitsha ANC zone against the TCCC.

Mr Sonto said the ANC's Khayelitsha zone owed people an explanation as to "why they made this confusion".

Mr Ngcuka was unavailable for comment.

(228) (332)
**'Shock data'
on subsidies**

IT WAS clear that increases in the number of bus subsidies could not continue, Finance director-general Gerhard Croeser said yesterday.

He said there were about 630 000 subsidised bus commuters which amounted to about 0,76% of the national budget or 43% of the Transport budget. "That this amounts to almost R20 a week per commuter is quite a shocking statistic."

He said public passenger transport should be dealt with at local level, such as within the RSCs.

The decision to transfer responsibility "does not mean that the government will devolve its share in the subsidy burden to those authorities at one fell swoop".

Annual reductions in the state's share of funds would take place over a period.

The Department of Transport had already begun a process of assisting regional authorities in this regard, he said. — Sapa.

SAA Hong Kong monopoly ends

CAT 7/4/91 17/12/91
2681 33Z

Own Correspondent

JOHANNESBURG. — SAA's monopoly over the lucrative Hong Kong route will end on July 4 when Cathay Pacific Airways starts scheduled flights to the city with flights in Boeing 747-400s taking up to three hours less than SAA flights.

It will be the first time the Hong Kong-based airline will fly to Africa. Its distinctive green and white colours are usually seen in the Pacific and Europe.

Cathay Pacific is to launch a R1 million media campaign in SA during May.

The new flight will leave Hong Kong on Wednesday nights and arrive in Johannesburg early on Thursday morning. Return flights will depart Johannesburg on Thursday afternoons and arrive in Hong Kong the following morning.

● Sapa reports that it has been reported yesterday that the Soviet airline, Aeroflot, may begin flights to South Africa.

Mr Yuri Bagrov, an official of the Soviet Union's tourist office, Intourist, said: "It's possible Aeroflot would actually fly to South Africa in the near future. A group of Intourist officials are visiting South Africa."

Shipping's share of balance of payments should grow

LESLEY LAMBERT

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CAPE TOWN — The SA shipping industry's strong contribution to the balance of payments would strengthen further during the next decade if opportunities offered by the changing political environment were realised, Trevor Jones of Natal University's Economics Department said yesterday.

Jones, speaking at the National Maritime Conference in Cape Town, said improved trading conditions in a post-sanctions world would open up considerable prospects for expansion. *B10am 17/4/91*

In the liner sector, SA shipowners would seek to fortify their positions of comparative strength.

In the bulk sector, a freer ability to cross-trade internationally, a readier access to the coal export trade and a burgeoning spirit of sea-mindedness on the part of SA shippers would serve to increase participation by local ship-owners.

There was every reason to expect the already powerfully positive impact of the shipping industry on the balance of payments would be further strengthened.

The operation of SA deep-sea carriers had exerted a strongly favourable influence on the current account of the balance of payments in the past eight years.

Gross revenue, the lion's share of which was made up of sea freight, had increased from R361m in 1983 to R1,9bn in 1990, while estimates of expenditure affecting the current balance rose from R264m to almost R1,3bn over the same period.



Taxis taken off the road again ...

1964/1971 332

Township services suspended amid confusion over boycott

By EDWARD MOLOINYANE
Staff Reporter

TAXI services have been suspended in Khayelitsha, less than a week after the temporary lifting of the month-long township taxi boycott.

The former chairman of the now defunct Langunya Taxi Association and a member of the 27-member Taxi Crisis Co-ordination Committee, Mr Headman Nongwejana, said members of the Khayelitsha zone of the crisis committee told him yesterday the boycott had not been suspended.

Committee members had urged him to order drivers to remove taxis from the ranks opened recently at Khaya Bazaar and Eyethu centre "because we cannot guarantee the safety of the vehicles".

Confused

"They told us to wait until they come back to us. But I see a few taxis are still operating, obviously at their own risk," he said.

He said several commuters had asked what was happening, but he was confused himself.

Mr Nongwejana said the suspension followed a meeting on Sunday at which the Khayelitsha branch of the ANC expressed displeasure about the workings of the taxi committee.

The committee, formed to implement a 10-point plan to regulate taxi operators, is said to represent the ANC, the PAC, the Western Cape Civic Association and members of the warring taxi associations which have been disbanded.

Mr Nongwejana said he attended Sunday's meeting, believing it had been called by the ANC because the organisation's Khayelitsha zone chairman Mr Vuyani Ngcuka was present.

"What beats me is that he did not chair the meeting, although those at the table consulted him occasionally. None of the 60 people present, mostly youths, were familiar to me and they all criticised the 10-point plan," he said.

He believed there were "certain elements" who did not want to see an end to the taxi feuding because they had "vested interests" in the industry and were using youths.

Another mystery was that he was told when making inquiries at ANC offices yesterday that Sunday's meeting had not been an ANC meeting.

"They told me not everybody in the organisation's colours or carrying its flag was a member."

Mr Bulelani Ngcuka, regional ANC executive member, declined to comment saying negotiations to resolve the crisis had reached a "delicate stage".

Towns urge blitz on minibus taxis

Municipal Reporter

A CRACKDOWN on minibus taxis, more frequent municipal property valuations, a uniform housing policy, and action against plastic packaging, were among the motions tabled at the Cape Province Municipal Association annual congress.

Vryburg mayor Mr W J Pieterse started the second day of the congress yesterday by calling for more frequent municipal valuations on property.

The present system meant that valuations were held at about 10-year intervals.

"There should a formula used to make percentage increase adjustments annually," Mr Pieterse said.

● Fines for traffic offences should be increased, and the judicial system streamlined as part of a crackdown on minibus taxis, the congress resolved.

Seconding the motion, Queenstown mayor Mr M Johnson said 33 percent of all traffic offence tickets issued by his municipality had to be written off because of accused absconding.

"We are on the border of two homelands and when we issue fines, they disappear in there and we can't touch them. When the case comes to court, charges are dropped," he said.

● Cape Town housing committee chairman Mrs Eulalie Stott called for a uniform housing policy.

Confusion was created by the tricameral system, with three housing departments with separate rules, Mrs Stott said.

● Plastic pollution was the subject of motions tabled by the Victoria West, Queenstown and Cape Town delegations.

Mrs Stott said deposits on plastic packages would encourage the poor to collect litter to get money.

Khayelitsha taxis back on the road

TAXIS were given the go-ahead to continue operating in Khayelitsha yesterday, and all ranks will be open today.

Mr Headman Nongwejane, a co-chairman of the newly-formed Interim Joint Township Taxi Association said there had been confusion among commuters during the day as a formal decision had only been reached late yesterday. All ranks would be open today, he said.

Cape Times 19/04/91
The Taxi Crisis Co-ordinating Committee (TCCC) is believed to have met on Wednesday night to resolve the situation.

Mr Michael Mapongwana, regional chairman of the Western Cape Civic Association, said he had not been present at the meeting but gathered that the situation had been resolved and taxis were back on the road.

The 21-day suspension of a taxi boycott would still be upheld and

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the TCCC 10-point plan aimed at resolving differences would be followed, said Mr Nongwejane.

The situation would be reassessed after the 21-day suspension — which began on April 11 — ended, he said.

It is believed that the ANC were not present at Wednesday's meeting, but Mr Vuyani Ngcuka, chairman of the ANC in Khayelitsha, could not be reached for comment yesterday.



New name, new planes for airline

By DAVID YUTAR
Staff Reporter

SAFAIR is to change its name and spend R108 million on new aircraft in preparation for deregulation.

On January 1 the company became a 100 percent owned subsidiary of Trek Airways, a subsidiary of Safmarine.

The new name had yet to be announced, said general manager Mr Glynn Nortje.

Extend network

Last month the airline's application to operate on several new routes was granted by the National Transport Commission, enabling the company to extend its domestic network.

The routes are between Cape Town and Johannesburg with stops at Upington, Kimberley and Bloemfontein; between Cape Town and Durban with stops at George, Port Elizabeth and East London; between Port Elizabeth and Bloemfontein and between Johannesburg and Durban.

Safair intends to spend about R108 million on three new prop-jet aircraft in the 50 to 60 seat range to replace its ageing Convair 580s.

The aircraft will be selected from the 64-seater British Aerospace ATP, the 62-seater ATR 72, the 50-seater Fokker F50 and a 50-seater De Havilland Dash 8.

The models were being evaluated and a final selection would be made before the end of the month, Mr Nortje said.

He predicted that the new aircraft would be in service before the end of the year.

In the meantime Safair has increased the frequency of its Cape Town to George flights.

"This gives the Cape Town and George business communities the option of four same-day returns a week," said Mr Nortje.

Meanwhile, Air Malawi is the latest airline to buy new Boeing aircraft in an attempt to capture a greater share of the South African market.

Mr Rex Lazard, a former South African, who was appointed general manager of the airline last

month said the two 737-300s, which cost more than R200 million, will be used on the Johannesburg, Harare, Lusaka and Nairobi routes.

"Johannesburg is our most important route and with the new aircraft this will help us to bring operating costs down and increase our credibility."

Malawi route

He said one of the first objectives will be to provide a regular and efficient service to the Lake Malawi and extend the service. The company also intended replacing the aircraft used on the domestic route within the next six months.

Mr Lazard said he would also be looking at several other package deals in co-operation with their pool partners SAA.

A spokesman for Boeing said during the past nine months Malawi with South African Airways, Zimbabwe, Mozambique, Egypt, Zambia, Ethiopia and Morocco have all purchased new aircraft in an attempt to upgrade their services.

Billions leaving SA in freight charges

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Cape Times 19/4/91

By AUDREY D'ANGELO
Business Editor

SA is paying out billions of rands every year in freight charges to foreign shipping companies, delegates to the national maritime conference at the Cape Sun heard yesterday.

Howard Boyd, executive director (bulk) at Safmarine, and Trevor Jones of the department of economics at the University of Natal said these charges — which greatly exceeded annual repayments of foreign debt — were having a powerful impact on the balance of payments (BoP).

They urged the government to save some of this money by encouraging SA shipping companies, through export incentives, to buy more cargo vessels.

Pointing out that the Japanese saved — and earned — foreign exchange by insisting that their imports and exports were carried on their own ships, Boyd asked SA exporters to do the same by sending their goods on costs and freight (C & F) terms instead of allowing the buyers to choose the transport by sending them free on board (Fob).

Jones estimated the annual freight bill for SA's foreign trade at R8,4bn a year. This excluded the cost of transporting petroleum and other classified products but included some cross border traffic to and from other African countries.

He said that SA was one of the top 12 sea trading nations in the world. Yet it was not a significant ship owning or ship operating nation.

"In 1989 the tonnage of vessels on the SA register amounted to a mere 397 000 gross tons or some 0,096% of the total world fleet of 410m tons.

"For obvious strategic reasons some additional tonnage under beneficial SA ownership is flagged out to foreign registries. Yet even with this extra capacity the locally owned fleet represents less than one quarter of 1% of world tonnage.

"This country's share of world sea-borne trade therefore exceeds its share of world shipping supply by a factor of more than 20 to one, with the result that the bulk of the commodities handled in SA ports are carried in foreign owned and foreign controlled ships.

"A clear consequence of this imbalance is that a high percentage of the sub-continent's sea freight payments accrues to foreign ship-owners — a situation which is immediately apparent from the shape of the services account of the BoP."

Jones said that on the basis of published BoP data, it appeared that SA residents were receiving only from 14% to 17% of the country's foreign freight bill.

"But this almost certainly represents a considerable under-estimate of the activities of foreign transport carriers."

This, he explained, was because when export sales were sent Fob the responsibility of the seller ended at the point of loading.

"Since the lion's share of our exports are sold on Fob terms, the bulk of the freight costs associated with this substantial trade involve transactions between foreign buyers and foreign shipowners, and consequently are not recorded in the BoP."

With the prospect of a rise in SA exports as foreign relations improve, Jones urged the Government to recognise the shipping industry and other service industries "as fully fledged exporters" in the new General Exports Incentives Scheme (GEIS).

Odi bus users in challenge to boycott leaders

By ELIAS MALULEKE

FRUSTRATED commuters in Odi have challenged those who organised the boycott of Bophuthatswana Transport Holdings bus services to come out into the open.

Commuters maintained they were not consulted before the boycott, which is allegedly the work of taxi drivers and young "comrades".

Taxi drivers have been seen blocking major roads between Mabopane, Winterveld, Klipgat and Hammanskraal, forcibly removing commuters before youths stone the buses.

Tickets have also been shredded and commuters threatened with violence by the "faceless" people enforcing the boycott.

Last week commuters applauded the formation of the Transport Co-ordinating Crisis Committee, established to curb the lawlessness and mediate with the BTH on behalf of commuters.

This week, however, commuters complained that no adequate arrangements had been made for alternative transport and that they were being abused by taxi drivers who were charging more than they paid on the buses.

ANC Pretoria branch chairman FM Magano, who is also a member of the local crisis committee, said: "Commuters should be patient because we are trying to settle the matter with the BTH as soon as possible."

BTH transport manager Johan Stegmann said his company was negotiating with employers and the community in a bid to resolve the "mysterious" boycott.

"The recent fare increases have nothing to do with the price of diesel. It is our annual hike in line with inflation. Although we regret the 29 percent increase, there is no way we can lower fares because we would be running at a loss."

Control of air fares under scrutiny

Own Correspondent

JOHANNESBURG. — The elimination of government control of air fares will come under the spotlight at an international aviation conference in Cape Town tomorrow.

Proposals made by an international think-tank for freeing global aviation policies are to be debated at the conference where SA's international aviation agreements' policy will be reviewed.

The recommendations were published in a recent report by UK-based Global Aviation Associates.

They include the abolition of pricing structures, and the prohibition of: anti-competitive agreements, predatory practices by international airlines, and the abuse by major airlines of their dominant positions domestically and internationally.

The report also calls for elimination of government subsidies to airlines. It says registered airlines operating within a country should be free to

operate scheduled and charter operations to, from and within that country without flight-frequency restrictions.

Airlines will still have to meet stringent safety standards before they are licensed.

One of the major contributors to the report is Global Aviation's European managing-director Mr Ray Colgate, who will address the conference.

The report finds that industry protectionism has become irrelevant in the light of political changes which have promoted free enterprise.

Despite the setback as a result of the Gulf war, commercial aviation is on the brink of a boom with passenger volumes set to double by the turn of the century.

More than 40 state-run airlines are moving towards privatisation and are promising to place greater emphasis on consumer interests, local and regional development and tourism, the report says.

Capt. T. S. 22/4/91 (808) 332

Corporate jet sales soar as new markets open up in Africa

THE corporate jet market is experiencing an upturn as opportunities for business arise in African countries not easily reached by major airlines, says a leading aviation executive.

British Aerospace (BAe) Corporate Aircraft Middle East and Africa sales chief David Froom says his organisation has reappraised its position on SA in the light of political changes and also because of vigorous marketing in the region by American and French manufacturers.

Interviewed at the weekend, Froom said he was in SA to consolidate three corporate jet deals and to close a fourth, with a total value of \$43m.

He said also BAe had re-established links with the SA Air Force, which still uses a small fleet of Hawker Siddeley (now incorporated into BAe) HS 125 Mercurius jets for VIP flights.

Froom said SA corporate

aircraft owners were looking to upgrade from turbo-propeller aircraft to corporate jets, while a noticeable trend among small cabin jet owners was the shift to larger and long-range jets.

Most reputable aircraft sales agents offered an aircraft management package as part of the sale. This enabled the agent to charter out any of the aircraft's spare time on behalf of its owners, Froom added.

Last year's statistics showed that SA's corporate jet fleet comprised a mix of 43 small, medium and large cabin-class aircraft.

Cessna's Citation range of aircraft accounted for 66% of the small cabin market, while Learjet with 28% and Beechcraft with 6% made up the rest of the

sector.

BAe's 125 series jets have a monopoly in the medium-size cabin market, while France's Dassault Falcon aircraft dominate the large cabin market — President F W de Klerk's new Falcon 900 will be the latest to join SA's fleet when it is delivered later this year.

"Although corporate aircraft are expensive acquisitions, the capital expenditure can be justified in terms of executive time and money saved," Froom said.

If one considered how much executives were paid and how much of a company's profits they personally generated, then one could realise that travel time generally was wasted time and money.

Corporate jets not only freed executives from scheduled airline flights

and busy airports — with extra check-in and customs clearance time — but also provided a secure and confidential working environment, said Froom.

Under current tax laws SA companies were able to write off over four years the capital expenditure used in buying an aircraft.

The tax benefit was also a vital element making aircraft purchase an attractive proposition, he said.

"Aircraft are valued in US dollar terms, as the entire aircraft industry is dollar based.

This means that SA companies buying aircraft are acquiring a more secure — yet highly mobile — investment than if they bought items valued in rands," Froom added.

BAe is to establish a full maintenance and spares facility in SA through The Stanley Walters Company and Placo, its agents in the country, Froom said.

LINDEN BIRNS

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Transnet pitches for foreign funds

TRANSNET, exploiting improved foreign perceptions of SA, is returning to international capital markets by pitching its latest equity-linked fixed interest (Elfi) issue at local and foreign investors.

The transport giant, backed by Investec Merchant Bank, heads for London and other European capitals next week in an aggressive marketing drive deliberately timed to coincide with the end of President F W de Klerk's visit.

The two-year capital market issue, Transnet's third and dubbed Elfi III, was launched yesterday at a high-profile presentation distinctly more upbeat and confident than previous launches.

"I believe we will get a positive response from abroad," said Transnet group finance GM Eugene Kruger. "I am optimistic volumes will be there. Opinions on SA are changing for the better."

Elfi III will be an open-ended issue, meaning it is not possible to put a precise figure on how much money will be raised.

However, Kruger said Elfi III could go a long way towards meeting Transnet's budgeted R1bn funding requirement for 1991/92. The first two Elfi issues, launched in November 1986 and April 1990 respectively, raised R1,36bn.

ROBERT GENTLE

Elfi is not a straight bond issue but one which takes into account the natural diversity of investor opinion. It is thus split into so-called bull and bear tranches.

The bull tranche is aimed at investors who have a bullish view of the market, and is consequently positively linked to the JSE all share index. The stronger the stock market, the higher the bull tranche's redemption value.

Similarly, the bear tranche is positively linked to a falling JSE all share index and interests bearish investors. The weaker the stock market, the higher the bear tranche's redemption value.

Investec spokesman Hendrik du Toit said that Elfi bulls should be able to lock in the index plus a coupon of 4,5%, while Elfi bears could achieve a high income yield of 25%. Foreign investors could enhance returns through the finrand.

He said this Elfi issue, like previous ones, would stimulate trade in the futures market as holders hedged their positions by trading in all share index futures.

An application had been made to Safex to list an April 1993 all share index futures contract whose close-out date will tie in with the Elfi III redemption date.

Putco expected to announce overhaul

SPECULATION is rife that troubled transport group Putco will announce a major restructuring programme today.

Putco's passenger levels declined to 143-million in 1990 from 323-million commuters in 1985.

Putco reported a R14m interim loss (previously earnings of R535 000) for the six months to December 1990.

The dramatic fall in passenger levels resulting from fare increases, unrest and competition from taxis forced Putco to close some of its routes.

Its fleet has been reduced to 2 662 units

MARC HASENFUSS

from 3 348 units five years ago.

A transport analyst said last night the group had no real future in its present form. He said, however, that although government subsidies had been reduced, the possibility of further state assistance to keep essential bus routes open could not be ruled out.

Putco directors said recently the uncertainty surrounding the long-term viability of the bus industry made it impossible for the group to plan for the future.

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BIDAY

The future of Putco hangs in the balance

By Magnus Heystek
Finance Editor

The future of Putco is to be decided at a special board meeting today.

Options at this stage range from further rationalisation to stem operating losses, to the total withdrawal of Putco from the mass passenger bus transport industry.

All MD Dr Jack Visser was prepared to say yesterday was that a special meeting was to be held this morning, after which an announcement, if any, would be made.

Threatened

Several times in the past few years Putco has been threatened by closure, rationalisation or a sell-off to another party.

In 1987, a move by the SA Black Taxi Association (Sabta) to gain control of Putco was terminated because of a lack of funds.



Albino Carleo ... Putco wants a fair return

Since then it has always been on the cards that controlling shareholders, the Carleo family with a stake of 52 percent, would relinquish control if the price was right.

Putco's problems have really come to head in the last year or so.

After suffering a loss of R14 million in the six months to end-December last year, equivalent to a loss of 51,5c per share, chairman Albino Carleo warned that the group was heading for massive losses if the Government's transport subsidy scheme was not revised.

Decline

Several factors have contributed to Putco's inevitable decline, which saw its passenger levels drop by more than half from 323 million in 1985 to 143 million last year.

At the same time, Putco's bus fleet has been trimmed from 3448 to 2662.

Increased competition from taxi-operators, coupled with unrest and resistance to increased fares and sharp rises in operating costs, have put Putco under severe pressure in recent years.

Several bus routes were ratio-

nalised earlier this year in an attempt to stop the bottom-line blood-letting.

But transport experts say the decision by the Government to cut back further on its mass-transport subsidy has been the final blow.

At the time of the closure of some routes in Soweto Dr Visser was quoted as saying: "We are not making money and for that reason we are going to close some of our routes. Like all quoted companies, Putco wants a fair return."

"We have a responsibility to our shareholders to run a profitable company and not provide social services at a loss."

"Social services are the Government's responsibility," he said.

In his chairman's report Mr Carleo sounded a similar warning, saying that the "continued uncertainty regarding the long-term future of bus passenger industry makes it impossible for management to plan... and invest with confidence."

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star
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Putco holds crucial talks on its future

By Michael Chester

Rumours abounded in financial circles last night that the future of the giant multi-million-rand Putco bus network was hanging in the balance, with its fate likely to be decided in the next 24 hours.

Putco managing director Dr Jan Visser confirmed that a crucial meeting of the board of directors was due to be held this morning.

He said the Johannesburg Stock Exchange and shareholders would be informed of any decisions.

Political unrest, boycotts and stiff competition from black taxi fleets have all reportedly hit Putco.

Dr Visser said Putco had already closed operations on a number of bus routes.

Chairman A Carleo told shareholders in a 1990 annual review that bus operators as a whole were suffering losses as high as R65 million a year.

"In the short space of 10 years," he said, "the commuter bus industry has undergone a complete transformation from a once-thriving industry to one in grave difficulties."

Putco

Soweto
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BY THEMBA MOLEFE

THE giant bus corporation Putco is to close down its black commuter service soon.

However, none of its 6 000 workers, 95 percent of whom are black, will lose their jobs, the corporation said.

Managing director Dr Jack Visser announced the move yesterday, saying Putco would close down or sell its operational activities as soon as possible.

"It could be within three months or even one year," he said.

He said the company had lost about half of its black commuters because of resistance to fare increases or unrest in the country.

Another major factor was the loss of passengers to the burgeoning black minibus taxi industry.

Putco is closing. What should be done to fill the gap? Share your opinion with the nation. Telephone Radio Metro DJ Tim Modise today between 4.30 and 5pm and talk to him live. The hotline number is 714-8063. Listen to the *Sowetan*/Radio Metro Talkback programme on mediumwave 576 KhZ.

This, Visser said, reached a peak in 1984 and "has affected us tremendously".

Another contributory factor was that even the 10 percent increase in its subsidy fell below the inflation rate. That had to be paid for by commuters, said Visser.

"Adding to these problems is the fact that it has been impossible to plan ahead effectively."

"In our 1987 annual report the chairman Mr Albino Carleo, made mention of negotia-

● To Page 2

P.T.O.

Bus giant to close or sell



HEAD OF A SHRINKING PUTCO: Jack Visser
Pic: PAT SEBOKO

Mail
SPECIAL

Putco set to close

Sowetan
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From Page 1

tions which were taking place between management and the Department of Transport to provide certain specified services on a contractual basis . . .

"In the 1988 statement the chairman's statement commented that the implementation of the Government's new transport policy had not proceeded as planned and that interim operating contracts between operators and the Department were still being negotiated.

"The present rate of inflation had also compounded problems experienced by the industry," said Visser.

He said: "Putco and the Department of Transport are engaged in a continuous dialogue to ensure that passenger services will be transferred to other parties and/or rationalised, where possible."

Visser said the end of operations would affect about 120 million passengers a year in its main business centres of the PWV and Natal.

The Eastern Cape route has already been phased out.

Passengers commuting between KwaNdebele and Pretoria/Johannesburg would be among the hardest-hit.

In 1984 *Sowetan* exposed the plight of hundreds of workers who woke up as early as 3am to board a bus which reached Johannesburg about four hours later.

Many slept in the buses as they reached Ekangala in the homeland at midnight. Going home meant risking missing the earliest bus to work.

Visser said Putco had been declining since 1984. That was when the country was plunged into the worst unrest of that decade.

Visser said no workers would lose their jobs because of the decision but would remain employed by Putco until the end of the process. New employers would also take the staff complement with them, he said.

Visser told *Sowetan*: "The transportation of South Africans is a social responsibility of the Government. We are responsible to shareholders whose aim is to make profit."

Putco said it had already identified two possible buyers but Visser said they would be made known only after the shareholders' announcement.

The Southern Africa Black Taxi Association, which made an unsuccessful bid for Putco in 1987, was not one of them, said Visser.

* How Putco's wheels came off - Page 11

Spur for future black trade

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Soweto 25/4/91

By JOSHUA
RABOROKO

THREE key political figures will address the three-day annual meeting of the Foundation for African Business and Consumer Services at Nasrec, Johannesburg, from May 4.

They are: Mr Thabo Mbeki, ANC director of International Affairs, the deputy president of the PAC, Advocate Dikgang Moseneke and Mr Oscar Dlomo, the president of the Institute of Multi-party Democracy.

Theme

The theme is "Black business in the face of political change - Fabcos as catalyst for black economic empowerment" and will focus on the future of the black informal business.

Fabcos's media manager Mr Fanyana Shiburi said his organisation had made progress in its long-term mission to identify, mobilise and expand all black business.

The emphasis will be on stimulating black economic empowerment, generating new job opportunities and new wealth.

Instability

He said: "These goals have been attained even against the present political instability and the gloomy economic recession."

Fabcos is not alone in trying to harness the incredible economic power in South Africa, but there are several reasons why it must be taken seriously.

One is that it is spearheaded by the biggest, most successful and perhaps the only black "industry" - the Southern Africa Black Taxi Association (Sabta).

Taxi wars

Nobody can deny that Sabta has its problems. Taxi wars and an unacceptably high accident rate are some of them. However, it cannot be denied either that it is an efficient, versatile, superb transport system for the country's greatest asset - its people.

The key to Fabcos's success is unity. Without it, the black businessman and consumer will continue to struggle alone in disparate groups against the historical corporate interests of neo-colonial wealth and self-interest. Political emancipation alone will not be enough to redress the deficit, according to Shiburi.

Failure to fend off taxi challenge

Putco to sell its bus fleet and routes

MARC HASENFUSS

GIANT bus company Putco is to sell or terminate its services as soon as possible.

Putco MD Jack Visser said yesterday changing economic circumstances and changes in passenger preference had forced the group to get rid of its bus fleet and licensed routes.

Transport analysts said Putco, which had been unable to fend off the black taxi challenge, was about to be dissolved.

Cuts in state subsidies to the bus industry had prevented the group from freezing bus fares and maintaining commuter levels. In addition, Putco had been harmed by township unrest and boycotts.

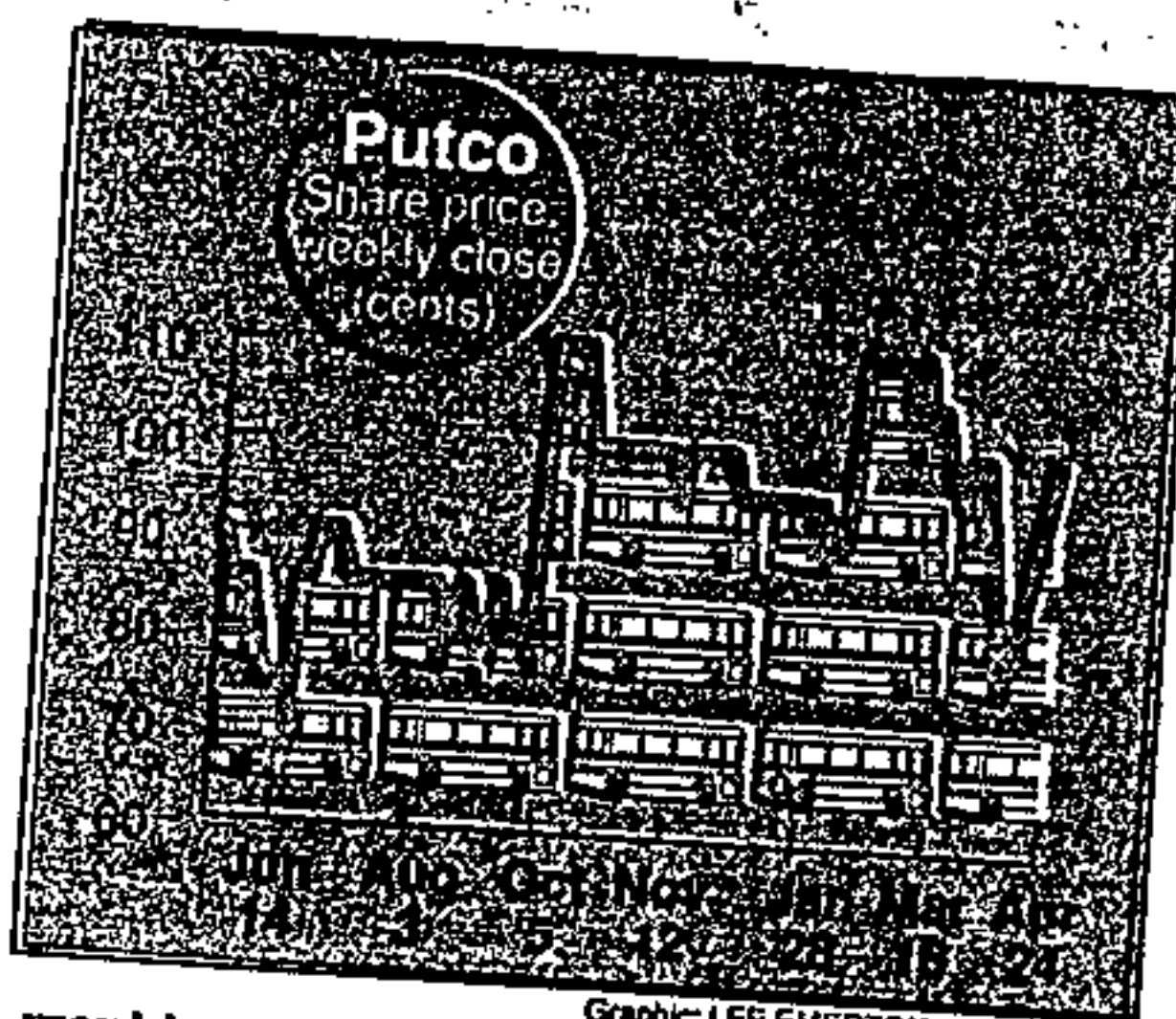
The group's directors said it would not be necessary to suspend Putco shares on the JSE.

But they said they did not believe the group could survive under current conditions.

"Indeed, it is believed that unless immediate actions are taken to protect the group's accumulated reserves, these reserves will, in the foreseeable future, be dissipated via operating losses."

SA Bus Operators' Association spokesman Eric Cornelius said increased subsidisation would have been essential for Putco's survival. Putco was due to announce a fare increase in July, which could have led to the boycotting of the bus services.

Visser said Putco and the Transport Department were working together to ensure that passenger services were transferred to other parties or rationalised to prevent the disruption of commuter services. To prevent large-scale unemployment, Putco



would ensure its employees would be transferred to whoever acquired a disposed service.

He said most of the bus routes would be taken over by Regional Services Councils. However, it was possible that government would offer Putco financial aid to keep important routes open.

Putco shares rose 15c to 100c yesterday, but were still trading below their net asset value of about 400c.

Analysts said shareholders would receive a payout well above the market price if Putco was dissolved.

The group has been in a continuous decline for more than five years. It employs about 6 000 people and the aged bus fleet is valued at about R100m.

The group's interim report for the six months to December 1990 showed a R14m loss (previously earnings of R535 000), on the back of a 6% decline in turnover to R177m (R190m).

● Picture: Page 3
● Comment: Page 6

Putco seeks buyer, 6 000 jobs at risk

8 Jan 25/4/91.

(332) (303)

By Sven Lünsche

Soweto could find itself without a bus service if Putco fails to find a buyer for its transport operations by the year-end.

Putco announced last night that, in conjunction with the Department of Transport, it hoped to sell its six regional bus operations to avoid further financial losses.

If no buyers were found for the operations within nine months, Putco would be forced to close the operations and lay off most of its 6 000 employees, managing director Jack Visser said in an interview.

Until then, staff functions would be maintained and attention given to the longer-term prospects of employees.

The announcement has met with an angry reaction by unions operating at Putco, with spokesmen saying they had not been consulted.

Announcing the planned sale, Dr Visser said a number of public bodies, including municipalities, regional services councils and private companies, would be approached to buy the units, which included Soweto-Dobsonville, Durban, Eldorado Park-

Ennerdale, Soshanguve-Mamelodi, Boksburg and KwaNdebele.

Soweto is by far the largest unit in Putco, employing about 2 000 people and using 500 buses to transport commuters from the suburbs of the township to Johannesburg's central business district.

Dr Visser indicated, however, that the sale of the Durban unit, which carries about 1 400 000 passengers a month, was top of the list as it was the most unprofitable of the six operations.

The cutback in Government subsidies last year, unrest and stiff competition from minibus taxis led to losses totalling about R70 million for the country's bus industry in 1990.

Putco's passenger levels have plummeted from an annual 353 million in 1984 to an estimated 120 million this year.

Dr Visser explained that the subsidy levels to commuters were not sufficient to maintain bus fares at an acceptable level.

Transport and General Workers' Union spokesman James Sikhosana said he believed the demands put forward at preliminary wage negotiations last week appeared to have precipitated the announcement.

● Putco sells off — Page 24

Putco reaches the end of the line

By Sven Lünsche

Putco's decision to sell or close its six operating units is an indication that the controlling shareholders, the Carleo family, are considering the disposal of all their investments in the group.

The Carleo family holds 52,5 percent in both Putco and Putco Properties, but analysts are speculating that the family is disenchanted with its investment in an industry hard hit by falling passenger levels and reduced government subsidies.

MD Dr Jack Visser said yesterday that heavy losses of R14 million in the six months to end-December 1990 had been halted and a slightly lower loss would be recorded for the full financial year.

However, given the continued decline in passenger levels in the wake of competition from the black taxi industry and government's intention to completely phase out its subsidies to the passenger bus industry, the group was left with little option but to commence a sell-off.

Putco's passenger levels have fallen from an annual level of 353 million in 1984 to an estimated 120 million this year, while the number of buses has declined from 3 300 to 2 000 over the same period.

Dr Visser explains that the subsidy levels to commuters were not sufficient to maintain bus fares at an acceptable level.

"We would have required a further R30 million in subsidies this year in addition to the current R100 million plus."

Putco is also faced with the

need to reinvest in replacing its ageing fleet, as each new bus would cost R500 000.

The Carleo family has given a deadline of three months for the sale of the six operating units — Soweto-Dobsonville, Durban, Eldorado Park-Ennerdale, Soshanguwe-Mamelodi, Boksburg and the KwaNdebele bus service.

The Department of Transport will be involved in the negotiations and this could prove beneficial if public sector groups, like municipalities or Regional Services Councils, show an interest.

Dr Visser adds that not all of the units are operating at a loss and that management of these operations will be encouraged if they considered a management buy-out.

He would, however, not reveal the value of the assets up for sale.

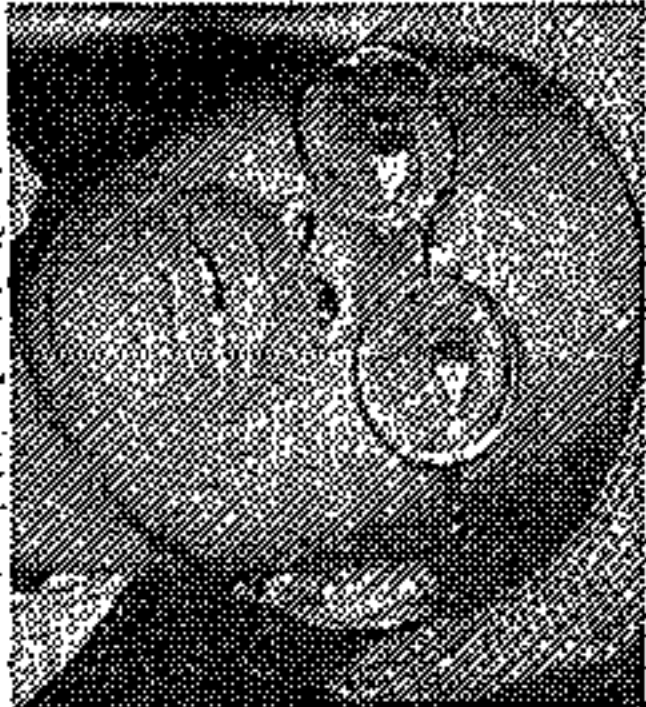
If the sale of the units is successful, Putco will be left with its core operations — Putco Properties and three factories involved in the repair of buses and the manufacturing of spare parts.

The factories could be run on a profitable basis, Dr Visser says, but analysts are convinced that they also will be sold off and the income distributed to shareholders.

Certainly if no buyers are forthcoming for the transport operations the assets — mainly 2 000 buses and extensive property holdings — will be stripped and the operations closed down.

Until the sale or the closure Dr Visser does not expect any problems with the financing of Putco's continuing operations.

Putco will be missed for reliability



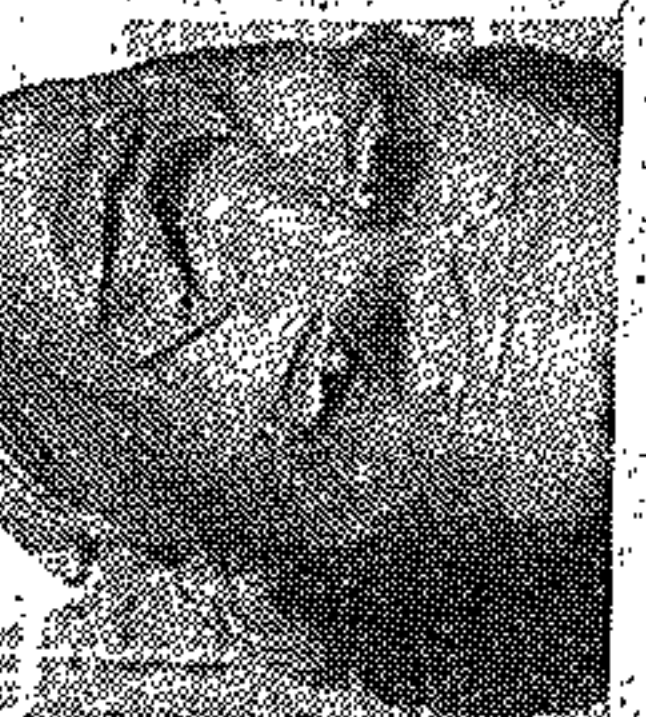
Mrs. Elizabeth Pot-sanyane of Dobsonville said she was surprised that Putco would close down after so many years. She said she was under the impression that it was doing well.



Mrs. Julia Zwane of Linmeyer said it was a pity that Putco was closing. Taxis could not cope with the increasing number of passengers. She appealed for a higher Government subsidy.



Ms. Brenda Lebakeng of Daveyton in Benoni said the demise of Putco was in a way a blessing. It would give blacks wanting to get into the bus industry the chance to do so.



Mr. Stampor Cambridge said although Putco was no longer as efficient as it used to be, it would be missed for its record of safety. Buses were safer than taxis and trains.



Mr. Sandy Smith of Pinville said the closure of Putco was "bad news". He said whoever replaces the company should be professional and make sure that prices are competitive.



Mrs. Kew Taylor of Riverlea said she would miss the reliability, punctuality and safety of Putco buses. She said Putco could be proud because it had served the community well.



Mr. Sitisio Mtshali of Orlando said the people who will really miss Putco are families having funerals. Putco had helped destitute families and contributed to the economy.

PRETORIA. — The Southern African Black Taxi Association is considering buying the ailing bus company, Putco.

Putco, one of the largest passenger transport operations in the country, on Wednesday announced its possible sale or closure.

It gave as one of its that government subsidies were not sufficient to maintain fares at an acceptable level.

In a statement yesterday, Sabta said the purchase of Putco would be influenced by profitability, manageability and adaptability to black community needs. The statement also indicated that Sabta could not cope with the demands for public transport if Putco collapsed.

Black taxi body may buy troubled Putco

CMC/10/85
26/4/91

The organisation has urged its members not to be "euphoric" at the moment and not to take advantage of the collapse by unnecessarily increasing fares, overloading and overspending.

Opposition

A few years ago, Sabta's expressed interest in Putco encountered large-scale opposition from the black community. It was accused of wanting to connive with the "oppressor" by getting involved with a conglomerate seen to be "sponsored (subsidised) by

the system".

Sabta spokesman Mr Mike Ntlatleng said yesterday that there was no need for the taxi industry to fear competition should Sabta save Putco, because taxis and buses had always operated alongside each other.

● Bophuthatswana Transport Holdings (BTH) said yesterday that it was not considering stopping trading at this stage. BTH transports about 150 million commuters annually and employs about 6 000 people. — Sapa

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Crippled bus giant paid out huge dividend

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w/ mail 26/4 - 2/5/91
Transport giant Putco this week announced that it is to cease operating.

REG RUMNEY looks at the implications

PUTCO'S closure announcement this week comes barely one year after it paid out R81,5-million to shareholders in a special dividend.

Most of the money went to the Italian Carleo family, who control Putco through Carleo Enterprises, which holds 52,5 percent of the shares.

Putco has made millions over the years from the subsidised transport of black passengers over the long distances from their apartheid-created areas to work and back.

If it closes down or is sold off, the pressure will be on to pay more — either through a contract or in higher subsidies — to whichever company takes over to render the service. Commuters strongly resist fare increases which they consider too high and boycotts have become common. The taxpayer will foot the bill for black passenger transport.

Putco MD Jack Visser was quoted by Sapa as saying that as well as stiff competition from the growing black taxi fleet and continuing unrest in the black townships, Putco also was faced with the need to reinvest heavily in replacing its ageing fleet, with each new bus costing R500 000.

Yet the dividend was paid out of a fund built up to replace buses.

Visser admits the writing has been on the wall for the last five years, but despite the looming closure, it was decided to pay the special dividend of R3,10 a share in June last year.

Visser said the special dividend had been built up over a number of years. Buses in Putco are depreciated on a replacement cost basis — money is put aside to replace the bus at what it really will cost after inflation is added.

"The cash flow generated from that had built up a huge fund of cash in the group."

Asked whether it would not have been better to keep the cash in the group, Visser said it would have been financially foolish, with the state of uncertainty in the bus industry, to put the money back into buses.

He said it was felt the shareholders should be given something for their patience in the light that no dividends had been declared for some years.

Visser told *The Weekly Mail* he had been given a June deadline by Putco's CE Albino Carleo to close down or sell off the company's operations, but the process could take longer.

He said no offers had yet been made for all or part of the company, and it had been decided not to approach any potential interested buyers until the announcement had been made.

SA Bus Operators' Association administrative manager Eric Cornelius pointed out that Putco was not the only bus company in trouble. "It's an industry trend."

He said Bophuthatswana Transport Holdings was in the fourth week of a consumer boycott of its services because of a fare increase, and is to retrench 600 workers. KwaZulu Transport is to close down its operation in Pietermaritzburg.

During the financial year ended June 30, 1984, Putco carried 353-million passengers in 3 300 buses and employed 10 440 people. During this financial year, ending June 30, it did not expect to carry more than 120-million, and estimates that by the end of the year, it would have 2 000 buses.

Putco will be sorely missed

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IT was sad to learn about the imminent closure of Putco, callers to the Sowetan/Radio Metro TalkBack Show said yesterday.



Thabo of Katlehong told Radio Metro DJ Tim Modise that Putco's long record of safety would be missed by commuters.

"Unlike taxis, Putco has proved itself as having been reliable," he

said.

Peter of Soweto suggested that political organisations like Azapo, the ANC and Inkatha

should buy Putco.

"They have enough supporters and they should impress on their members to donate funds towards purchasing the giant bus company," he said.

Eddie of Edenpark,

said: "Management must consider the interests of the aged whom it used to transport freely. Sabta will not allow the aged to

travel freely should they buy Putco."

Nobel of Soweto said the community had to urge black businessmen to buy Putco. He said in the end the ball was in the hands of the community to save the situation.

Irene of Hillbrow suggested Putco should sell shares to the public.

Stanley said he was disturbed at the "sad"

news. "The decision by Putco is very insensitive because they have not explored all the avenues."

Phineas agreed that Putco was running at a loss and said it was acceptable in business terms to do what they had decided. He said he would not like Sabta to buy Putco because taxi recklessness would be transferred to buses.

A delegation from the International Boxing Federation is in South Africa to talk to local controllers of the sport. Should this country now be readmitted to world sports arenas? Let the nation hear your opinion. Telephone Radio Metro DJ Tim Modise today and talk to him live between 4.30 and 5pm. The hotline number is 714-8063. Listen to the Sowetan/Radio Metro Talkback programme on mediumwave 576 KHz.

Taxi men eye

Putco

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Soured
26/4/91

From Page 1

"euphoric" at the moment and not to take advantage of the situation by unnecessarily increasing fares, overloading and over-spending.

Referring to subsidies, he said: "We have always maintained that public transportation in South Africa needs to be revamped. Of crucial importance is the use of subsidies in transport."

"We condemn racial subsidies as these have been used to oil the wheels of apartheid and believe that if subsidies are to be maintained they have to benefit all public transport users irrespective of what mode of transport is being used."

Ntlatleng was responding to the announcement by Putco's managing director, Dr Jack Visser, that the bus corporation was to close down its black commuter service soon.

This will be Sabta's second attempt to buy Putco after failing to do so in 1987.

Visser attributed the closure of the operation to stiff competition from minibuses taxis, political unrest, financial losses incurred in the daily operations and the Government's reduced subsidy to the bus industry.

In the latest development, Putco has appealed to employees not to take "any precipitous actions" which might not be in their best interests. As far as possible, he added, complete sections of the company would be disposed of and, if that approach succeeded, large-scale unemployment could be avoided.

By JOSHUA RABOROKO

THE Southern African Black Taxi Association is considering buying Putco's bus service.

Sabta's public affairs director, Mr Mike Ntlatleng, yesterday said the decision to buy would be influenced by Putco's profitability, its manageability and its adaptability to the needs of the black community.

Imminent demise

Ntlatleng also indicated that Sabta would not cope with the demands of the public transport sector following Putco's collapse. He said this was because 80 per cent of public transport was used by blacks.

Ntlatleng said Sabta regretted the imminent demise of Putco.

The organisation has urged its members not to be

● To Page 2



Aziz Pahad of the ANC (second from left) and Khaya Ngqula (right) yesterday welcomed members of the American delegation of Cedric Kushner (left) and legal adviser of the International Boxing Federation Walter Stone to Johannesburg. Promoter Kushner, Bobby Lee Jun (not in the picture) and Stone arrived yesterday for a series of meetings with promoters and officials of the local boxing board and the National Olympic and Sports Congress. *See today's TalkBack question on Page 2. Pic: PATTY MOENG

The internal workings of the Putco machine

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Blog 26/4/91

MICK COLLINS

IN AUGUST 1987 the first rumblings of a possible takeover of bus operator Putco were felt when the company's share price started a series of wild gyrations on the JSE.

The company gave out Press statement after Press statement saying nothing was afoot, but as rumours did the rounds of Diagonal Street, it later issued a series of cautionaries confirming negotiations were taking place.

Under pressure from a growing minibus taxi industry, Putco had made losses in the previous three financial years — R8,4m in 1985, R18m in 1986 and R8m in 1987 — all incurred despite healthy government subsidies which in its year of crisis (calendar 1987) amounted to R150m.

Fronted

The taxi industry had almost destroyed Putco's off-peak business and had eroded peak-period business by 33%. Then along came the powerful SA Black Taxi Association (Sabta) which spoke on behalf of about 40 000 independent taxi operators.

Fronted by national adviser James Chapman, Sabta formally announced it had made a R156m bid for Putco. Chapman's brother-in-law, Ivan Brownlees, acted as Sabta's nominee.

The taxi association offered two options — R220m paid over two years or an on-the-spot payment of R156m — to secure the 52,6% majority shareholding of the all-important Carleo family.

The Carleos, already major share-

holders, took undisputed control of the bus company when British Leyland ceased operation in SA in January 1987.

In August 1987 the waters were further muddied by the appearance of an "Afrikaner consortium" — which was never identified but whose nominee was Johannesburg taxi operator and former lawyer Anthony Mayer. The consortium said it was concerned that Putco would fall into black hands.

Sabta questioned the validity of the consortium's offer and the consortium vanished from the scene.

Then along came former spy Craig Williamson who was brought into the picture by the lawyer acting for Brownlees — Nimrod van Zyl.

Williamson, deputy chairman of the Seychelles-registered GMR group, offered \$80m to "help" Sabta in its bid for Putco. Sabta publicly expressed horror that a former spy could be involved in the deal.

However, other sources said Sabta had been aware all along of Williamson's involvement and that Chapman had met Williamson to discuss the bid.

For the record, Sabta then said it would go it alone with the help of some heavyweight black businessmen including Nafcoc's Sam Motsuenyane and African Bank's Gabby Magomola. Finally, however, Sabta followed Rand Merchant Bank's advice and pulled out of the bid.

According to Sabta sources, the

bank had warned that Brownlees stood to walk away with R15m in commissions from the deal. RMB said the maximum commission should have been R6m. Brownlees then announced he was claiming full principal's powers and would go ahead with the deal.

Bitter accusations were publicly exchanged and Sabta finally issued a notice stating it dissociated itself from Williamson, who was still lurking in the background, and berating Brownlees for going it alone.

Sabta executive vice-president Godfrey Ntlatleng publicly denied his organisation had ever approached Williamson and that it had ever considered any other source of funding except that from RMB.

Reserved

Seeing the all-important commissions slipping away, Brownlees attempted to form a trust fund and said he already had R60m as the basis for a trust with the KwaNdebele National Development Corporation, which wanted its own bus services.

Brownlees later reserved his rights in the deal, claiming the Carleos had failed to disclose a R45m-a-year contract with Shell which would prevent a new owner doing business with other oil companies.

All the while Putco's fleet of ageing buses was decreasing with reports that some of the fleet had been put in moth balls or cannibalised to keep the rest on the road. At the latest count the company had 2 000 vehicles on the road, compared with 3 500 in 1987.

Sabta considers buying Putco

By Helen Grange (332)

The Southern African Black Taxi Association will consider purchasing the troubled Putco bus company — provided certain conditions are met.

Putco, one of the largest passenger transport operations in South Africa, announced on Wednesday that, in conjunction with the Department of Transport, it hoped to sell its six regional bus operations to avoid further financial losses.

If no buyers were found for the operations within nine months, Putco would be forced to close the operations and lay off most of its 6 000 employees, managing director Dr Jack Visser said in an interview.

Sabta, in a statement yesterday, said it regretted the imminent demise of Putco but would consider buying the company.

The consideration would be influenced by profitability, manageability and the adaptability to black community transport needs.

Sabta has in the past been criticised by political and labour movements for wanting to get involved with a conglomerate seen to be "sponsored by the system".

Overloading

However, Sabta public relations director Mike Ntlatleng said yesterday his organisation condemned "racial subsidies" as these had been used to "oil the wheels of apartheid".

"If subsidies are to be maintained, they have to benefit all public transport users irrespective of what mode of transport is being used," he said.

Sabta, he added, "wouldn't touch Putco at the moment".

However, as a public trans-

port organisation, it could not cope with demands in the face of the collapse of Putco.

Sabta has also appealed to its membership not to be euphoric about Putco's state of affairs and not to take advantage by unnecessarily increasing fares, overloading and speeding.

Sapa reports that Sabta's expressed interest in Putco a few years ago was met with opposition from the black community.

Ironically, even within its own ranks, there was discontent over the organisation's executive committee's suspected plotting to compete with its very own constituency in the marketplace, by running what would be a cheaper alternative to minibuses.

Mr Ntlatleng said, in response, that there was no need for the taxi industry to fear possible competition should Sabta save Putco, because taxis and buses had always operated alongside each other.

Star 26/4/91

FOCUS

Special payout raised taxpayer hackles

was being made at taxpayers' expense because of state subsidies which Putco had been receiving.

The company itself has never disclosed the extent of the subsidies it received from government but they are substantially more than the operating losses and include amounts which provide for the replacement of the bus fleet based on an estimated vehicle life of 15 years. An estimate of each

year's subsidy can be made from the Transport Department's annual report but even that does not specify what Putco gets. In all, government pays out about R450m a year in taxpayers' money to subsidise transport.

Putco constantly pleaded poverty and cited rising fuel costs, smaller loads and strikes and resultant higher wages as the rationale for raising fares.

The special dividend payments were made from reserves of R172m built up from cash flow earmarked for fleet renewal. The company said that reserves were far more than needed to replace buses even at 1990 prices and the money was made over to shareholders, who the company said had earlier forgone full dividends to build up the reserves. Given the state of the people transport indus-

try and with no improvement in sight, the company argued the dividend was the only choice.

A spokesman for Putco said the bus company was controlled ultimately by the Carleo family of Italy through controlling shareholder Carleo Enterprises. He argued that as Carleo Enterprises — which at last count held 52% of the shares — was a private SA

company, none of the payout would leave the country. Analysts say that remains to be seen.

When the special dividend was paid, Putco MD Jack Visser went on record saying this did not signal withdrawal from the bus market. The company remained confident of the need for buses.

Share-watchers have since been keeping a close eye on Putco Properties in case there was a quick profit to be made from another such move.

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RSE

B10am 26/4/91

GRINCOR

DESERVES BETTER

FM 26/4/91

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Activities: Storage, handling and transport of goods.

Control: Grindrod Holdings (53,1%).

Chairman: W M Grindrod; **MD:** I M Groves.

Capital structure: 25,2 m ords. Market capitalisation: R123m.

Share market: Price: 490c. Yields: 5,7% on dividend; 14,9% on earnings; p:e ratio, 6,7; cover, 2,6. 12-month high, 500c; low, 325c. Trading volume last quarter, 240 000 shares.

Year to Dec	'87	'88	'89	'90
ST debt (Rm)	12,8	20,8	17,9	12,4
LT debt (Rm)	45,5	73,0	54,5	88,5
Debt:equity ratio	0,83	1,25	0,72	0,90
Shareholders' interest	0,31	0,26	0,29	0,28
Int & leasing cover ..	3,2	3,6	3,9	5,1
Return on cap (%) ..	8,7	10,6	15,4	12,1
Turnover (Rm)	275	346	424	497
Pre-int profit (Rm) ...	18,9	29,2	46,5	43,8
Pre-int margin (%) ..	5,9	7,2	10,8	8,4
Earnings (c)	18,4	40,3	62,3	73,2
Dividends (c)	12,5	18	23	28
Net worth (c)	178	187	236	270

Two years ago the *FM* described Grincor's entry into the international shipping market as a wild card as far as future results were concerned. Judging by the historical 7,7% dividend yield at the time, we were not the only ones with reservations.

In the event, these offshore interests have turned out to be the group's saving grace. As indicated in the table, international operations have provided three-quarters of the overall growth in attributable earnings since 1988. If Grincor had had to rely solely on its SA-based activities, performance would at best have been pedestrian.

In the 1990 year, international operations increased their contribution to group earnings by R4,1m, whereas total attributable earnings were up by only R2,8m, implying a drop in earnings from SA-based activities of R1,3m. This, however, is not a strictly fair comparison as the 1989 results included a R2,3m profit on the sale of a ship — a perfectly normal aspect of the group's operations, but not one that occurs every year. Adjusted for this, earnings from day-to-day trading activities appear to have increased by R1m compared with 1989, roughly the



Grincor's Grindrod ... forecasts real earnings growth

same as the gain recorded in 1989 over 1988.

Chairman Murray Grindrod concedes that inclusion of these sporadic profits (or losses) on ship disposals distorts results, but points out that the effects are not carried through to dividends, since effects of such disposals are not taken into account in determining the payout.

Given the infrequent nature of these sales, the policy of ignoring them for the purposes of dividends is sound. But it could be argued that, as an accounting concept, it requires further refinement if it is to be understood by the investing public.

The problem could be easily overcome by creating a reserve to which profits on ship disposals are transferred, and against which any losses are offset. Net earnings would then become the results of day-to-day operations and would be more closely linked to dividends.

A second benefit would be that trading performance from year to year would be far easier to assess. Based on the published results, a superficial conclusion would be that profit growth during 1990 had been severely curbed, declining from 54% in 1989 to under 18%. With the effects of the 1989 ship disposal excluded, however, the opposite is indicated — growth from trading activities increased, from 31% in 1989 to 38%.

Homing in more closely on the 1990 results, instead of an indicated progressive decline in growth during the year, from 23% in the first half to 15% in the second, elimination of the distortion of the ship disposal suggests there was a significant improvement in second-half trading performance. This is consistent with MD Mike Groves'

statement — that Unicorn had some recovery in foreign trades during this period — which in turn is consistent with the progressive normalisation of SA's political and trade relationships with the rest of the world.

At the same time, a second-half upturn in trading performance would explain why Grindrod feels sufficiently confident to forecast continued real growth in earnings during the current year — a prospect hardly supported by the second-half slowdown suggested by the results published.

Last year's distribution appears to have been pitched conservatively, which implies scope for further improvement this year even if earnings do not live up to expectations.

The effect of the additional profit derived in 1989 from the ship disposal was reflected in a rise in dividend cover from 2,2 to 2,7. Excluding the disposal, the "real" cover was only 2,3 which is more directly comparable, in terms of the group's dividend policy, with last year's cover at 2,6. All else being equal, Grincor should be able to add a further 5c to the dividend even without an increase in earnings and still remain within its traditional cover.

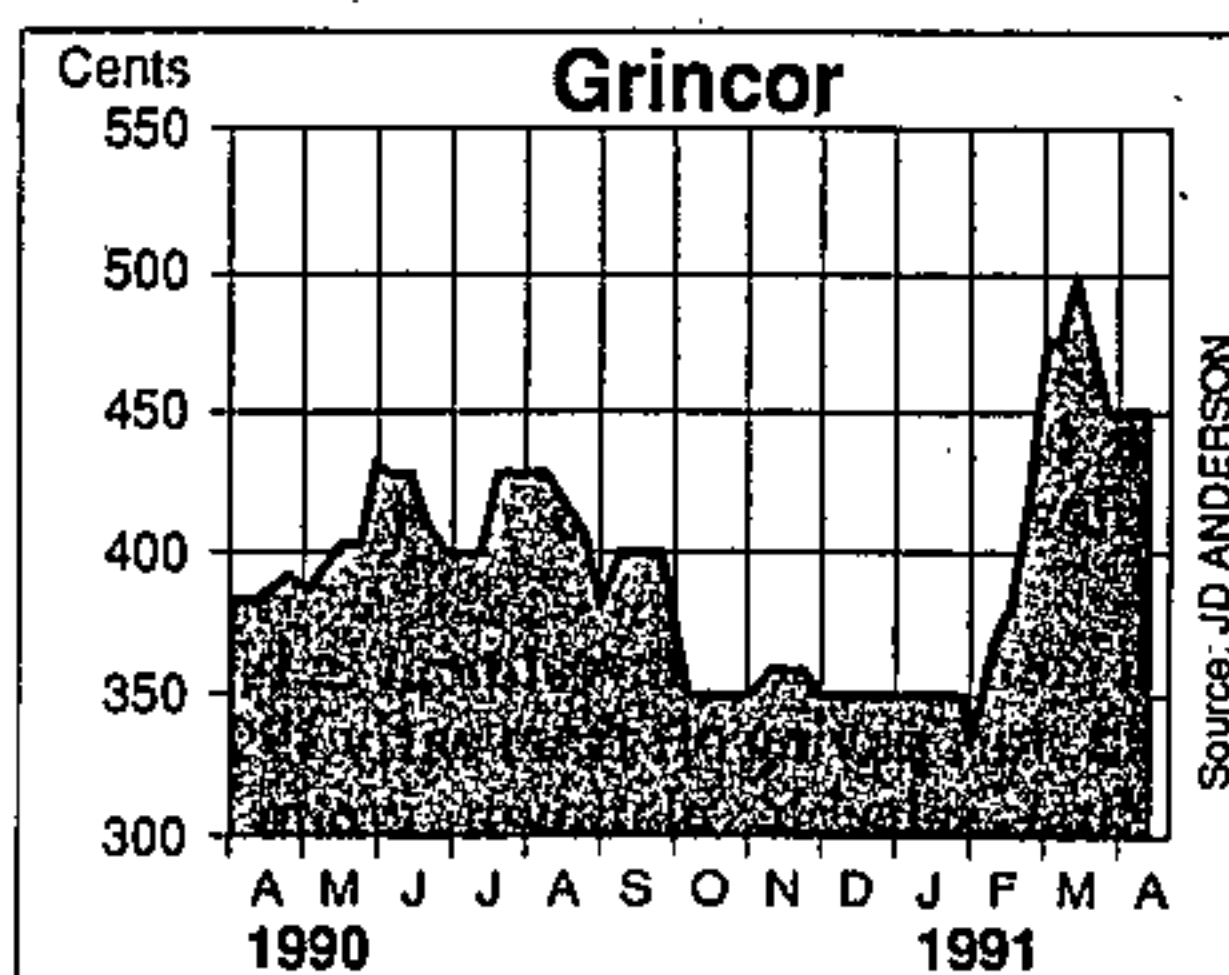
CHANGING MIX

Attributable earnings (Rm)

	Inter-national	SA-based	Total
1990	6,9	11,6	18,5
1989	2,8	12,9	15,7
1988	0,5	9,7	10,2

However, Grincor is not getting the credit from the market commensurate with its performance, which probably means there is a communications gap between the company and investors. While the share's rating has improved, the 5,7% dividend yield indicates the company is still being rated at a 44% discount to the industrial market. This hardly seems justified in view of its conservative balance sheet and prospects for future growth as trade sanctions wither.

Brian Thompson



BETTER PROSPECTS

The tide is turning for the SA coal exporters with the removal of sanctions under way, but investors should not expect fireworks from Gold Fields Coal (GF Coal) — or any of the other major coal companies — this year.

Since mid-February the share price has

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269
2321

Cape Times, Friday, April 26 1991 3

SAA to go it alone as a commercial airline

Political Staff

SOUTH AFRICAN AIRWAYS is to be restructured as an independent commercial venture, competing with other airlines for airport facilities.

The Minister of Public Enterprises and Economic Co-ordination, Dr Dawie de Villiers, said yesterday that he had told Transnet to begin restructuring SAA as a self-sustaining business. Transnet would also open its facilities to other airlines.

Replying to parliamentary debate on his department's vote, Dr De Villiers suggested SAA's international and domestic services would be separated to remove cross-subsidisation.

The decision to commercialise SAA is based on the findings of consultants appointed last year to investigate its role in a deregulated market.

The airline would be independent of Transnet and would present financial statements, Dr De Villiers said.

It would no longer receive preferential treatment. Airport infrastructure

and facilities — including central reservations and training facilities — would be opened to other airlines.

"I believe the ... public can look forward to an improved service," Dr De Villiers said.

At an aviation conference earlier this week, SAA's chief executive, Mr Gert van der Veer, recommended the scrapping of government control of international air fares and said other SA-based airlines should be allowed to compete on international routes.

Before Dr De Villiers's announcement in Parliament, Mr Tony Leon, DP, Houghton, slammed SAA's price fixing and bilateral agreements. He said SAA fares had risen by 160% since 1985 as a result of the government's "protectionist practices".

"Perhaps an alternative would be for SAA to lease out its aircraft on the overseas route until such time as sanctions are over. At least this would enable our consumers to have affordable overseas travel," he said.

Share-watchers focus on Putco's moves

CMT 7/1/91 26/4/91

Own Correspondent

JOHANNESBURG. — Putco's share price went on a roller-coaster ride in May last year, when market rumours had it that the ailing company was about to distribute a special dividend to its long-suffering shareholders.

The company duly, on May 17, announced a 310c special dividend on its 26.4m ordinaries, almost double the share price on the day.

The move was roundly slammed by taxpayer watchdogs

who claimed the huge dividend was being made at taxpayers' expense because of state subsidies which Putco had been receiving.

The company itself has never disclosed the extent of the subsidies it received from government but they are substantially more than the operating losses and include amounts which provide for the replacement of the bus fleet based on an estimated vehicle life of 15 years.

An estimate of each year's subsidy can be made from the Transport Department's annual report

but even that does not specify what Putco gets.

In all, government pays out about R450m a year in taxpayers' money to subsidise transport.

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The company said that reserves were far more than needed to re-

place buses even at 1990 prices and the money was made over to shareholders, who the company said had earlier forgone full dividends to build up the reserves.

Given the state of the people transport industry and with no improvement in sight, the company argued the dividend was the only choice.

A spokesman for Putco said the bus company was controlled ultimately by the Carleo family of Italy through controlling shareholder Carleo Enterprises.

He argued that as Carleo Enterprises

prizes, which at last count held 52% of the shares — was a private SA company, none of the payout would leave the country. Analysts say that remains to be seen.

When the special dividend was paid, Putco MD Jack Visser went on record saying this did not signal withdrawal from the bus market. The company remained confident of the need for buses.

Share-watchers have since been keeping a close eye on Putco Properties in case there was a quick profit to be made from another such move.

Taking a back seat on Putco

MYLES was slightly stunned by the notion that investors would reckon that somebody might be prepared to pay anything near net asset value for Putco — its buses and its property.

He sortof thought that carrying passengers in and out of townships these day wasn't too profitable. So why would anybody buy the assets (even for almost nothing) if a profit couldn't be made on their operation?

As he sees it this bus business needs massive subsidies from the state if it is to be viable ... which doesn't make ownership of the assets look too exciting.

Surely the Saambou guys wouldn't try it. Issuing the convertible debentures without having a shareholders meeting to get approval would not be a great PR exercise — but this is of course business.

The legal situation seems pretty complicated. But whatever, a lot of Saambou shareholders are likely to be pretty disappointed if the meeting they were promised does not actually take place.

Myles did think that given the apathy of most minority shareholders, severe indignation at this sort of heavy-handed approach might not be entirely appropriate.

But heavy-handed it does

Diagonal
Street
332
ANN CROTTY



indeed seem. If the Fed-sure/Saambou deal is so good, why should it be steamrolled through?

Is there something they know that the shareholders don't?

Perhaps they feel that after such sluggish performance from management, shareholders could be easily persuaded to sell out.

Of course section 19c of the new Securities Regulation Code isn't relevant in this instance cos the deal was finalised on January 31.

Barmines is expected to make an announcement any day now. Myles hears that Gencor is interested in doing a deal that involves Rand Mines' coal interests — a deal that would make Rand Mines the biggest coal operator around.

The gen on the Metro front — Tradegro has apparently not yet received a formal offer but at this stage Premier is the only serious contender. News is expected within few days.

Govt, Putco to meet over closure

TOP-LEVEL meetings between Putco management and Government ministers will take place on Wednesday following the announcement that the transport giant is to be closed or sold.

This was disclosed by Putco managing director Dr Jack Visser yesterday.

"It is in the Government's interests to make sure there is an orderly transfer of the Putco businesses which operate in the PWV and in Durban," said Dr Visser.

The bus company's closure could have a drastic effect on the economy. Putco transports an estimated 120 million commuters each year, according to Dr Visser.

Rocketed

He said millions of black commuters, some of whom travel as far as 160 km each day to and from work, could be left without transport.

Minister of Transport Piet Welgemoed said the issue was being given priority at Government level.

Dr Visser said despite the doubling of the bus company's share prices on the Johannesburg Stock Exchange this week, no firm takeover offers had been made.

Putco shares rocketed from 80 c mid-week to 200 c on Thursday following an announcement that the SA

8/10/91 27/4/91 332
PAT DEVEREAUX

Black Taxi Association was considering a takeover.

Dr Visser said he had been given a June deadline by owner Albino Carleo to sell off or close Putco's operations.

He said this move followed ongoing financial problems in the bus industry caused by escalating costs above the inflation rate, stiff competition from the taxi industry and the fact that the Government was attempting to reduce state expenditure on subsidies.

"Continuing unrest in townships and the need to replace the aged bus fleet also influenced the decision," he said.

Retrench

Meanwhile the SA Bus Operators' Association administrative manager, Eric Cornelius said the Putco situation was the tip of the bus industry iceberg.

"All the major bus companies are in dire straits," he said.

"KwaZulu Transport is to close its service in Maritzburg within a week.

"Empangeni Transport has put out tenders for its service.

"Bophuthatswana Transport Holdings is in the throes of a consumer boycott because of a fare increases and is to retrench 600 workers," said Mr Cornelius.

Afford

He said financial difficulties in the bus service industry were a result of a combination of things including the fact that Government commuter subsidies had not matched inflation.

According to Mr Cornelius the commuter subsidy was increased by less than 10 percent this year — R19 million.

The total commuter subsidy countrywide is now R626 million.

"Commuters are already paying as much as they can afford," he said.

Mr Cornelius said that millions of commuters could be left without bus services as a result of the crisis in the industry.

He added that the solution would be to have a transport policy and also a subsidy policy.

R100m Putco payout looms

S/Times (Bus/T) 28/4/91

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2/3/91

By DON ROBERTSON
and DAVID CARTE

PUTCO shareholders are in for their second bonanza in a year after a board decision to sell the company's buses and other assets.

The board is dominated by the Carleo family who hold 52,5% of the shares.

Shareholders are expected to receive R100-million or more from the sale. They pocketed a special dividend of R82-million over and above a normal R2,5-million last year after tax on dividends was scrapped.

The share price nearly trebled from 80c to 225c on Thursday after Wednesday's decision.

If values placed on buses and properties by stockbrokers' analysts are realised, the price could have added upside potential.

For years Putco has cried poor, publishing minimal profits or large losses in spite of big but unquantified State subsidies.

Profits and losses were stated after depreciation provisions — R40-million last year and R35-million the year before (see table on Page 3).

Offer

Strong cash flow in spite of poor profitability has seen to it that residual asset value has stayed sky high. The possible asset strip announced this week has been expected by many analysts for years.

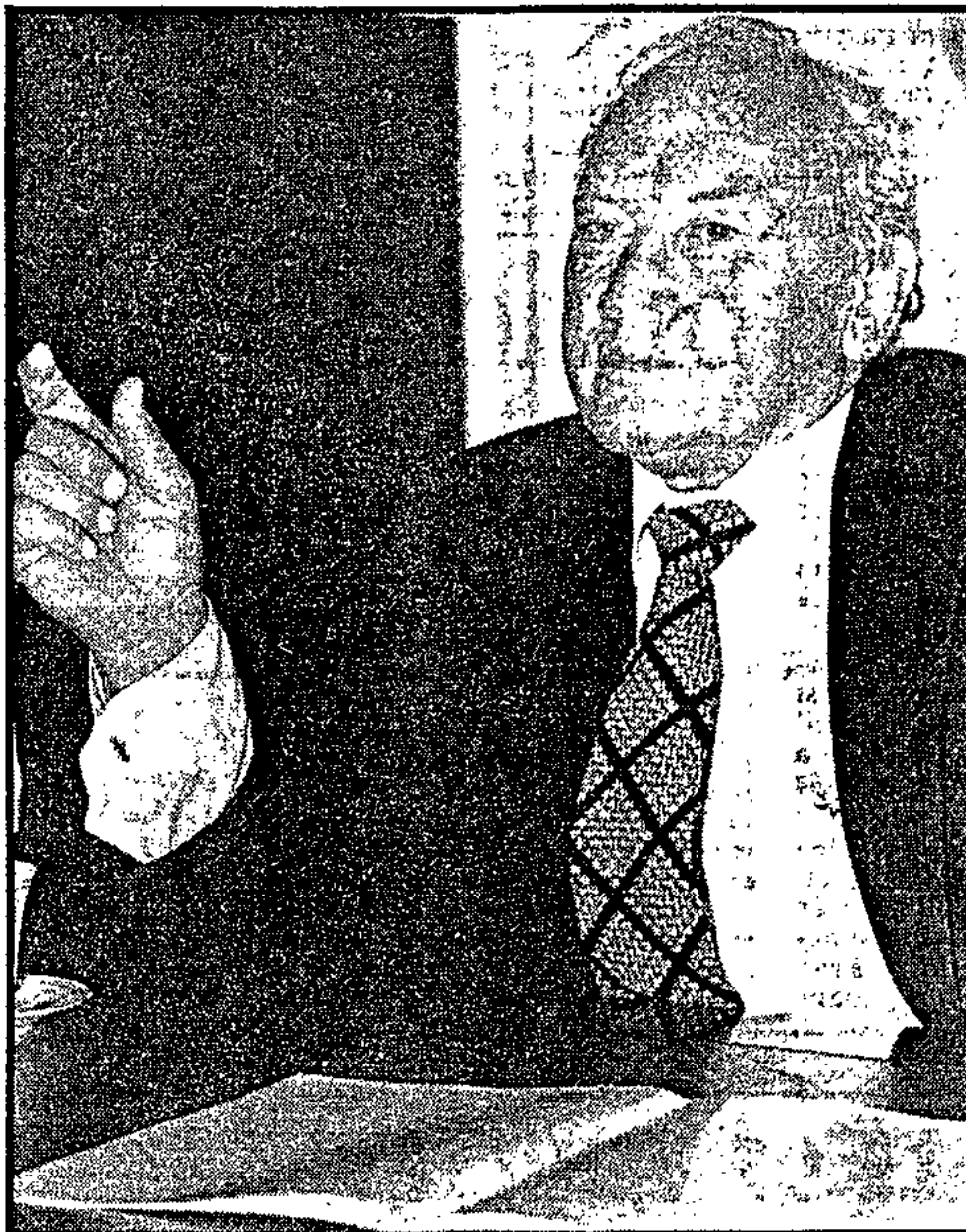
Net asset value, says managing director Jack Visser, is at least the published R100-million, or 378c a share. If buses do not fetch acceptable prices in SA, they can be sold abroad. Some analysts believe net asset value could exceed 400c.

The Southern African Bus and Taxi Association (Sabta) has indicated that it could be interested in buying Putco if it looks profitable.

Dr Visser does not take the offer seriously.

"They couldn't raise the finance last time we spoke," he says.

In consultation with the Department of Transport, Putco has identified parties who could be approached to buy divisions of the company.



JACK VISSER: Everything loaded against the big bus operator Picture: TOM EDLEY

It wants to sell without disrupting services or laying off staff members, whose numbers are down from 10 900 in 1985 to 6 000.

Dr Visser says some operations would fit in with those of competitors, notably in Durban and Pretoria. These operations could be profitable after rationalisation. The Soweto-Dobsonville service is barely profitable and could be difficult to sell.

Dr Visser has been asked by Putco chairman Albino Carleo to complete negotiations within two months.

Dr Visser attributes Putco's decline to inadequate fares and subsidies — and falling load factors because of inroads by mini-buses.

"Buses are more economical than mini-buses, provided they are fairly

full. Unfortunately, our city layouts usually mean each bus can do only two peak-hour trips a day.

"Unlike the mini-buses, we are heavily regulated. We set fares annually in consultation with the department. Taxis can change fares when they like. We are wrongly seen by our customers as part of the Government or the system. Mini-buses have more public sympathy.

"They can load and get about more quickly. They can also get closer to destinations. They can go right into city centres. We can't. More affluent blacks prefer them and don't mind paying the higher fares."

Putco is not alone in its plight. Last week, Boputhatswana Transport Holdings (BTH) said it would lay

off 600 workers and withdraw 200 buses. This followed a boycott after fares were increased on April 1.

Putco decided in 1985 to stop buying new buses and to shrink its fleet because numbers transported had fallen from 353-million in 1984 to an expected 120-million in the current year.

Bus subsidies in SA increased from R150-million in 1980 to R540-million in 1989. Operators say the R540-million represented only R127-million in 1980 money. Last year, subsidies rose to R628-million, but only after the Southern African Bus Operators Association (Saboa) warned that unless they were increased the industry would collapse.

In the current fiscal year, the subsidy will rise to R645-million, which Dr Visser says is still not enough to cover inflation of about 20%.

Dr Visser says the company plans to have only 2 000 buses in operation by the end of June, with another 600 in "mothballs". This compares with 2 662 last year.

Shrink

In the six months to December, Putco lost R14-million, but by introducing cost-cutting measures, a profit of R900 000 was earned in February.

Dr Visser says: "Putco has reached a stage where it has become difficult or impossible to 'shrink' the company any more. It is a miracle that we have stayed alive for so long."

He insists that the decision to sell the company or close it down, is not a "threat" to the Government.

Transport Minister Piet Welgemoed has assured passengers that the Government will see to it that Putco's services are not disrupted.

Putco has bought few new buses since 1985, but has renovated 200 a year in its own workshops. Each renovation costs R180 000. Dr Visser says the renovated buses leave the workshop worth R200 000 each.

The 400 renovations could thus be worth R80-million. One analyst says the 1 650 older buses still in operation could be worth R40 000 each, making another R66-million. The 600 in mothballs are reckoned to be worth R25 000 each or R15-million.

By DAVID CARTE

BUS tycoon Albino Carleo will have more than R100-million cash after the sale of Putco.

But he winds up the company his father founded feeling "sad and frustrated", he said yesterday.

Mr Carleo already has R44-million in his pocket — his share of a special dividend of R82-million paid last year.

He should receive at least another R60-million after the proposed dismantling and sale of the bus empire.

His father, Gaetano, started the company with one second-hand bus in the 30s.

Albino Carleo has run the company since 1947 and took control in 1971.

Haste

One reason for his unhappiness is that commuter spokesmen and some newspapers have demanded to know why Putco shareholders should be vastly enriched after receiving government subsidies of up to R160-million a year.

The owners appear to be stripping the assets in haste before a hostile ANC gets involved in the country's administration.

In his first interview since Wednesday's shock announcement that Putco was to be closed and sold, a bitter Mr Carleo told the Sunday Times: "People don't understand. We were not subsidised. The commuters were."

"As far as we were concerned, we would have preferred the government to pay the commuters their subsidy in cash and have charged economical fares."

"As it is, the fares and subsidies were determined by the National Transport Commission."

Controls

"One newspaper has printed a lot of rubbish about my running away to Italy with the money. I'm not going anywhere. Don't they even know about exchange controls?"

Putco's argument is that the state is responsible for designing and establishing "apartheid cities", with blacks situated many kilometres from their work.

Managing director Jack Visser said: "As an economist, I understand the state must keep its spending down."

"But if you make people live so far from their work you can't expect them to pay full fares. You have to



ALBINO CARLEO ... frustrated about having to sell the business his father started

I've got no plans to run away to Italy, he says

STimes 28/4/91

subsidise them.

"The state won't do it and we can't make our passengers pay enough to make our operations economic."

Says Mr Carleo: "After running the company for 44 years, I didn't want things to end this way — but there is no alternative."

"We are caught between a government that doesn't understand our predicament and black commuters who are also unsympathetic."

"I am satisfied we have run an efficient operation and that blacks have had a better quality of life because of our efforts."

The SA Black Taxi Association offered to buy Putco in 1987 but could not raise the finance.

It has repeated its offer, but Dr Visser says he is not treating the offer seriously. He is looking to other bus operators as prospective buyers.

If necessary, he says, the buses will be exported.

For years, Putco has tried to win commuter understanding — even painting the slogan "Eyakho" (yours) on its buses — without success.

In 1984, when Mr Carleo believed his son Luigi would take over, he was keen to build Putco into the biggest bus operator in the world.

But, according to close friends, he was heartbroken after Luigi decided

his future lay in America.

After that, the booming black taxi business, tight business conditions and inadequate subsidies caused the business to slump.

Dr Visser says Putco could not compete with mini-buses because it was regulated and they were not.

While Putco could increase fares only once a year, they could do so at any time. They could work Putco's routes, load and travel quicker and take passengers to their destinations.

Because of distances, Putco's buses, costing up to R500 000 each, could manage only two trips a day. The taxis took all the unsubsidised mid-day traffic.

Permits

Mr Carleo said: "If our buses don't continue to run and Sabta has to put another 10 000 mini-buses on the road there will be terrible traffic congestion. Mini-buses will stand parked all day. They'll have the same problem we had."

Mr Carleo owns 52% of the group. It owns 2 600 buses worth at least R115-million, possibly R200-million, properties worth at least R24-million and operating permits worth several million rand.

For years, in spite of government subsidies for conveying black commuters, Putco has cried "poor" and published small profits or big losses.

But profits and losses were stated after large depreciation provisions — R40-million last year.

Buses were written off over five years, but lasted as long as 20 years.

As a result, cashflows were strong and residual asset values sky-high.

The Putco share price nearly trebled from 80c to 225c this week after the announcement of the asset strip.

● See Business Times

Putco boss is sad as he realises in fortune

STimes 28/4/91

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By Zingisa Mkhuma

Mixed feelings as drivers learn of Putco's woes

Star 291491

News that Putco's impending closure could result in the bus company laying off some of its 6 000 workers, if it fails to sell its six regional services by the end of the year, was met with disbelief, dismay and some optimism by the drivers whose jobs are threatened.

When The Star visited Putco's New Canada depot, groups of drivers were milling around the yard, clutching copies of newspapers and seemingly surprised to learn that their company might close down.

One driver joked that news of the imminent closure was just an old trick being played by Putco to force the Government to increase its subsidy.

But for Alfred Nxumalo of Pinville, the thought of losing his job is not a joking matter.

Mr Nxumalo (47), who has been with the company for 11 years, said he had survived three retrenchments. He added that when he was recently promoted to the position of dis-

patcher, the former bus driver thought he was "made".

He and his wife, who also works, have three children and two grandchildren. They barely manage to pay the monthly mortgage bond.

"I fear losing my job because that means losing my house as well. It would be a disaster for my family," he told The Star. Isaac Mpshe (48) considers himself fortunate because he has no further instalments to

pay on his house. He does, however, support his unemployed wife and three school-going children.

He said news that the company was in financial trouble worried him, even though employees had been assured that they would not lose their jobs.

"I hate dealing in liquor but since the bad news broke, I have been entertaining the idea of buying a deep freeze and running a shebeen. I have to sur-

vive somehow. I have been a driver for 10 years and even though driving a bus is a dangerous job it's better than no job at all," he said.

Elias Siwela of Diepkloof has had enough of driving Putco buses. Mr Siwela has been a driver for six years. A scar on his forehead bears testimony to close shaves with unruly township mobs.

Losing his job, he said, was more bearable than the thought

of losing his life, because Putco offered its drivers little in the way of protection.

"Everywhere I go I am attacked because I drive a bus. I have been hijacked several times and I was almost killed last week when passengers assaulted me. I escaped by running as fast as my legs could carry me.

"You ask me if I am worried about losing my job? I am worried about my losing my life."

However, Nkosana from Jabulani (he refused to give his full name) said if Putco fell under new management, things might turn out better for them.

"Putco has given us a raw deal for many years. We are not given housing subsidies or medical aid, and after being in this job for 10 years I still get paid peanuts," he said.

But even Nkosana had to admit that jobs were hard to come by and he said he prayed and hoped someone would save Putco and his job.

● Likely disappearance of bold red circle stuns — Page 11

Star 29/4/91 (332)

Investors in scramble for Putco shares

By Sven Lünsche

Putco's share price surged 180 percent last week, from 80c to 225c, in the wake of the announcement that it would sell its six operating units.

Buyers have so far not been forthcoming, but analysts estimate that the units are worth the published net asset value of around 380c a share, giving them a combined value of R100 million.

If all the operating companies were sold, the cash would be paid out to shareholders — hence the buying wave.

However, it is questionable whether a bus company is a profitable investment these days, given the competition from the black taxi industry.

On the other hand, Putco's has about 2 000 buses on the road, and while they are generally in poor condition, their replacement value is about R500 000 each.

To avoid the cost of starting new services, municipalities or Regional Services Councils could well be tempted to buy the operations.

Likely disappearance of familiar bold red circle stuns commuters

332

Star 29/11/91

TENS of thousands of commuters have been left bewildered by Putco's plans to sell its network of bus services or close them down if no take-over offers arrive in the next few months.

The disappearance of the familiar bold red circle emblazoned on the noses of 2 000 single-deckers in the thick of peak-hour traffic — the biggest bus operation in South Africa — has been almost too much to comprehend.

The announcement was an even harder blow to 6 000 bus workers whose jobs may be at stake.

However, commuters fretful of being left stranded have been given assurances by Transport Minister Piet Welgemoed that the issue is being given priority treatment at Government level.

Commuters were also heartened when the Southern African Black Taxi Association, aware that its huge fleet of minibuses would not be able to handle all road commuters alone, revealed that it was considering a bid to take over the Putco services.

Meanwhile, Putco managing director Dr Jack Visser has confirmed that the withdrawal of the company will go ahead as soon as possible.

"Trying to run any business without clear-cut guidelines from the Government on future transport policy is suicidal," he says.

"At the moment there is no alternative. We're selling out or closing down."

The entanglement of problems has been made evident in the growing amount of red ink used in the company balance sheet to track a dramatic decline from profits into losses.

Among the thorniest problems has been the intrusion of thousands of taxis into commuter services. In the mid-1980s, the Putco fleet was bringing in bus fares on a stunning 356 million passenger trips a year — a million passengers every day. In the desertion of passengers to minibuses, the annual rate has slumped by as much as two-thirds to 120 million.

In line with the decline, Putco has slashed the size of its bus fleet from 3 300 to 2 000 — and its labour force from around 10 400 to 6 000.

The announcement by the Putco bus company that it plans to sell its entire network, or close them down if no buyers come forward, has sent shockwaves through the public transport system.
By MICHAEL CHESTER.

Sharp jumps in fuel costs have compounded the problems.

And bigger and bigger dents have also been made in profits by the cost of mass boycotts almost every time Putco announced an increase in fares.

Also yet to be counted have been the huge costs of carrying out repairs on scores of buses damaged or wrecked in township unrest.

What may have been the last straw has been the Government's decision to hack down the size of State subsidies intended to keep bus fares down on key routes.

Frustration turns to dismay when Dr Visser spells out the recent cutbacks in passenger fare subsidies announced by the Government.

"Even the top level of subsidies has been fixed as low as 10 percent, when average cost increases in our particular sector are running at more than 20 percent a year.

"That alone is bad enough, but it has been decided that there will be no increases in subsidies whatsoever on any bus journey between 10 and 20 km — and on any journey shorter than 10 km there will be no subsidies at all.

"It all traps bus operators in an impossible situation. We fully understand the problems of many black commuters when transport costs can account for a huge chunk of their wages every week. But if operations become unviable, there is no alternative to fare increases — and we know that that means trouble."

Putco is not the only bus operator feeling the squeeze. The directors believe bus services as a whole are running at combined losses of no less than R65 million a year.

Johannesburg Stock Exchange cynics wonder whether



End of the line . . . as a tottering Putco seeks a buyer, with the option of closing down, tens of thousands of daily commuters may soon boost the taxi ranks.

the Putco announcement is one big bluff — holding thumbs that public reaction will twist Government arms to increase subsidies.

Several ask whether the major shareholders — in particular the Carleo family, which founded the bus empire and holds more than 50 percent of the shares — in fact anticipated events as long ago as last year when they voted themselves a special dividend.

Eyebrows were raised when the bonus dividend was fixed as high as R3,10 a share at a time when the JSE share price was well under R2 and on its way to less than R1.

Was everyone pocketing the cash and heading for the exit already?

Not so, insists Dr Visser. "We're not bluffing. If we don't find buyers to take over operations, we shall close down. No one can expect bus services to operate in the red when investors should be able to expect at least a reasonable return."

However, the chances of a rescue operation are still not ruled out.

Ears are now cocked for leaks from a special committee that has been created inside the Department of Transport to take a closer look at the problems encountered by Putco.

Will the committee recommend a compromise on passenger subsidies and persuade Putco to change its mind?

Deputy director-general of the Department of Transport Malcolm Mitchell is silent on speculation of the outcome of talks.

But he did tell The Star: "We have been aware of Putco's decision, and our objective is to maintain an effective public service for bus commuters."

"Several strategies are under review on bus service issues, including the subdivision of Putco operations and more involvement in public transport by regional services councils."

Dr Visser keeps a diplomatic silence about discussions inside the committee.

But he makes it plain that Putco will not change its mind about selling or closing on the basis of an increase in subsidies alone.

"There would still be the risk of subsidies going up or coming down from year to year. What's needed from the Government is commitment to a longer-term policy on public transport issues to allow operators to plan ahead with confidence."

The possible ideal solutions, he feels, may still be buried in the proposals laid out by the National Public Transport Study that the Government published as a White Paper in the 1980s — but failed to implement.

"The proposals set out a formula in which the Government would invite tenders from bus operators to run specific routes, on specific timetables."

The next item likely to underline the urgency of solutions to public transport problems is a special report being compiled by Masstran, a special unit of experts appointed by the Department of Transport to prepare a master-plan for commuter services in the whole Johannesburg metropolitan conurbation.

Masstran is looking not only at bus services but also the integration of all forms of public transport — from trains to black taxi operations.

The Government can expect to come under growing pressure from commuters and the business world to spell out radical new guidelines for the entire public transport sector. □

Maritzburg short-range bus service is to close

Sowetan 30/4/91 332

IN a move which resembles the demise of Putco around the country, KwaZulu Transport will cease to operate bus services to suburbs within a 20km radius of Maritzburg from May 5.

Branch manager Mr Nigel Osbourn said the Transport and General Workers Union had been told of the expected retrenchments and individual employees would be issued with retrenchment letters by May 3.

Negotiations in terms of the company's retrenchment procedure are expected to start on Thursday.

The closure follows earlier warnings by the com-

pany that it would have to shut down short-distance services unless losses amounting to R350 000 a month were subsidised.

The main reasons for the move were given as the dwindling number of passengers due to unemployment, unrest and competition from minibus taxis and the freezing of Government subsidies on bus services over distances of less than 20km.

Osbourn said a letter had been sent to major employers advising them of the company's decision and that KZT had kept local employer and employee organisations fully informed of developments. - *Sowetan Correspondent.*

S Africa needs a new plan on public transport

Putco crisis is just a tip of the iceberg

Sowetan 30/4/91

TENS of thousands of commuters have been left bewildered by Putco plans to sell its network of bus services or close them down if no takeover offers arrive in the next few months.

The disappearance of the familiar bold red circle emblazoned on the noses of 2 000 single-deckers in the thick of peak-hour traffic - in the biggest bus operation in South Africa - has been almost too much to comprehend.

The announcement was an even harder blow to 6 000 bus workers whose jobs may be at stake.

However, commuters fretful of being left stranded have been given assurances by Transport Minister Piet Welgemoed that the issue was being given priority treatment at government level and all alternatives were under investigation.

Heated

Commuters were also heated when the SA Black Taxi Association, aware that its huge fleet of minibuses would not be able to handle all road commuters alone, revealed that it was considering a bid to take over the Putco services - though depending on a number of conditions that were not all spelled out.

Meanwhile, Putco managing director Dr Jack Visser confirms that the withdrawal of the company will go ahead as soon as possible.

"Trying to run any business without clear-cut guidelines from the Government on future transport policy is suicidal," he says. "At the moment there is no alternative - we're selling out or closing down."

cost increases in our particular sector are running at more than 20 percent a year.

"That alone is bad enough, but it has been decided that there will be no increases in subsidies whatsoever on any bus journey between 10 and 20 km - and on any journey shorter than 10 km there will be no subsidies at all.

"It all traps bus operators in an impossible situation. We fully understand the problems of the decline, Putco has slashed the size of its bus fleet from 3 300 to 2 000 - and its labour force from around 10 400 to 6 000.

Slashed

Sharp jumps in fuel costs have compounded the problems. And bigger and bigger debts have also been made in profits by the cost of mass boycotts almost every time Putco announced an increase in fares the company considered vital to cope with inflation.

Also yet to be counted have been the huge costs of carrying out repairs on scores of buses damaged or wrecked in sporadic bouts of township unrest.

What may have been the last straw has been the government decision to back down the size of State subsidies intended to keep bus fares down on key routes carrying black commuters back and forth - home to work.

Frustration turns to dismay when Visser spells out the recent cutbacks in passenger fare subsidies announced by the Government. "Even the top level of subsidies has been fixed as low as

The announcement by Putco bus company that it plans to sell or close down its entire network if no buyers come forward has sent shock waves throughout the public transport system.

many black commuters when transport costs between home and work can account for a huge chunk of their wages every week. But if operations become unviable, there is no alternative to fare increases - and we know that means trouble."

Putco is not the only bus operator feeling the squeeze. The directors believe that bus services are running at combined losses of no less than R65 million a year.

Wondering

Cynics in and around the Johannesburg Stock Exchange wink and nudge whether the Putco announcement is one big bluff - holding thumbs that public reaction will twist Government arms to increase subsidies.

Several of them whisper about whether the major shareholders - in particular the Carleo family which founded the bus empire and holds more than 50 percent of the shares - in fact anticipated events as far back as last year when they voiced themselves a

The intrusion of minibus taxis in the transport industry is one of the reasons for Putco's crisis.



ment of Transport, Mr Malcolm Mitchell, stays silent about speculation of the outcome of talks. But he did say: "We have been aware of Putco's decision to withdraw and our objective is to maintain an effective public service for bus commuters."

"We are aware of the problems and we are trying to resolve them. We are working close to Putco and with the authorities."

"Several strategies are under review on bus service issues, including the sub-division of Putco operations and more involvement in public transport by regional service councils. All avenues are being explored."

Visser keeps a diplomatic silence about discussions inside the committee. But he makes it plain that Putco will not change its mind about selling out or closing

down on the basis of an increase in subsidies alone.

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The possible ideal solutions, he feels, may still be buried in the proposals laid out by the National Public Transport Study that the Government published as a White Paper in the 1980s - but failed to implement.

"The proposals set out a formula in which the Government would invite lenders from bus operators to run specific routes, on specific passenger fares, at specific passenger fares. Now that would give everyone a fair deal," says Visser. - Sowetan Correspondent.

Interim results

for the six months to 28 February 1991

Six months to 28 February	1991	1990	Percent increase
Attributable income R million	402	386	4
Earnings per share cents	56,9	54,7	4
Dividends per share cents	13,3	12,5	6
Net assets per share cents			

GENCOR
BEHEREND

Blacks' bid to reclaim land fails

TANIA LEVY

810 am 215791
ABOUT 150 people from Osizweni in northern Natal yesterday tried unsuccessfully to reoccupy land at Charlestown from which they were removed in the 1970s.

They will now meet Natal Provincial Administration MEC for Local Government Val Volker on May 6.

Yesterday police prevented the group from re-occupying the land and holding a ceremonial feast to honour ancestors whose graves remain at Charlestown.

They were taken to the Charlestown police station where some were handled roughly by police, the Association for Rural Advancement (Asra) said in a statement yesterday.

At the police station, the group handed a memorandum to NPA Settlement Services assistant director Philip du Toit, who undertook to schedule the meeting with Volker.

The memorandum called on government to immediately restore the people's

land, and noted their objection to its proposed sale.

The proposed sale of the land had strengthened their resolve to return before June, the memorandum said.

The group said they would continue trying to return to Charlestown if the issue was not resolved satisfactorily during the meeting on May 6.

Asra said the plight of the Charlestown people highlighted the need for government to urgently address the issue of restoring land rights to black people.

Although the Charlestown people had title deeds to their land, they were forcibly removed after the passing of apartheid legislation.

The association said there was an urgent need for mechanisms to be established to arbitrate and negotiate land claims.

UK millionaire missing: SA men sought

IAN HOBBS

LONDON — Kent detectives are investigating two unidentified South Africans following the disappearance and suspected kidnapping or murder nine days ago of shipping container tycoon Simon Law.

Kent's CID said it feared Law, 35, might be dead already or in grave danger and it "very urgently" needed to contact the two South Africans.

The alarm was raised by Law's common law wife of 16 years, Tarn Phillips, 36, who is convinced that he was murdered after a kidnapping attempt went wrong.

Detective Superintendent Owen Taylor said members of a 60-strong team of detectives he was leading would fly to SA soon.

He said Law disappeared from his R3.5m mansion farmhouse in Elmsted, Kent, on April 22.

Hours earlier, the two South Africans had visited Law's house.

Police have ascertained that the two men flew out of London the following day, April 23.

Phillips said Law's shipping container business, started about 18 months ago, had extensive SA involvement. She said there had been "hitches".

Speculation Lyntex may owe up to R30m

810 am 215791
BRENT VON MELVILLE

332
TROUBLED DCM-listed Lyntex Transport Exchange (Lyntex), now in provisional liquidation, has creditors clamouring at its door for an amount that sources say could be in the region of R30m.

Industry sources believe its creditors include Volkskas Bank, Trust Bank, Commercial Bank of Namibia, Shell, BP, MAN, Overland Express and Imperial, among others.

Lyntex MD Tony Teixeira did not comment on the claims, and said the application for liquidation had been prompted by the fact that Trust Bank had called in Lyntex's overdraft.

On Tuesday he said it was "a sad day for Lyntex" in that for many of its 230 employees it would be the last working day.

He said that as he had a 71% stake in the company, he personally stood to lose between R4m and R5m.

The Trust Bank move followed the disclosure earlier this month that Lyntex was being sued by at least five firms for more than R1.6m.

Airport

Part of that includes a claim by Overland Express for R112 000 from Lyntex subsidiary Totex Management Services and Intercept Carriers.

Teixeira and chairman Eugene Marais were apparently confronted at Jan Smuts Airport on Friday by creditors who thought Teixeira was trying to leave South Africa. Teixeira denied he had any such intention.

Overland Express's Manny Silva, however, stuck to earlier claims that he confronted Teixeira and Lyntex chairman Eugene Marais at the airport last Friday and that a fracas ensued.

He said another unnamed creditor also became involved. Silva said he had since laid assault charges against the two directors.

Since its listing in December 1987, Lyntex boasted as its chairman the controversial Joe Berardo, who was appointed in early 1988 and who left Lyntex, and most of his SA connections, in 1989 in the wake of a parliamentary investigation into the exportation of a R2m collection of rare cycads to Madeira.

At 10c, Lyntex's share price is not even reminiscent of its 77c high in February 1988.

PUTCO Fm 3/5/91

VALUING PUTCO (332)

What price Putco? How long is a piece of string? Since the announcement that Putco is to withdraw from the mass commuter market, analysts have been burning the mid-

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FOX

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night oil trying to value the company. Realistically, and particularly at this stage, the validity of such estimates is questionable because they are based on assumptions which may not be true.

Most important of these is to view Putco as a going concern. Considered as a whole, it is not. Since 1982 — the peak year in terms of the number of passengers carried — the group has lost almost two-thirds of its market. What is left is simply too small to be viable in the context of a scheduled bus service without massive subsidisation of fares. With the Department of Transport (DoT) having indicated that these subsidies are to be phased out, the rug has in effect been pulled from under companies such as Putco.

The key to Putco's problems is that it has been impractical to reduce services (and, hence, costs) in line with the decline in the number of passengers carried. Comparing 1990 financial year operating statistics with 1982, the average bus now carries 55% fewer passengers than eight years ago. This means the cost of running that bus is also shared by 55% fewer people.

So whereas actual bus operating costs have been reasonably well contained (the average annual increase since 1982 was 14%), once this is translated to a per passenger basis the increase in costs becomes 523% overall for the eight-year period, or an average annual compound rate of 26%.

And this is where the contentious issue of subsidies comes in.

Putco's fares are approved annually by DoT and the National Transport Commission, usually with reference to the inflation rate. But with operating costs per passenger rising at more than 1.5 times the rate of inflation, an enormous chasm has developed between actual fares paid by passengers and the costs of transporting them. This difference has, in effect, been plugged by subsi-

dies.

Putco has never disclosed how much it receives annually from this source, but a popular assumption in 1987, when the SA Black Taxi Association (Sabta) made its highly publicised takeover offer, was that it represented about 30% of total revenue. If that was anywhere near correct, and taking into account changes in route profiles, the figures now must be close to 50%. That, on the one hand, would explain why the present situation is unacceptable to DoT (not to mention the taxpayer); and, on the other, why withdrawal of the subsidies, even on a phased basis, represents such a threat to the group.

This brings us back to the question of declining passenger numbers. As noted earlier, the average number of passengers carried by each bus operated by Putco has declined by 55% since 1982. Hypothetically, therefore, based on the current fare structure, Putco would be able to operate profitably without the subsidy if bus occupancy could be restored to previous levels.

An oversimplified way of looking at it is that, based on 1982's average loading factor, it would theoretically be possible to carry the company's present passenger load in a fleet of only 1 200 vehicles. In June 1990, though, Putco was still operating 2 662 buses and, for practical reasons, even now does not see its way clear to reducing the fleet much below 2 000.

This basic problem, which boils down to a question of asset utilisation, is not confined to Putco and will equally affect anyone planning to take over specific services. It will also dictate prices received on a break-up, as well as the assets (mainly buses) that the group is able to sell. Speculators who believe the assets are going to fetch more than book value will naturally value the share above the current market price of 250c.

Brian Thompson

No buyers for troubled Putco

By Helen Grange 7/5/91

The troubled Putco bus company has not yet been contacted by any prospective buyers, managing director Dr Jack Visser said yesterday.

The Southern African Black Taxi Association (Sabta) said last week it was considering purchasing Putco if certain conditions were met.

But Dr Visser said he had had no contact with Sabta and could therefore not comment on its conditions.

If no buyers are found for Putco's six business operations within nine months, the company will be forced to close and lay off most of its 6 000 employees.

Dr Visser said six of Putco's older, retired buses had been sold to small operators, but this had no bearing on the sale of the company.

Putco was sitting in a committee with the

Department of Transport to identify possible buyers who would take over the company's six businesses in their entirety, he said.

It was more probable however that the businesses would be sold to different operators, since some of the businesses were not profitable.

"The problem is that, with the loss of passengers and the increases in unit costs that this has brought about, we have reached a stage where annual increases in subsidies are not sufficient to keep fares down to an acceptable level. Putco either has to get increased subsidies or bear the losses.

"If necessary, the Government will have to assist prospective buyers," Dr Visser said.

The most important objective in selling Putco, said Dr Visser, was to provide continuous bus transport for commuters and ensure continued employment for Putco's workforce.

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LEAVING A GAP 332

Putco's threat to close if it can't find a buyer forces several government bodies into a corner. They may have to buy parts of the bus giant whether they like it or not.

Transport Minister Piet Welgemoed has already committed his department by saying government will ensure the continuation of Putco's services if the company pulls out. Durban and Johannesburg councils may also have to accept the role of bus-company-of-last-resort to avoid having their streets choked with black taxis if a Putco pull-out leaves a void in services.

Putco carries 50 000 peak-hour passengers a day to and from downtown Johannesburg. Thousands of additional taxis, each loaded with the legal limit of 15 passengers, would be needed to replace its Johannesburg bus service. The chaos that resulted when a section of the double-decker motorway to the west of the city's CBD was closed for repairs recently shows how little extra traffic the city's roads can absorb.



Putco ... who will pick up its thousands of riders

Transport Director-General Ron Meyer says the logical contenders to take over Putco's services in and around Johannesburg are the councils of Johannesburg and Roodepoort and the local Regional Services Councils. In Durban, where Putco transports 30 000 peak-hour passengers a day, the likely candidates are KwaZulu Transport and Durban Transport Management Board.

Johannesburg may bid for a part of the Putco operation. Paul Asherson, city councillor in charge of Johannesburg's bus sys-

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tem, says the city "has been invited to the party." Gert Tighy, acting director of the city's transport operation, says bus services were curtailed on January 7 and there are now spare vehicles that could be used.

Jackie Walters, executive director of the SA Bus Operators' Association, says several operators are considering tendering for Putco's profitable routes — the long ones where equipment is fully utilised and passengers are heavily subsidised by government. The Southern Africa Black Taxi Association has also reportedly said it will bid for Putco, but this could not be confirmed. A bid four years ago failed when it couldn't raise the necessary funds.

Don't rule out Putco staying in business and getting a better deal from government than the present subsidy scheme, or its management organising a buy-out and operating the more profitable routes. MD Jack Visser does not confirm or deny this.

Putco is in trouble not because of any cut in subsidies — R645m is available for bus passengers this year, up from R626m last year. Rather, its plight stems from its shortage of passengers. Visser stresses that it's the passengers, not bus operators, who are subsidised. Commuter bus lines serving black communities charge passengers discount fares and claim the difference between their fares and what they and the Department of Transport agree are economic fares. The bus lines can claim only for passengers who buy weekly or monthly tickets; those who buy single tickets pay the full fare.

An alternative to claiming subsidies is to agree to operate a service provided the department, or any other government body, picks up all losses and ensures that the service runs at a profit — regardless of the number of passengers carried. This is the arrangement under which Putco still operates its Dobsonville service. The department agreed to pick up all losses when Putco gave it a month's notice that it was terminating the service because it claimed it was losing R300 000 a month.

Walters says if a buyer isn't found for

Putco, the Transport Department will have to put its routes up for tender and agree to cover losses. This could be more costly than the subsidy system. Making up the losses on Putco's Dobsonville route alone comes to R3,6m a year.

Meyer says that if routes are not profitable, his department will continue to subsidise them, but some routes will have to be combined and others scrapped.

Putco isn't the only bus company getting out of the black commuter business. Tollgate pulled out of Port Elizabeth and is negotiating with the Transport Department to pull out of Empangeni and put its service there out to tender.

R876m paid in Putco subsidies

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PUTCO was paid R876,9-million in commuter subsidies in the six years to 1990, says Transport Minister Piet Welgemoed.

Dr Welgemoed rejects suggestions that Putco shareholders are being enriched at the expense of taxpayers in the proposed asset strip. He says the subsidies were for commuters, not for Putco. They were determined scientifically.

"The payment of subsidies to Putco has been investigated by various independent cost accountants who have all confirmed that the amounts paid are justified."

Understated

Stockbroker David Cobbett of Simpson McKie says in his newsletter that in 1970 Putco had negative shareholders' funds. The sum of all profits and losses since 1970 comes to a meagre R9-million.

"A disaster story, one might think. Not a bit of it! In the last five years shareholders have received R100-million in cash dividends (R88-million last year), R50-million in property shares (the living off of Putprop) and they still hold assets with book value of R86-million — a grand total of R235-million."

Mr Cobbett understates the case. With new buses worth R500 000 and

By DAVID CARTE

St. Times (Sun Times) 12/5/91

old ones R50 000, real net asset value is probably double published net assets.

Putco has 2 600 buses, 600 of which are in mothballs.

The reason the company is so asset rich in spite of its abysmal profit record is that it has depreciated buses over five years, but they last 20 years.

An angry Mr Cobbett writes: "How was it done? The financial wizardry need not concern us: the short answer is that the money came from subsidies paid by a government desperate to provide commuter services to citizens banished from the cities by its apartheid policy... It will be a scandal if public funds are used to buy run-down buses that taxpayers have already paid for many times."

A retired stockbroker who owns Putco shares rejects the argument.

"Those complaining today are those who missed one of the most obvious asset situations on the JSE. It's a case of sour grapes. Mr Cobbett is also looking at published net asset value, which is a fiction in nearly every set of accounts."

"Even in 1970 when Leyland was in control, Putco's real net asset value was considerable. Putco has acted prudently and conservatively ever since Mr Carleo took control in 1971."

"While other companies have declared fictitious profits caused by inflation and paid tax on such profits, Putco never lost sight of accounting reality."

"It made proper provisions for depreciation and then it made further provisions to take into account the replacement cost of new buses — even though it got no tax credit for additional depreciation."

"The accounts were scrutinised every year by auditors Ernst & Young, one of the top firms, and there was never a quarrel."

Indigent

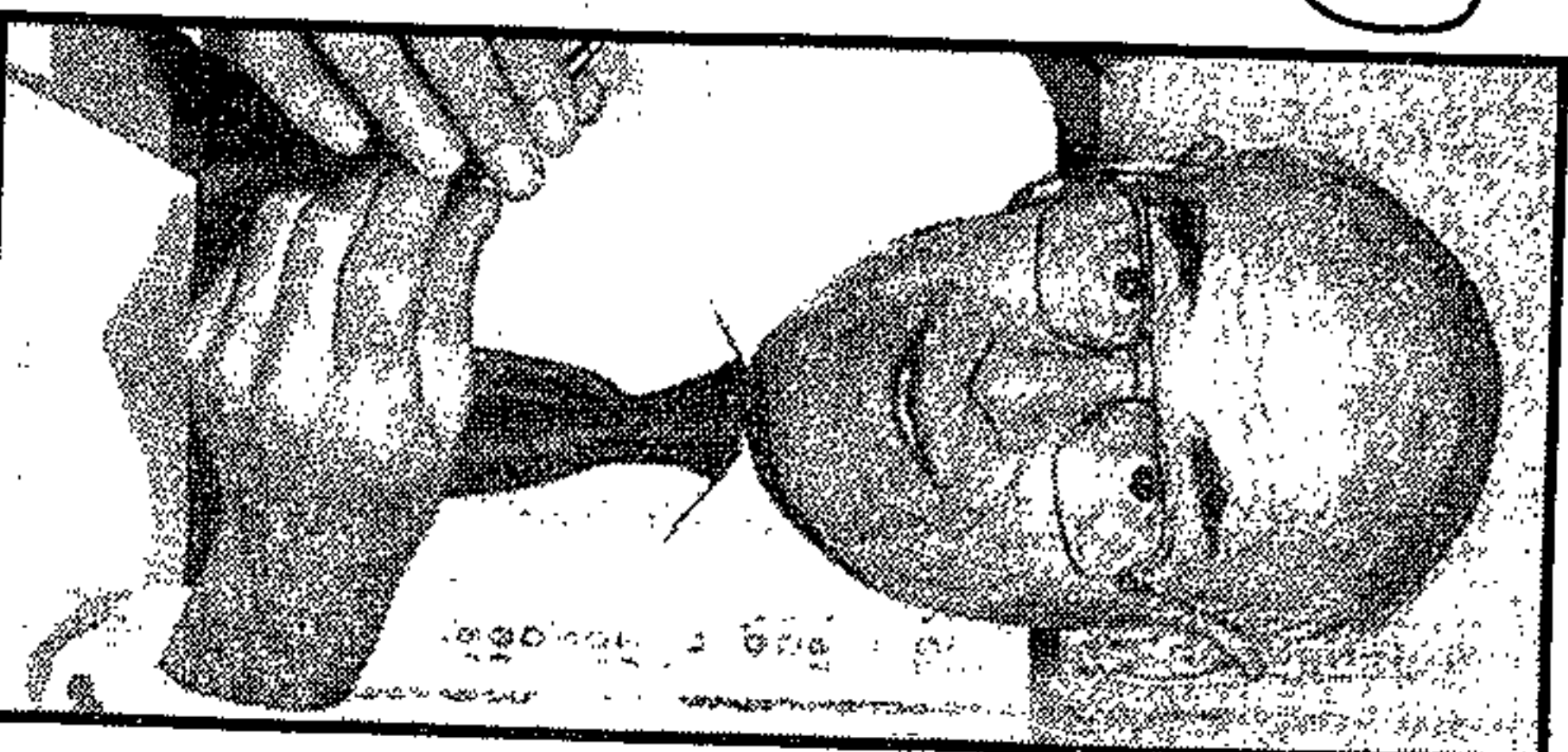
"For the 20 years until 1990, shareholders took nearly nothing out of the business. The company has avoided debt and run its affairs prudently."

"Naturally, now that the company has decided it cannot employ its assets profitably, there is a pay-off. The fall of the rand has added hugely to the value of the buses."

"Nearly every company with saleable, transportable assets, such as buses, could make a huge capital gain merely by winding up."

"Putco was not subsidised. The commuters were. The Government could not put the money into the hands of indigent commuters. The subsidy was merely administered by Putco, just as the bread subsidy is handled by Premier and Tiger."

"Nobody is suggesting that Pre-



DAVID COBBETT: Angry stockbroker

and Tiger shareholders have been unjustly enriched by government subsidies."

Dr Welgemoed says various options for Putco are being looked at, including: a takeover by local or regional authorities, by a private company, tenders for services, a management buyout, discontinuation of services, replacement by existing rail services, joint ventures between community service organisations and business.

He says that unless Parliament appropriates additional funds, it is out of the question for the Government to increase subsidies to Putco or any other bus operator.

Completed Mossgas to slash 13 000 jobs

CAPE TOWN — The Mossgas workforce in Mossel Bay will be slashed from about 14 000 to 970 by the end of the year, when construction work has been completed and contract workers' terms have expired.

Mossgas spokesman Harry Hill said yesterday bulk construction work on the R8,8bn petro-chemical refinery would be completed by year-end. Only 970 employees would be kept on to operate the completed oil-from-gas project.

The "demobilisation" of the workforce

LESLEY LAMBERT

would begin at the end of next month.

"As work reaches completion, the labour profile changes from civil to mostly mechanical and electrical installation," Hill said. Most contract workers were brought to Mossel Bay from other parts of SA and had been housed temporarily.

Sapa reports that trade unions representing more than 10 000 contracted construction workers have already started ne-

gotiations on retrenchments.

The National Union of Metalworkers of SA, which represents about 6 000 on-shore site workers, entered its fifth round of retrenchment talks with Mossgas this week, a union spokesman said.

Negotiations have focused on procedural matters and severance pay.

Work on the project began in 1988, with construction starting the next year. Since then strikes and bad weather had delayed completion by about six weeks, Hill said.

Chance for public transport to really take off

JUST when the urban quality of life needs public transport to check the wild proliferation of cars, the giant Putco bus company has announced it is pulling out of bus operations.

This is just the latest, though the biggest, example of bus companies going to the wall. The question is — what happens next?

The taxi industry will undoubtedly gradually expand to fill the gaps, but public attitudes to taxis are mixed.

Although widely admired for their achievements within the unsubsidised sector, they are often feared for their methods of operation on the road.

A report to be published tomorrow suggests a possible solution. The local taxi associations, it says, should set up

formal-sector companies. The bus companies could help this process, and in so doing find a new role for themselves.

Entitled "Restructuring the Passenger Transport Industry", the report contains the findings of a year-long research and testing programme carried out by transport consultancy Travel Management cc, with funding from the Toyota Marketing Company.

If the suggestions are adopted, the taxi associations would pool their vehicles.

The scale of the operation would enable them to employ professional management, which in turn would introduce more disciplined methods of operation, including driver training and supervision. The new taxi companies

Just when we most need buses, Putco announces that it can't go on. But a study to be published tomorrow suggests Putco could opt for life after death, says PAUL BROWNING, formerly of London Transport and now a transport consultant.



would also be able to move into new types of operation.

These might include services for tourists, courier operations, and contracts for staff transport.

They could also enter into contracts with local authorities. In the case of Johannesburg, this might result in the

taxi companies operating feeder services to mainline bus routes.

The taxi associations do not possess the necessary skills to make this change on their own. They will need help by what is usually called the "transfer of skills".

Bus companies have these

skills. They have managers, legal eagles, accountants and others. They also have extensive and under-utilised facilities such as offices and depots.

It has long been the aim of the Government to change the present subsidy system to one of competitive tenders. The taxi and bus companies could form joint operating companies to bid for contracts under this system.

The impending Masstran report is expected to recommend a multi-modal system; the joint operating companies would make the implementation of such a system very much easier.

The restructuring of the passenger transport industry in this way would not merely ensure the continuation of bus services, but would lead to a big improvement in the stan-

dards of taxi operation.

The bus companies might become a little smaller, but they would be set on a new growth path. The taxi industry would equally be equipped to develop new and profitable businesses using its newly acquired skills.

When the Bus Operators Association holds its annual general meeting tomorrow, the air will be charged by the Putco decision.

The remaining bus companies — and even Putco, which is not dead yet — would do well to consider whether they can find a way of working with the taxi industry.

If that were to happen, competition would be replaced by co-operation, to the benefit of all concerned — not least the commuters and the public in general. □

6/5/91 17:15/91
**Union Carriage
in African deal**

MARC HASENFUSS

UNION Carriage, a Standard Engineering subsidiary, is set to clinch a R45m order for luxury air-conditioned trainsets for an African country. (332)

This will put the group back into the African continent market after 15 years of isolation, a Union Carriage spokesman said yesterday.

The trainsets will be designed, built and delivered within 20 months of the receipt of the order.

The spokesman said the contract for the coaches was won against strong overseas competition.

Unicorn acquires 80% of Swiss line

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LIZ ROUSE

UNICORN Shipping Holdings, the shipowning and operating arm of the Grindrod Unicorn Group (Grincor), has acquired 80% of Carrybox Lines, a Swiss-based container shipping service.

The deal, the first in Unicorn's strategy to move into European shipping trade routes, is worth R30m, including two container ships and capital.

Unicorn's MD Michael Meehan said that in line with the company's objective of establishing shipping services which generate hard currencies, Carrybox Lines would be operated from Geneva.

Meehan said Unicorn was in the process of negotiating the acquisition of another shipping line in Europe. **BIDEN 171571**

The new service will operate independently of Unicorn.

Carrybox Lines' trade operates between the British east coast, the Continent and Portugal.

Unicorn recently sold its SA-built container ships, Berg and Breede, to the new company, which will be making modifications to the ships to enable them to increase their container capacity.

PAUL BROWNING

IN MY OPINION

NEW GROWTH PATH NEEDED

FM 13/5/91
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Paul Browning is a transport consultant and author of a research paper titled "Restructuring the Passenger Transport Industry."

A few weeks ago Putco announced it was withdrawing from bus operations. It cited reduced government subsidies and competition from black taxis as the main reasons for its decision.

Transport Minister Piet Welgemoed has assured commuters that they will not be left without transport and the Department of Transport is reported to be looking at ways of keeping Putco's services going. However, there seems to be a general expectation that in the long term the taxi industry will grow to fill the gaps as bus operators in the formal sector curtail their services.

But that might not be as simple as it seems. The taxi industry is also being hit hard by economic pressures. Ten years ago the few taxis running could operate for much of the day. Today there are so many travelling our streets that, just like buses, many taxis spend much of the time between the commuter peaks merely standing around. Not surprisingly, taxi industry leaders are increasingly calling for a share in the subsidy

handouts.

The taxi industry may well go the same way as the bus industry over the next few years. It, like the bus industry, is primarily a one-product business (though with a substantial element of long-distance operations). It may well become subsidy-dependent and unresponsive to changing customer needs.

This will particularly be the case when, as is inevitable, black car ownership begins to increase. If the taxi industry's decline is to be avoided — and there are many good reasons why this leader of black business should not go to the wall — it must start diversifying into other transport operations and into other areas of business.

Unlike the bus, the minibus is a very flexible vehicle. It can be used for a wide range of transport operations — sightseeing services for tourists, parcel deliveries, an airport shuttle — which could enable it to extend its working day. These activities would improve productivity and, by extension, profitability. Taxi operators should also seek transport contracts which have the great benefit of offering assured income.

The question must be asked, though — why have the taxi operators not already moved into these new areas of business? The answer lies in their informal-sector status. The industry has developed through serving a market it knows intimately. Its operations are unscheduled (not in itself bad thing). If

a taxi is off the road the owner loses money, but his vehicle can be back on the road the next day without him having to explain to anyone the reason for its absence.

This is a far cry from the disciplines which more formal business would require. In the case of tying up transport contracts, taxi operators will require negotiation and other skills (such as costing) which they have had little opportunity to acquire.

The solution is for the taxi associations to set up parallel operating companies. Taxi owners would pool their resources and become investors rather than entrepreneurs.

There are those who would see this suggestion as somehow a betrayal of the spirit which made the taxi industry take on government and the bus giants — and win. This is not so. The real betrayal would be to allow the industry to decline because of the lack of a helping hand.

That helping hand is needed in the form of a transfer of skills. It can come from both the private and public sectors. Social investment funds have a part to play. So do the bus companies. They have skills which are very relevant to the developing taxi industry.

The SA Bus Operators' Association is holding its AGM this week in the shadow of the recent Putco announcement.

It might do well to consider whether, even at this late stage, it can offer a deal to the taxi industry which will set both parties on a new growth path.

Taxi trade hit by economic slump and lay offs

DUMA GQUBULE in Johannesburg

AGUS
18/5/91

SOUTH Africa's taxi industry is suffering from acute economic pressures that threaten to create a spate of bankruptcies and far-reaching rationalisation, along similar lines to the difficulties bus operators were recently forced to confront.

The net income of taxi owners has decreased alarmingly in the past year or two through a combination of inflation, increased competition, and loss of income through stayaways and retrenchments.

After a year of extensive research, transport consultant Mr Paul Browning has come to the conclusion the industry's informal structure is not suitable for the transition of the industry into the mainstream of the economy.

Mr Browning says a critical element that could prevent further decline is the development of formal sector taxi companies operating in parallel with local taxi associations.

He says taxi associations would then be able to improve existing operations and develop new areas of business.

The taxi associations would form a companies in which members would pool their resources and become shareholders.

The companies could develop new areas of business such as tourism, courier services, staff transport in the evenings, par-

cel deliveries and an airport shuttle.

These could also include bus services. The subsidising authorities could offer contracts by competitive tender, but taxi operators must resist becoming dependent on subsidies.

Mr Browning acknowledges there could be problems because the management skills required to run the present unscheduled operations are far removed from those needed to service a more demanding market.

Another problem is that ownership of a taxi is seen as a symbol of wealth in the black community. A share certificate would not have the same impact.

But many people believe the structure of the industry is far too informal for it to progress into the formal economy.

Industry sources say this would only make sense if there were tax advantages of creating a company.

A more likely possibility, they say, is that many taxi owners could be forced out of business. Many white owners could decide it was not worth remaining in the industry under present conditions.

Some owners are likely to move into niche markets, while others could reduce prices. Price cutting could lead to a repeat of the taxi-wars seen on the Reef last year.

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Minibus concept might be exported

SOUTH Africa's minibus-taxis could soon be this country's latest export to the rest of Southern Africa.

The National Federated Taxi Organisation (Nafto) — which represents 51000 taxi-owners — is involved in sensitive negotiations with top government officials in the Frontline States eager that South African expertise be used to improve their rundown and inefficient transport systems.

Nafto president Mr Frank Rabali recently returned from meetings in Zambia and Zimbabwe, where he had extensive talks with government, and meetings in Namibia, Mozambique and Malawi are likely to follow.

"What we are talking about is not just cross-border trips, but sending taxis to these countries to be resident there."

"Many of our members are keen to go and work in neighbouring countries, but we will be selective."

"Only taxis that are fully paid up will be allowed to go."

"The transport systems in many of these countries are very poor. In Zimbabwe, many buses are not in running order because operators do not have the foreign exchange to import spare parts."

"Neighbouring countries are keen to follow our system. Commuters in these countries will benefit from a fast and flexible service."

City's minibus taxi industry gets thumbs-up from council

By EDWARD MOLOINYANE
Staff Reporter

THE city council regards minibus taxis as a vital part of the metropolitan transport network, but believes bus, train and taxi services should be co-ordinated so that each serves its market effectively, economically and efficiently.

Utilities and works committee chairman Mr Leon Markovitz says the taxi industry has grown by leaps and bounds in a comparatively short time and its popularity is a clear indication that it provides a much-needed facility for commuters to and from the central business district and other employment centres.

Replying to questions on the council's view of minibus taxis and what their future held for the city transport network, Mr Markovitz said: "The Cape Town City Council fully accepts that the minibus taxi industry is an integral and important part of the public transport network."

"It is, however, evident that having experienced rapid growth over a comparatively short period, it has perhaps proceeded without sufficient planning and discipline, either imposed by the authorities on one hand or voluntarily adopted by operators and drivers on the other."

Claims by some taxi operators that the council viewed minibuses as a menace were untrue, he said.

"However, some operators and drivers continually display a disregard for the rules of the road and the safety of passengers and other road users."

"These undesirable driving habits are recognised by the council



COMMUTER CRISIS

A special ARGUS investigation

ARGUS 20/5/91

By SHARKEY ISAACS Transport Reporter

and a recent decision was taken to address the problem by means of an education/awareness campaign, followed by a greater level of enforcement.

"Lack of parking space in the CBD is not a problem for minibus taxis alone, but is part of a much larger problem concerning motor vehicles in the CBD."

He added that the council met representatives of the taxi industry regularly and individual requests for the provision of infrastructural services were discussed.

The taxi industry's phenomenal growth has not been without its problems.

Minibus critics feel the virtual lack of traffic law enforcement in the townships is partly to

blame for the high accident rate and disregard for traffic regulations by drivers.

According to the South African Black Taxi Association regional chairman Mr Basil Nagel, lack of traffic law enforcement in the townships and the disdainful manner in which the authorities look upon the black taxi industry are contributing to its bad image.

Mr Markovitz said law enforcement in townships was not the function of the Cape Town City Council, but any improvement in law enforcement activity in these areas "would contribute towards the acceptance of greater law enforcement within the municipal area of Cape Town by taxi operators".

VITAL LINK:
Minibus taxis regarded as an important, integral part of the city's transport network.

Alternative buses wanted on Bop route

By ALINAH DUBE

THE Hammanskraal Transport Committee is looking for a bus company to replace the Bophuthatswana Transport Holdings on its routes.

A spokesman for the committee said yesterday they had asked the Local Transportation Board to allow alternative transport to take over following the nine-week-long boycott of BTH buses.

Putco, which is on the verge of closing down if it does not find a buyer by June 30, was mentioned as an alternative in a letter to the board.

The committee said the decision was taken following BTH's "abnormal increase" which was introduced without consulting the people.

"We therefore request that Putco be given permission to operate in our area. There has to be competition. People are also entitled to their right of choice," the committee said in the letter to the board.

Putco, which operated in Hammanskraal before BTH took over, pulled out after commuters complained about bus fare increases.

Official information provided by Inland Revenue and published by the Department to guide the private sector towards the implementation of VAT

For freight agents implications are important

S1 Times (Bus Times) 26/5/91 (332)

THE INTRODUCTION of Value-Added Tax (VAT) on September 30, this year, will impact on freight transporters and agents in many ways - which does not mean that working with VAT as such will be complicated.

Tax experts believe that the administration of VAT is going to be a relatively simple business, at the end of the day not involving much more than keeping an accurate record of purchases and sales.

Of course, the main principles and benefits of VAT, all of which will impact on the freight industry, will have a far more profound effect than merely those specific measures peculiar to the freight business.

VAT will be a vastly more efficient system than GST. It will eliminate huge amounts of double taxation. It will protect large amounts of money that currently go wasted due to tax fraud and evasion. And it will inject into the economy more than R6 billion worth of tax on capital and intermediates, which at present are subject to GST.

How exactly will VAT treat the freight business?

AGENT/PRINCIPAL

Firstly, you have to ascertain whether you are, in terms of VAT, an agent or a principal. If you act as both, it is important to distinguish between those transactions where you act as an agent, and those where you act as a principal. The Bill in fact does not define an agent and our common law does not contain a clear definition either.

In terms of the VAT Bill, agents will simply act as a conduit whereby the VAT charges are passed on to principals. This means that agents acting on behalf of SA resident principals are not entitled to claim input tax credits in respect of disbursements incurred on behalf of such principals. Similarly, such agents are not obliged to account for the output tax on sales. Should the principal be a nonresident, the agent shall be deemed to be the principal and will therefore as-

Fees

The agent normally charges the client fees for services such as:

- preparation of import/export shipping documents;
- clearing of goods through customs;
- arranging insurance for export goods in transit; and
- arranging of export transport and freight.

Fees charged for services relating to the first two mentioned above will attract VAT. Fees for the latter two will be zero rated ie no VAT will be charged. Any fee charged in respect of disbursements paid on behalf of the client will attract VAT. Should the agent charge interest on the granting of credit (paying to have goods cleared up front and only being paid later), this would be deemed to be a financial service as defined and will be exempt.

That some of the agents' services may be zero rated and other standard rated will mean that where an agent charges an all inclusive fee for services rendered, he will have to apportion the fees between the two rates. Furthermore, if he is also rendering exempt services, he will have to apportion all inputs between the rated (standard and zero) services and the exempt services to ascertain which credits he may claim. This could cause an administrative difficulty, but in fairness to VAT, the likelihood of one agent being involved in all the above activities, is limited.

What of the fees charged by an agent to foreign principal?

Zero-rating will benefit export greatly

additional charge payable to Customs & Excise when the goods are being cleared. Should goods be placed in bond and not cleared immediately, the VAT will be payable when the goods are finally cleared.

Where the agent pays freight to the shipper on behalf of his client, no VAT will be due. The freight charge is in respect of international transport and is zero-rated according to the Bill. However, the value for customs duty includes the freight charge and this duty will be subject to VAT as seen above.

Harbour fees, container handling charges and other related charges will be subject to VAT on the basis that they are not supplied by the same person that supplied the international transport, and therefore do not qualify for zero-rating. Similarly, where the agent arranges for the transport of the goods from the harbour to the importer's premises, such transport will attract VAT.

EXPORT

The principles applicable to imports apply similarly to exports. The charges relating to international transport ie freight and insurance, will be zero-rated. Port related charges will attract VAT as will any overland transport (in the RSA) which is not supplied by the supplier of the international transport.

A few points to ponder:

- According to the Bill, a resident of South Africa is any person or company that 'carries on in the Republic any enterprise or other activity and has a fixed or permanent place in the Republic relating to

such principals. Similarly, such agents are not obliged to account for the output tax on sales. Should the principal be a nonresident, the agent shall be deemed to be the principal, and will therefore assume VAT responsibilities.

TRANSACTIONS

Disbursements

Clearing and forwarding agents disburse considerable amounts in respect of freight, customs duty, harbour duties, surcharges and other charges on behalf of clients. They are acting as agents and will therefore not be able to claim any input tax credits on the items they handle, but will merely pass them on to the principal. Agents will receive tax invoices and redirect them to clients.

ness to VAT, the likelihood of one agent being involved in all the above activities, is limited.

What of the fees charged by an agent to foreign principals? The zero rate, according to the Bill, will apply where the agent's services 'are supplied directly to a person who is not a resident of the Republic'.

IMPORTS

The general rule is that VAT will be paid on all imports. The VAT will be calculated on the sum of:

Customs duty value plus 10% of customs value plus All other duties and surcharges.

VAT will therefore be an

resident of South Africa is any person or company that 'carries on in the Republic any enterprise or other activity and has a fixed or permanent place in the Republic relating to such enterprise or activity'.

If a client abroad has an office in SA, it will clearly not qualify as a non-resident and will have to register as a vendor in terms of VAT.

- The bill provides for the zero-rating of transport (including ancillary transport services) supplied in SA provided the services are supplied by the same supplier that supplies the international transportation of the goods in question.
- The essential characteristic of agency is that the agent has the power of affecting the legal position of the principal ie the contracts entered into by the agent will be binding on the principal.
- Where the agent agrees to collect the client's goods abroad and deliver them to the client's premises in SA for an agreed price, the agent will contract for transport on its own behalf and act as a principal and not as an agent. In such case the agent will have to pay VAT on the overland transport in SA and port charges. However, if the agent is the same supplier of all the transport (land and sea), his charge to the client will be zero-rated, and the VAT paid to the transport contractor in South Africa, will be refunded.
- Where the agent acts as an agent for a local principal in respect of disbursements paid on behalf of the client, the agent will not account or output tax and will not claim input tax credits, but will merely act as a conduit and pass on to the principal who will account for the taxes.
- Where the agent acts as a principal and charges the local client a fee, he will have to account for the output tax and will be allowed the input tax credits (provided of course the agent is registered as a vendor).
- Where the agent acts on behalf of or charges a non-resident client, the agent will be deemed to be the principal and will have to account for the output tax and will be allowed the input tax credits (again, if a registered vendor).
- Charges in respect of the loading and off-loading of goods by stevedores will attract VAT.
- 'Ancillary transport services' is defined as stevedoring services, lashing and securing services, cargo inspection services, preparation of customs documentation, container handling services and storage of transported goods or goods to be transported.



ts and others who move freight. But the main benefit —

and the farmer major surprises

on may choose to do their VAT returns to the Receiver only twice a year.

Which of course does not mean that farmers registered for VAT pay less tax than other businesses! These measures are merely intended to assist them as far as record-keeping and cash flow are concerned.

Under the GST system farmers had to pay tax on tractors, trucks, machinery, implements and even loose tools. With VAT they will pay tax when they require capital and intermediate goods of this nature but will be entitled to deduct this VAT from the VAT they collect on sales,

which will lead to a reduction in their production costs and will possibly even enable them to lower their prices.

VAT will be payable on the purchase of a farm or farming land, but again this tax will be deductible from VAT collected by the farmer on his sales. If the VAT paid by a farmer exceeds that which he collects on sales, the difference must be refunded to him by the Receiver of Revenue within 21 days of a return being submitted.

Another interesting point — where VAT is payable, transfer duty falls away, even if the VAT is deductible or refunded.

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Unitrans lifts dividend despite lower earnings

Bl Day 29/5/91.

(332)

MARC HASENFUSS

HIGHER interest costs and reduced income from the sale of second-hand vehicles pushed earnings down for road freight group Unitrans in the year to end-March.

Earnings dipped 7% to R26,4m (R28,4m) or 72,5c (78c) a share but shareholders were rewarded with an increased dividend payout.

A final dividend of 14c (12c) was declared, boosting the total payout to 23,5c (19,5c), covered 3,1 (four) times.

Unitrans chief executive Eduardo Garcia said yesterday that although attributable profits were down, after setting aside the surplus on the sale of vehicles, distributable profits showed an increase to R22,3m (R21,8) which, together with an improving cash flow, justified the increase in the dividend.

Despite the recession, which has been particularly severe for the transport industry, Unitrans' turnover rose 19% to R257m (R216m).

Tighter operating margins saw operating profit rise slightly to

R37,4m (R35,6m) for the period under review.

Garcia said that apart from pressure on margins the group was also

into profitability until the last quarter."

Furthermore, one of the group's companies was hit by a strike which impaired performance in the last quarter.

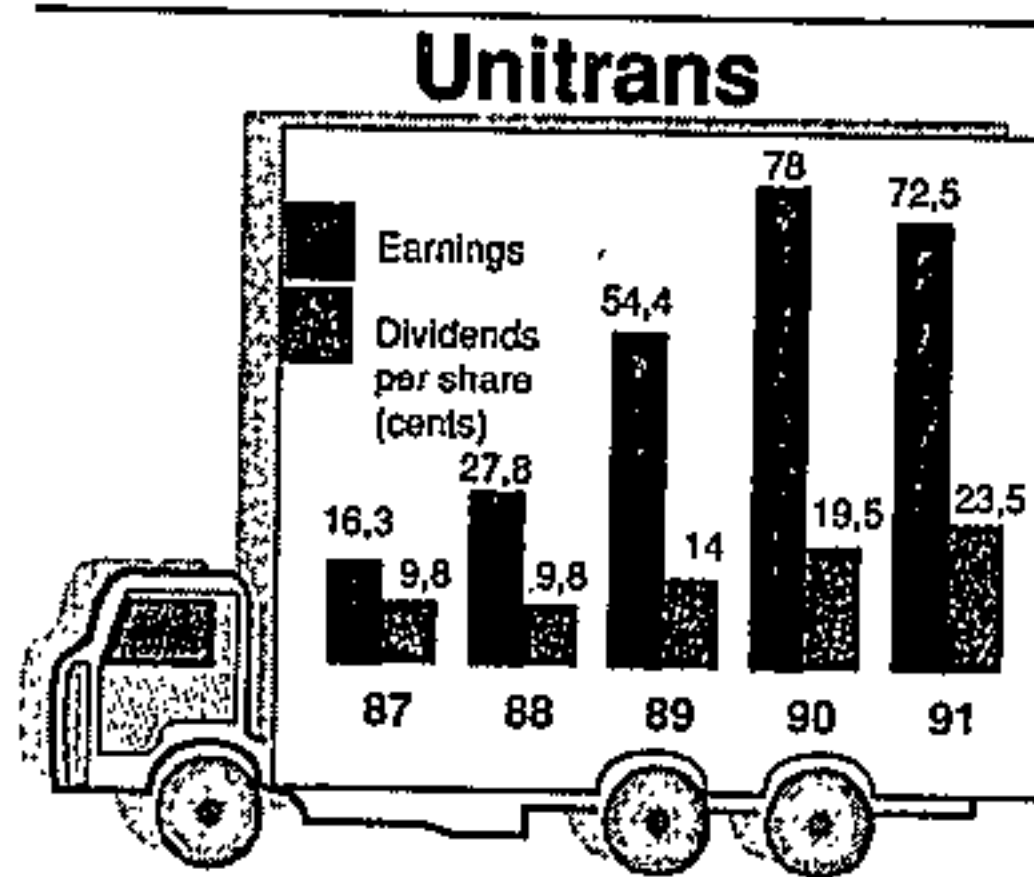
Garcia said that although capital expenditure at R64,6m was lower than last year (R79m), it was still at a significant level as the group continued its modernisation programme.

"This has now come to an end, and it is expected that in the forthcoming year capital expenditure will be substantially lower."

Taxation was substantially reduced to R1,5m (R7,8m) due to tax losses brought forward and wear and tear allowances on capex.

But interest payments rose 66% to R13m as long-term borrowings increased to R16m (R11m). The group remains well geared at 16,4% (9,9%).

Unitrans expects an increase in its tax rate in the year ahead and earnings can be expected to be only marginally higher than in the year under review.



Graphic: LEE EMERTON Source: UNITRANS

adversely affected by a number of exceptional events.

The used vehicle market was weak.

"We started up a new company in Malawi involving some R20m which, as was to be expected, did not come

Sabta makes inroads into white market

GILLIAN HAYNE

WHITE commuters are turning increasingly to black taxis for transport, to the delight of the Southern African Black Taxi Association (Sabta), which is picking up business from floundering municipal bus services.

Sabta public affairs spokesman Fanyana Shiburi said on the Johannesburg-Pretoria route, on which 300 taxis operate daily, about 5% of passengers travelling during peak hours were white.

But it was in areas where the municipal bus services had terminated their operations that Sabta was finding particularly strong growth, he said.

In Edenvale, Sabta taxis provide daily and regular services for whites commuting to Johannesburg on the old bus route. On this run the majority of Sabta passengers are white.

"With encouragement from the (Edenvale) Council, we trained our drivers to keep to specific times and routes rather than follow their instinct to 'stop any place, anywhere, anytime'," Shiburi said.

Shiburi said the move to include white commuters reflected the spirit of the new SA and Sabta's free enterprise commitment.

Sabta, which was formed in 1979, has 68 910 members — each owning an average of three taxis — and has a 58% market share in the massive R3bn annual industry.

Project Spear, a special programme to train drivers for a mostly white school shuttle service, is already under way.

On June 11 the Sabta executive committee, which includes representatives from as far afield as Botswana, Zimbabwe and Mozambique, will hold its annual congress.

Issues for discussion include Sabta's role in peace initiatives, how the association should position itself in the new SA, and future expansion options. Sabta president James Ngcoya said on Friday no decision would be made on whether to buy Putco until the congress.

More whites are using black taxis

Durban 29/5/91 (332)
WHITE commuters are using black taxis for transport in Durban and the South African Black Taxi Association (Sabta) is considering requests for a special service into a white suburb on the South Coast.

Sabta's secretary-general in Natal, Griffiths Ngwenya, said although numbers were still low, some whites were using black taxis in Musgrave Road and Overport.

He said requests had been received to operate a service between Brighton Beach and Mobeni, south of Durban.

The use of black taxis by white commuters is reported to be increasing in Johannesburg as well.

A Sabta spokesman said on the Johannesburg-Pretoria route, about five percent of passengers travelling during peak hours were white. - Sapa

Unitrans expanding operations into Africa

By AUDREY D'ANGELO
Business Editor

TRANSPORT and freight company Unitrans is expanding into neighbouring African countries.

It has well established companies in Botswana, Lesotho and Swaziland. And last year it set up a new operation in Malawi, to cater for the country's thriving export trade.

Financial director J McManus said yesterday that this became profitable in December and has since been giving good returns.

But the company was hit by tough trading conditions in SA in the year to March 31, which put pressure on margins.

Although income rose by 19% operating profit rose by only 5%. The directors say lower prices received for second-hand vehicles, combined with higher interest rates, resulted in a 7% drop in earnings to 72,5c (78c) a share.

In spite of this, the final dividend has risen to 14c (12c) a

332 share, making a total payout of 23,5c (19,5c) for the year, with reduced cover of 3,1 times (4 times) earnings.

CE Eduardo Garcia explains: "Although attributable profits were down, distributable profits — which are the profits after setting aside the surplus on the sale of vehicles — showed an increase. This, together with the improving cash flow, justifies the increased dividend."

Turnover rose to R257,1m (R216,1m). But profit before interest and tax was down to R41,7m (R42,3m).

Pre-tax profit was R28,8m (R34,5m) and attributable profit slipped to R26,4m (R28,3m).

Total assets have risen to R255m (R215,1m), but current liabilities excluding short-term debt are up to R45,2m (R36,2m).

Interest bearing debt as a percentage of total permanent capital rose to 16,4% (9,9%).

Return on sales was 16,3% (19,5%), return on capital em-

ployed 21,5% and return on total assets 17,8% (23,6%).

Garcia said yesterday that capital expenditure "was still at a significant level" last year because the group was completing its modernisation programme. "This has now come to an end and it is expected that in the coming year capital expenditure will be substantially lower."

However, he warned, the company's tax rate is expected to increase this year and therefore "earnings can be expected to be only marginally higher than in the year just ended".

McManus said R20m had been invested in setting up an operation in Malawi, with a fleet of 40 vehicles.

"Malawi has been a market for us, operating from SA, for some time."

"Malawi has a well-established export trade. We have carried mainly international freight and we think prospects are very good for this operation."

Taxi Siege

Minibuses block city ANC headquarters

33P CT 31/5/91



BIG JAM ... About 200 taxis besieged the ANC offices in Athlone yesterday. Drivers complained about attacks on their minibuses and demanded the resignations of the Taxi Crisis Co-ordinating Committee.

Picture: STEWART COLMAN

Staff Reporter

ABOUT 200 minibus taxi-drivers yesterday besieged the ANC headquarters in Athlone, demanding a halt to the stoning of their taxis.

The taxi-drivers, whose vehicles blocked the road in front of the building housing the ANC offices, also demanded the resignation of an ANC-aligned taxi crisis committee.

The drivers, from the Western Cape Black Taxi Association (WCBTA), brought the central Athlone business district to a standstill as they abandoned their taxis to dance and sing in the rain outside the ANC offices.

The drama accompanied a war of words over the breakdown of

an already shaky taxi peace accord, brokered largely by the Western Cape Civic Association, (WCCA).

Demands for the resignation of the Taxi Crisis Co-ordinating Committee (TCCC) accompanied WCBTA accusations of WCCA partiality towards their arch-rivals, the Lagunya Taxi Drivers' Association.

Lives lost

The WCCA promptly replied that the accusations were "lies" and "trouble-making".

A delegation led by WCBTA chairman Mr James Mafuya met the ANC as the demonstration continued outside.

The TCCC, consisting of civic officials and taxi representatives, was formed two months ago to try to bring an end to fighting between WCBTA and Lagunya

which cost over half-a-dozen lives of commuters and drivers. A 10-point peace plan was then drafted and agreed to by both parties in return for the provisional lifting of a lengthy Peninsula-wide civic boycott of all township taxi services.

The proviso was that the civic boycott could be reinstituted if "insufficient progress" was made in implementing the peace plan. The boycott remains lifted.

Angry WCBTA members spoke yesterday of their vehicles being stoned and petrol-bombed. They blamed Lagunya for the attacks, saying youths describing themselves as ANC "comrades" were actually attacking WCBTA taxis for Lagunya.

WCBTA member Mr Samson Tolbart said 36 vehicles had been destroyed in Khayelitsha since last week.

From page 1

P.T.O.,

BLACK TAXIS Fm 31/5/91 ADE'S BRAINSTORM (332)

To the delight of the SA Black Taxi Association (Sabta), Atlantis Diesel Engines (ADE) is lobbying vehicle manufacturers to make diesel-powered midi-buses that seat 30 to 35 passengers, and offer them as an alternative to the commonly used 16-seat mini-buses.

They would be slightly longer and wider than mini-buses, but smaller than the 40-seat buses that Mercedes-Benz and MAN classify as midi-buses and sell to tour operators and municipalities.

Sabta spokesman Fanyana Shiburi says: "We have been asking manufacturers to make this kind of bus for several years. We would support them if they did, and if the price was right. The mini-buses we use were designed in Japan for the average Japanese person, who is much smaller than the average black person. We actually suggest to our members that they seat three rather than four people on every row."

ADE MD Fritz Korte has approached all the manufacturers and had his midi-bus designs sent to his native Argentina for an assessment. "That type of bus has become the norm for road mass transport there. They are usually owned by two or three people who also share the driving. When I'm there I use them instead of a car."

He says he is not happy with a taxi system dominated by non-diesel engines, and wants to sell diesel engines made by ADE. The recession is hurting the commercial vehicle engine manufacturer by reducing demand for commercial vehicles.

Korte believes the mass transport market in SA is polarised and that there is an opening right in the middle. The big 100-seat buses on one end are steadily losing business "to the proliferation of mini-buses at the other end that are steadily clogging our roads." Midi-buses could fill the gap if Putco's big buses stop running, and at a lower cost per passenger than the mini-buses.

Shiburi believes there are now more than 400 000 black taxis operating on local roads. Sabta, he says, has 68 000 paid-up members, who operate an average of three taxis each. "That's more than 200 000 legally operated taxis. But there are more illegal than legal taxis on the roads."

Midi-buses would take many of the mini-buses off the road by putting more passengers behind each driver. But the manufacturers are doing good business making the current range of black taxis and do not share Korte's and Shiburi's enthusiasm. Nic Vermeulen of the National Association of Automobile Manufacturers of SA says: "Without commenting on the merits, Korte has spare capacity and I would have expected him to explore this alternative."

Toyota, which has the lion's share of the mini-bus market, is prepared to look at Korte's proposal. "We have a nice chassis from Hino that we could engineer to take an ADE engine," says Des Gush, the director in charge of commercial vehicles. "Obviously, the market will have to be assessed. Those vehicles would be fine on long-distance runs, but I wonder whether they would be much good in towns and cities."

How will they pay?

Dave Scott, Nissan SA's director in charge of commercial vehicles, goes along with Gush on midi-buses being better suited for long hauls, but sees affordability as a problem. "Owners are battling to buy petrol-engined mini-buses at R50 000. How are they going to afford R100 000 vehicles?"

Jackie Walters of the SA Bus Operators' Association says midi-buses could fit into the transport scene, but he too sees affordability as a stumbling block. "If their operators could secure contracts for specific routes, they could be money-earners. But if they operate only in peak periods, they will run into the same problems that companies which run large buses are experiencing — their vehicles will be used only in the morning and afternoon peaks and would stand idle

Fm 31/5/91 (332)
for the rest of the day."

Manufacturers who build midi-buses designed by ADE won't be the first in the field. According to *Truck Times*, Transvaal Motor Body Builders is already building them at its Elandsfontein plant and calls them Strada midi-buses. The first two were delivered to KwaZulu Transport in Newcastle and Matsabula Bus Service in Nelspruit. Arlington Omnibus will distribute them and provide after-sales service and customer liaison. MAN will take charge of servicing and component parts.

LASER

A MOVING TALE

Activities: Transportation and storage of household goods, freight forwarding and insurance services.

Control: Directors 60,3%.

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

Capital structure: 10m ords. Market capitalisation: R11m.

Share market: Price: 110c. Yields: 11,8% on dividend; 31% on earnings; p:e ratio, 3,2; cover, 2,6. 12-month high, 205c; low, 110c. Trading volume last quarter, 98 450 shares.

Year to Dec 31	'87	'88	'89	'90
ST debt (Rm)	—	—	3,0	0,8
LT debt (Rm)	11,2	14,9	9,4	13,5
Debt:equity ratio	0,6	0,9	0,56	0,59
Shareholders' interest	0,28	0,38	0,38	0,39
Int & leasing cover ..	10,3	6,7	4,7	3,4
Return on cap (%) ..	20	24	26	15,2
Turnover (Rm)	80,4	90,0	106,4	106,5
Pre-int profit (Rm) ...	9,0	12,4	14,6	9,3
Pre-int margin (%) ..	11,1	13,8	13,7	8,7
Earnings (c)	52	66	62	33,9
Dividends (c)	20	25	25	13
Net worth (c)	122	164	214	237

The state of the household removals industry is typified by the recent liquidations of such companies as Lyntex, Supertrans and Presto. Without exception, transport businesses have been adversely affected by the downturn in the economy; Laser, as one of the dominant organisations in the industry, is a case in point.

The business of domestic removals is marked by the number of small participants

in the game. As the economy worsened and competition became more cut-throat, prices were slashed. With the consequent narrowing of margins, many of the small players found it impossible to survive. Even larger players have been unable to recover increased costs.

The fuel price increase following the Gulf War has wreaked havoc on transport budgets and operating profits. Laser's turnover in 1990 was much the same as in the previous year but operating income tumbled by 36%.

That result was worsened by a R2,7m interest bill which, though less than that of the previous year, meant that pre-tax profit was down by 43% and EPS by 45%.

The problem is, there is not much management can do about the situation. The amount of business available in the industry depends on customer demand. The more buoyancy in the domestic property market, the more removals ensue. The industry needs an active economy, which does not look likely to materialise soon. In bad times, the flow of international business ostensibly increases owing to emigration; but this tendency dried up some time ago — all Laser can now hope for is that immigration picks up in the new SA.

Meanwhile, Laser's assets consist almost entirely of heavy duty road hauliers — capital equipment that is expensive to replace but needs costly maintenance — and property for depots and storage. Laser raised a net additional R4m as long-term finance during the year. With cash retained from operations, these funds were used to finance R5m

improvements to fixed property and R5,1m on replacement of vehicles, storage containers, furniture and equipment. While these additional borrowings were evidently needed to balance cash flow, they will increase interest costs in the current year and will act to reduce EPS.

Prospects do not appear good for the current year, but MD Denis Kaye reckons the objective is to produce similar profitability in the first nine months as was achieved for the whole of 1990. In the circumstances that seems to be aiming a bit high. Still, this week's acquisition of Rent-a-Rig — it includes 50 vehicles and the outlets in Cape Town, Port Elizabeth, Durban and Johannesburg — for R1,7m from the liquidated Sure Group could help in achieving this objective.

Furthermore, the FM learns that Laser has just been informed it has gained the Foden and Kenwood truck agencies (also as a result of Sure Group's demise) and will be manufacturing these vehicles.

The share price stands at a low for the year and the high yields suggest the market is not optimistic about the immediate outlook. Liquidity is weak, with the current ratio at 0,94, and gearing remains high. But management appears to be doing a good job in trying circumstances.

If profit after interest does not deteriorate this year, the dividend payout should be maintained. However, once the economy picks up Laser should be well positioned to regain lost ground.

Gerald Hirshon

Fears of new taxi violence

332

CT 11/6/91

Staff Reporter

LEADERS in the Peninsula township taxi industry yesterday expressed fear of a widespread resurgence of taxi violence following the breakaway of the Western Cape Black Taxi Association (WEBTA) from a joint taxi crisis committee.

Sources both in the Taxi Crisis Co-ordinating Committee (TCCC) and the opposing Lagunya and Webta taxi associations, said the present atmosphere of distrust boded ill for chances of any lasting peace.

Webta last week pulled out of the TCCC negotiating forum, set up during a three-week civic boycott of all township taxis two months ago, citing TCCC favouritism towards Lagunya.

The boycott, now provisionally suspended several weeks beyond the originally intended three weeks, followed the deaths of at least six drivers and commuters during protracted fighting over lucrative taxi routes.

Unaware

Webta chairman Mr James Mafuya said yesterday that he had received an assurance from the ANC that they would look into Webta claims of TCCC partiality towards Lagunya.

The assurance came during the besieging of the ANC's Athlone headquarters on Thursday by about 200 Webta taxi drivers who brought the entire business district to a standstill.

Mr Mafuya said he accepted ANC regional president Mr Christmas Tinto's word that the ANC was unaware of any "favouritism or unhappiness".

He challenged the TCCC to "call us if they have a problem with us".

"We are willing to discuss anything rather than have random attacks on our taxis and rumours that we are going to be boycotted again," he said.

Webta claims that ANC youths were responsible for recent attacks on behalf of Lagunya.

A reliable source in the TCCC said Webta were now reneging on a solid undertaking to form a joint association with Lagunya and should simply "continue to operate where they are accepted".

● A TCCC meeting in Guguletu yesterday was postponed to 2pm tomorrow to try to resolve the crisis.

Whites joining the taxi scrum

332 Star 11/6/91

SPECIAL CORRESPONDENT

MORE and more white commuters are joining queues for a ride into town — in black taxis.

It was only a matter of time before people who had previously vowed "I'll never get in that thing!" tucked their parcels under their arms and hailed the nearest taxi to Joeys, or Sandton, or wherever.

These taxis don't have metres infuriatingly ticking up the cost while the driver makes sure he catches every red robot on the way. But if you thought you'd have the back seat all to yourself... ha!

This is the new South Africa.

The Southern African Black Taxi Association (Sabta) said about 5 percent of passengers on the busy Johannesburg-Pretoria route were white.

In areas where municipal bus service had terminated their operations, growth was particularly strong, Sabta said.

In Edenvale, Sabta even went so far as to train its drivers to keep to specific times and routes, rather than to "follow their instinct to stop anyplace,

anytime", a spokesman said.

Saturday Star found several white commuters who make frequent use of combi-taxis. One college student, Heath Ash, said the fares (R1,50 from anywhere in the northern suburbs into the city) were reasonable.

"Besides, there are so many taxis one doesn't have to wait long for a ride," he said.

Businessmen Deon Joubert and Martin Cohen agreed.

No hassle

"There's no hassle with these guys. You just learn the sign to be used if you want a taxi into town (one finger pointing in the air) and you'll get a lift in seconds," Mr Joubert said.

Taxi driver, Alf Tshabalala said he picked up white passengers every day.

"At first they felt a bit strange. But after a few trips they've got used to it. Now my white passengers are just as important to me as my blacks."



ALL ABOARD: Deon Joubert, Martin Cohen and student Heath Ash hail a taxi.

Picture: WAYNE HAYWARD

Black staff make a mint in Putco

STimes (Sun Times) 2/6/91

By DAVID CARTE

MANY blacks have made small fortunes through owning shares in mass-transport operator Putco.

But they fear to be identified lest they suffer a similar fate to one of their number who was hacked to death in the township riots of 1984.

Having acquired Putco shares in 1967, he sold some at a profit of thousands of rands. With the proceeds, he bought a bottle store in the late 1970s.

Then he made a mistake. He was elected to a township council. He was murdered by a mob and his stores were gutted. His widow was left penniless and his children had to leave university.

He cannot be named because his destitute widow fears reprisals.

Apartheid

Today, with its buses and properties about to be sold, Putco's share price is treble its level of a year ago.

One shareholder says: "We don't want to be branded as profiteers on apartheid."

In 1970 Putco had more black shareholders than any other company on the JSE. The company was years ahead of Anglo American and other enlightened companies that have given their employ-

ees shares in the past few years.

A stark difference from latter-day employee share schemes was that Putco staff members asked for and paid for their shares.

Most blacks who had shares after the Carleo family bought control of the company from Leyland in the early 1970s have sold them. But even those who held their shares for 10 years to the present are worth thousands.

Unbeknown to many analysts, Putco has been one of the best-performing shares on the JSE in spite of a poor published profit record.

Its performance is not widely appreciated because of an atrocious published profit record and two share splits in the past 15 years. Shareholders today have 10 shares for every one held in 1970 plus one in property arm Putco Properties.

One analyst has calculated that shares worth R400 in 1967 (they were 2c, allowing for share splits) would today have been worth R1-million if dividends had been reinvested.

Even without reinvestment of dividends, returns have been spectacular, R1 000 growing to R126 000 from 1970 to 1990. Depending on prices obtained for the buses and properties, there could be even greater profits in the asset disposal.

Putco's black staff is still share conscious. Putco unions, one under ANC influence and

the other influenced by the PAC, last year demanded 10 shares a staff member — to be paid for — plus 10 additional ones donated by the company. In the period the shares have moved from 70c to 270c.

The entire staff was given 500 000 shares in 1981. Those shares are now worth R3,37-million.

On behalf of commuters, Putco was paid huge amounts in government subsidies — R876-million in the six years to 1990, according to Transport Minister Piet Welgemoed.

Family

The biggest beneficiary of Putco's proposed asset strip is chairman Albino Carleo, who has 52% of the company.

His family collected R46-million in a special dividend last year and could get another R50-million to R100-million when the asset strip is completed. Estimates of the value of assets vary from R100-million to R300-million.

Taco Kuiper, publisher of FACTS Investors Guide, has called on Putco to provide more information so that shareholders can value the company more accurately.

Although there has been controversy about shareholders profiting from subsidies, the Government has repeatedly checked the method by which they were calculated and found them to be in order.

Mr Welgemoed has no objection to the proposed asset strip.

Trencor's growth could slow

LINDA ENSOR

CAPE TOWN — Diversified transport group Trencor, which has established a spectacular record of earnings growth over the past 10 years, would suffer a slowdown of this trend in the financial year to end-June 1991, chairman Neil Jowell says.

This will probably also result in a slowdown in dividend growth as the dividend cover, reduced to 4,4 (5) times last year, is not likely to be changed again.

While strong growth in the export of containers has been maintained and the performance of the group's overseas businesses has remained steady, the recession has taken its toll on domestic activities.

Climbed

Trencor is involved in transport, manufactures containers for export, trailers for the domestic market, and has a stake in the tyre manufacturer, Contred, which manufactures Goodyear tyres.

In the year to end-June 1990 earnings climbed 69% to 571,7c (337,8c) a share. A total dividend of 130c (67c) was declared. At the interim stage of the current year earnings a share grew 23%, a level which should at least not be lowered at year-end.

Jowell said in an interview that the 1991 earnings growth would be sig-

nificantly lower than the previous year's 69% as the recession had bitten deeper than expected and margins on export earnings had come under pressure due to increase in costs and greater international competition.

However, exports had performed strongly and, together with the contribution of undisclosed offshore operations, would represent more than 50% of total earnings this year. An additional factor was the domestic performance which had come off previous levels.

Trencor holds about 2-3% of the world market. About 98% of production is exported.

Jowell said the political situation had affected trade relations but not significantly at this stage as the group's exports were fairly fully sold in advance. There were still large users of containers who await the formal lifting of sanctions before doing business. However, there had been an easing up of the situation.

Domestically, transport companies were under siege with margins under pressure, particularly for those connected with the mining industry as Trencor is. The first half had been better than the second half in this regard, Jowell said.

He added that Trencor's trailer op-

erations had done relatively poorly as the purchase of capital goods had been postponed by many companies, mainly due to the recession but also to claim input credits under VAT.

The contribution of the group's interest in Contred to total income would fall from the previous 26%.

Trencor does not have far to go to top R1bn in turnover — last year it totalled R785m (R690m) — but this will not happen this year.

332 Decline

Jowell said 1992 was likely to be a repeat of the 1991 performance. "Our feeling is that domestic business will be down a bit further with exports up. I see no improvement in the domestic transport business, but there could be less pressure as smaller firms which have tendered at unacceptably low prices go out of business.

"The transport industry is in a bad state due to the decline in the economy, high interest rates, high cost of vehicles, overcapacity and aggressive competition from Transnet. A rationalisation of the industry is likely but because entry into the business is easy I do not foresee this being dramatic."

The export order book for the coming year is full and Trencor should benefit from the recent decline of the rand against the dollar.

Sabta to provide back-up

By Day 4/6/91

THEO RAWANA

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TAXI organisation Sabta has unveiled a R2m courtesy vehicle scheme which will provide relief while members' minibuses are undergoing repairs or should they be stolen.

The Sabta Courtesy Exchange Vehicle Scheme, a joint venture sponsored by Nissan SA, would be available to the 68 910 members at R50 a week, Sabta public affairs manager Fanyana Shiburi said yesterday.

Members who were in arrears with their HP payments to financial institutions would pay R200 "as there is an element of risk", he said.

"This is a major breakthrough for Sabta members, some of whom have often found themselves out of business after their vehicles had been damaged, had broken down or were stolen."

Shiburi said the scheme would be launched on Thursday with vehicles being available for up to three weeks at a time. It would initially operate on the Reef with 50 vehicles. After three months it would cover other major centres.

24/12/91

Call to renew taxi boycott

THE Transport Crisis Co-ordinating Committee (TCCC) is distributing pamphlets informing township residents of its decision to reinstate the boycott of Western Cape Black Taxi Association (Webta) vehicles.

TCCC committee member Mr Michael Mapongwana said yesterday that he expected the campaign to take effect before the end of the week.

The boycott came about when Webta was accused of failing to implement a 10-point plan designed to formalise fee structures and end clashes between rival groups by forming a united interim structure.

'Threats' after taxi boycott call

By CHRIS BATEMAN

MEMBERS of a township taxi crisis committee claim they are under constant threat of attack since distributing about 100 000 pamphlets calling for a boycott of the Western Cape Black Taxi Association (Webta).

The Taxi Crisis Co-ordinating Committee, which says it has a boycott mandate from all Peninsula townships except Langa, claims in the pamphlet that Webta has broken undertakings to negotiate with their arch-rivals, Lagunya.

It also claims that Webta has failed to meet any of the agreed 10 points aimed at forming one taxi association and ending almost a decade of war which has cost commuters' and taxi drivers' lives.

The pamphlet says the committee has decided to reimpose selectively the boycott on Webta because, among other things, it had refused to carry the new joint taxi association emblem (T) or to attend agreed-upon committee meetings.

Webta recently began ferrying commuters directly from points in Khaye-

litsha to the Nyanga East terminus for R1, undercutting Lagunya.

Lagunya have traditionally ferried Khayelitsha residents free of charge from near their homes to Khayelitsha's Site C transit rank from where they pay R1,50 to Nyanga East. Agreed fare structures were part of the peace plan.

The pamphlet calls for Webta to remove its cars from all ranks.

The wisdom of a selective boycott was yesterday questioned by one of the architects of the 10-point plan and by sources close to the Langa interim civic association.

"This will confirm Webta suspicions of favouritism and lead to all-out war — nothing is cast in stone and all can be negotiated," one source said.

A committee spokesman, Mr Welcom Zenzile, said Webta had been visiting committee members' homes and "intimidating them". Sugar was poured in the petrol tank of a car belonging to committee member Mr Johnson Mpukumpa when Webta besieged the ANC's Athlone offices in protest at "favouritism" last week.

A Webta spokesman declined to comment until after an "urgent meeting" of his organisation last night.

Cargo Carriers in uphill battle

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5/6/91
B/pcy MARC HASENFUSS

BOLTON's road transport arm Cargo Carriers will remain profitable this financial year, but newly appointed chairman Gerald Stein expects a struggle against the recessionary tide and deregulation problems in the industry.

Stein replaces long-serving Bolton board member Bill Beck, who resigned as Cargo chairman after finding himself "faced with a conflict of interests".

In his annual review, Stein said: "While profits are forecast for the coming financial year, it is not anticipated that the company will achieve a level of profitability commensurate with its capital employed."

He said such an achievement would take a longer period.

Loss-incurring activities had been terminated and major contracts were won during the current financial year, and Stein was confident that the profits expected to accrue would significantly improve the group's financial results.

In the year to February 1991, Cargo reported a dramatic drop in earnings to R98 000 (R7.5m).

The share, at 160c, is slightly above its 150c low in March. The share peaked at 270c at the end of June last year.

Taximen must help design new transport system

15/04/1991

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THE draft Passenger Transport Bill had been officially scrapped because government believed it impossible to pass in its present form, Business Day reported on May 29.

The Bill envisaged a substantial element of deregulation, and the devolution of responsibility for subsidies to local government. The problems include the attitude of black leaders to deregulation, and the uncertain future format of local government.

The original intention was to devolve responsibility for the provision of commuter services to Regional Services Councils (RSCs). The RSCs have shown a general lack of enthusiasm for this enforced change. The whole future format of local government is in any case in a state of flux. Those involved in the negotiations have quite enough to think about without the additional concern of this new and highly sensitive issue.

Affordable commuter transport has been accepted by most black political groups as an essential need, in the same category as affordable

housing. They are not at all sure how it is to be provided, but they do know that a fragmented, deregulated mass transit system will not provide the basis on which they can build.

They are supported in this view by the transport trade unions. The contraction of the bus industry has resulted in many retrenchments. This gradual process has been given new impetus by Pulco's announcement that it was to cease operations entirely because of fewer passengers and inadequate subsidies.

The whole question of the provision of commuter services is now back on the drawing board. The solutions will need to take into account the rapidly changing circumstances of the 1990s. One of these must be the position of the taxi industry. It has grown very big indeed in the past decade through the provision of unscheduled services operated by individual informal sector entrepreneurs. Can they in the 1990s play an even more significant (and more disciplined) role?

A recent research report suggests

PAUL BROWNING

that the taxi industry should restructure itself through the formation by local associations of parallel operating companies. Vehicles would be pooled to form larger operating units. The taxi owners would increasingly become investors, leaving the day-to-day running in the hands of professional managers.

The bus companies, says the report, should even at this late stage consider becoming involved with the taxi industry in a "transfer of skills" programme. The new taxi companies and the old bus companies could set up joint operating units to bid for government subsidised contracts.

There is increasing evidence that both the taxi organisations and black political and business leaders see the transition of the taxi industry into the mainstream economy as an important element in the restructuring

of the economy.

According to joint MD of Sabta marketing, Jabu Mabuza, "the (taxi) industry's first priority is stability. If the industry can be stabilised quickly, it will provide the right platform for transition from the informal to the formal sector. Sabta envisages a restructuring of the industry which would be a significant contribution to the restructuring of the economy called for by black leaders".

At a conference in April, held by the Nafcoc-affiliated National African Federated Transport Organisation (Nafco), Nafcoc chairman Sam Mutsenyane told delegates:

- Blacks must not remain in the informal sector but must move firmly into the formal sector;
- The day of the one-person business was over. Black entrepreneurs must form co-operatives and syndicates; and
- There must be more emphasis on moving goods as well as passengers — and transport is only the start of a move into many other areas of business activity.

Speaking on May 4 at the launch of the Foundation of African Business and Consumer Services (of which Sabta is the largest member) Thabo Mbeki of the ANC urged that the informal sector should cease to be regarded as a panacea.

"Let us see no more rosy articles praising the wonders of the informal sector," Mbeki said. "Black business must move into the mainstream of the economy."

Unions would also presumably be happy. The new formal sector companies would provide stable employment opportunities for a workforce with greater status and better conditions than the present taxi driver.

Participation by the new taxi companies in the commuter subsidy system would give them access to substantial new income-earning opportunities (the figure for the current year is R665m), and would represent a big step towards the redistribution of wealth called for by black leaders.

□ **Browning is a transport consultant.**

LETTERS

New scheme from Sabta

By JOSHUA RABOROKO

THE Southern Africa Black Taxi Association, in its quests to shine in the informal sector, has taken the lead with a new scheme for its members.

The scheme will be known as the Sabta Courtesy Exchange Vehicle.

Sabta's PRO Mr Fanyana Shiburi yesterday said members would no longer have to starve or find themselves in arrears when their minibuses broke down or were damaged.

Replacement courtesy minibuses, maintained and serviced by the association, will be made available to drivers while their vehicles are being repaired.

To qualify for these courtesy minibus

vehicles a taxi operator must be:

* A fully paid-up member of Sabta and be up to date with his installments with a recognised financial institution. The operator will be charged a nominal fee of R50 a week.

* Sabta members with up-to-date membership cards, but in reasonable arrears, will be charged R200 a week.

Shiburi said the scheme was initially aimed at the PWV but will spread to other major areas countrywide after three months. A initial pool of 50 vehicles will be used.

The scheme, which is a joint venture with Nissan South Africa, is to launched today.

6/6/91
Sowetan

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IDC is 'interested in buying Putco'

8/0am 6/6/91 332

THE Industrial Development Corporation (IDC) was investigating Putco with a view to buying the beleaguered bus group, Putco MD Jack Visser said yesterday.

Although negotiations are not yet under way, Visser expects a decision to be made when the IDC completes its initial investigation in three weeks' time.

IDC MD Carel van der Merwe refused to elaborate last night, saying he knew nothing about the matter. However, the Financial Mail reported yesterday that Van der Merwe had apparently appointed a three-man team to investigate Putco's affairs with a view to purchasing the company.

Putco, which is valued at about R100m, recently announced it would close and sell off its existing bus routes as passenger levels had declined dramatically and bus subsidies had been cut.

Analysts said the acquisition of Putco by the IDC would be outside the stated objectives of the organisation, which aims to promote and finance new industries and encourage and support the private sector

MARC HASENFUSS

in expansion and diversification of manufacturing industries.

In the light of government's intention to shift the burden of passenger transport subsidies to Regional Services Councils (RSCs), Visser believes the IDC would encourage black communities, through the RSCs, to take part in a restructured Putco.

He suggested that government, suspicious of private enterprise as recipients of subsidies, would more readily subsidise a quasi-state venture.

However, Transport Department deputy director Malcolm Mitchell stressed that government would continue to reduce bus subsidies.

The IDC has aided transport groups before. It was involved in setting up passenger transport companies in the homelands.

Putco eased 5c to 265c on the JSE yesterday as 24 000 shares worth R64 000 changed hands. The group's net asset value a share is estimated to be 400c.

Taxi drivers arrest four after street chase

By EDWARD MOLOINYANE
Staff Reporter

FOUR men have been chased through Bellville and handed over to police following attacks on taxi drivers.

At least four drivers, all members of the Western Cape Black Taxi Association (WCBTA), target of a boycott campaign, were injured at the Bellville taxi rank yesterday.

Two were shot and two were stabbed and hacked with pan-

gas.

A driver was shot dead in Khayelitsha on Tuesday night and WCBTA minibuses have been torched and damaged by stone-throwers.

Drivers said those shot in Bellville were Mr John Skhumbuzo and a man known as Peter. It is not known what happened to Peter and a panga attack victim identified only as Thembinkosi.

Mr Skhumbuzo was admitted to Conradie Hospital after be-

ing shot in the buttocks about 10am. A hospital spokesman described his condition as stable.

The WCBTA said the attackers belonged to the Langgunya Taxi Association, whose taxis are exempt from the boycott.

The street chase happened after four men, identified by the WCBTA as attackers, were pointed out to police about 1pm and disappeared into the crowd.

About 30 minutes later the men were spotted in the crowd.

More than 20 WCBTA drivers who had been talking to reporters dashed off and chased the four men, identified as attackers, along Station Road. Two men, one with a firearm, were handed over to the police.

Minutes later the other two, one bleeding from what appeared a stab wound, were also caught and put in the police van.

ARGUS 7/6/91

ET 7/6/91

to escalate

By CHRIS BATEMAN

A TAXI driver has been shot in an ambush, several taxis have been petrol-bombed and a senior member of the Taxi Crisis Co-ordinating Committee (TCCC) was shot at in Khayelitsha as the taxi war resumed in earnest yesterday.

The violence, accompanied by accusations and counter-accusations between the Western Cape Black Taxi Association (WECBTA) and the TCCC, last night seemed set to escalate.

Mr Michael Mapongwana, chairman of the Western Cape Civic Association and a prominent member of the TCCC, claimed that he narrowly escaped death late yesterday when a WECBTA

mini-bus blocked the road and the occupants fired at him in B Block, Khayelitsha.

Police confirmed that Mr Mapongwana had reported the incident.

Police yesterday announced that two youths brought to them by WECBTA operators would appear in Mitchells Plain Magistrate's court this morning on charges of malicious damage to property. A third had been released.

They also identified the dead driver as Mr William Funikayangongose, 29, of Site B, Khayelitsha. The WECBTA operator died in a "ambush-type situation" at 6.45pm on Wednesday.

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and secure operators eventually subsidise those with inadequate security or maintenance routines. Every operator will be rated on his own risk profile.

Underwritten at Lloyd's, Naptosure is quoting rates which alarm the local market. Hosken MD Don Tager says that, because the business is volume-driven, he can quote 2%-2,5% on a rig with cargo. On open market such rates would be considered suicidal.

Naptosure is a successor to Naptoplan, which was underwritten by Hollard Insurance. Hollard MD Miles Japhet says it disengaged because it was taking losses. Typically, when a local underwriter insures a haulier, it takes the first R150 000 for its own account, reinsuring the rest. A one-off write-off of a R1m rig would therefore account for several years' premiums.

Japhet acknowledges Naptoplan was not effectively marketed, and apparently covered only about 1 000 vehicles. He says Hollard still does considerable private haulier business. Typically, rates are about 4%. If a haulier with an unknown insurance track record were to ask for a quote, he could expect 8% and upwards.

Naptosure could be a lifeline for hauliers — if volumes come right. Tager says Napto has 360 members, operating 165 000 vehicles, though the potential is many times higher. Hosken's target is to get 10% of those into the scheme within a year. If that happens, there is no reason rates should change dramatically, even in SA's crime and accident-ridden environment.

To emphasise the marketing drive, the policy includes benefits that are considered unusual: tailored salvage clauses, an air search facility in the event of hijacking and vehicle downtime cover. The salvage clause allows operators first purchase option at special rates on vehicles that have been written off — a material benefit in large, standardised fleets. Cover is available for SA only, or for in-Africa hauls.

Long-term plans include a pool reserve that can be used to dampen rates, provide driver training or subsidise anti-hijacking devices. ■

INSURANCE

LLOYD'S AGAIN

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Private hauliers are working towards a form of pool insurance — their riposte to an increased crime rate and across-the-board rises in insurance costs.

Through Hosken Insurance Brokers, the National Association of Private Transport Operators (Napto) has introduced Naptosure, providing wide cover, typically at lower rates than operators can negotiate for themselves. There is a safeguard against the usual weakness of such schemes — that efficient

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CHANGING DRIVERS?

Surprise! Surprise! The Industrial Development Corp (IDC) has emerged as the new contender to purchase the stricken giant bus company Putco.

Negotiations have been going on between the IDC and Putco for some time, says Putco MD Jack Visser, who expects a decision to be made in about three weeks. IDC MD Carel van der Merwe has apparently appointed a three-man team to investigate Putco's affairs with a view to purchasing the company.

The Department of Transport has been involved in the discussions. Transport Minister Piet Welgemoed has not personally taken part but is being kept up to date with developments.

Visser says he believes that the IDC intends allowing local black communities to participate in the new Putco, which will be controlled by the regional services councils in the areas in which it operates, mainly Johannesburg, Durban and Pretoria.

All that sounds fine in theory. The question is: can Putco find new life as a not-for-profit company operated by a parastatal, and is the IDC the right organisation to run a major transport company? If the deal comes off, it will no doubt be seen by many as a reversal of government's privatisation drive.

Ironically, prospective buyers have been popping up ever since Putco's directors announced some six weeks ago that the company was about to throw in the towel and exit the transport business. Others who have expressed interest include the Johannesburg City Council, the Durban Metropolitan Transport Board and the Southern African Black Taxi Association (Sabta).

If the IDC does buy Putco, it will obviously have to comply with the Johannesburg Stock Exchange's regulations and make the same offer to minorities. Some analysts have valued Putco at more than R100m. But its losses in recent years have been substantial — nearly R12m in the year ended last June 30.

Putco's chairman Albino Carleo and Visser have made it clear that they want to hand over to Putco's successor in an orderly fashion. They do not want Putco's withdrawal to lead to the collapse of the commuter bus industry.

They also have indicated that they would like government to help cover the company's losses until the new owners take over, to avoid further retrenchments. If the IDC takes over, it is unlikely that subsidies would be cut. "Government will be more likely to subsidise a parastatal company than one in the private sector," Visser says.

With the commuter bus industry suffering because of boycotts, competition from the

black taxi industry, and government pinning commuter subsidies at levels that don't cover losses, involving the IDC seems to be the easy option. Recently the IDC has been under pressure from government to divest itself of its huge holdings in SA industry and channel some of its resources into basic social needs.

In January Van der Merwe noted that it had billions of rands available for the development of new industries, adding that it could raise R10bn in the next five to six years — R2bn on foreign capital markets, R3,5bn from its own profits, and R4,5bn from the sale of its substantial shareholding in Sasol and Foskor.

Van der Merwe was not available to comment directly; nor was it possible to get comment from Sabta.

Manuel Sampaio, deputy director-general of the Durban Transport Management Board, says: "It doesn't matter who takes over Putco, as long as it is in the commuting public's interest. We recently rationalised our operation with Putco to ensure there is no overlapping of services. The change has proved successful and serves the commuter better."

Vaughan Mostert, a lecturer in transport economics at the Rand Afrikaans University, is not fazed by the use of public money to bail out Putco, or of the IDC's involvement in transport.

"It isn't a new field for the IDC and it should have the expertise. It was involved in the formation of KwaZulu Transport and in the running of other homeland bus services. I do not see any problem in using public money to bail out a sick public transport company. Government has no case in trying to



Uneconomic buses ...
IDC to the rescue?

distance itself from the commuter question. The masses are going to need help, whatever means of transport they use to get to and from work. They didn't choose to live where they do, some of them more than 100 km from where they work."

He says he finds the whole question of trying to reduce the commuter subsidy strange. "A recent study showed South Africans spend R30bn/year on all modes of transport — private cars, company cars, trains, buses and taxis — commuting to and from work. If the country is wealthy enough to spend that much on commuting, why is government trying to reduce the tiny fraction of that sum it allocates to those who cannot afford to get to work?" he asked.

David Pincus

ISCOR Fm 7/6/91

NARROWING THE FOCUS

The accent may be on exports for SA's government and business policymakers, but steel giant Iscor is now apparently embarking on the opposite strategy: it is attempting to boost domestic sales to limit exports as much as possible.

MD Willem van Wyk, who discusses the strategy in the latest *Iscor News*, says this always has been Iscor's policy. But what is new is that Iscor is promoting higher domestic sales by offering greater discounts and by taking steel normally earmarked for export and beneficiating it. Two new plants are now under construction at Vanderbijlpark. The added-value steel products will be sold locally, except for any surplus.

Iscor spokesman Piet du Plessis says that by selling locally, the cost of packaging is reduced. And, he says, "it costs as much per ton to transport a low-value product to the coast for export as it does to transport a high-value product, which makes no sense, because the margins on high-value products are so much better."

The new strategy certainly makes sense for Iscor — it makes more money on domestic sales because the wall of protection against imports means that the local steel price is substantially higher than the international price. With 77% of the local market, Iscor can raise domestic prices virtually whenever it feels the urge. It did not take the normal half-yearly increase last August, but it did early this year, despite the drop in international prices and local demand.

In *Iscor News*, Van Wyk claims that Iscor "has never created new primary steel production capacity specifically for exporting steel products; its steel exports have always

Passenger killed ⁽³³²⁾ taxi war death toll now three

By CHRIS BATEMAN

THE taxi war toll rose to three yesterday after a passenger was shot and killed in Khayelitsha — and a “comrade” alleged he was abducted and beaten up by Western Cape Black Taxi Association (Webta) members for stoning their taxis.

The latest unidentified victim was among people about to be driven from Khayelitsha to work at a Parow company at 5.30pm on Thursday. Another passenger, Mr Wiseman Siteku, was wounded and treated at Groote Schuur Hospital.

The 19-year-old “comrade”, who declined to be identified for fear of his life, said he and friends were “retaliating” for earlier Webta attacks near the Khaya Bazaar in Khayelitsha by stoning their taxis on Thursday.

Webta drivers had chased and caught him before loading him into a taxi and driving him to Nyanga East and KTC where he was stabbed and pistol-whipped.

Sources close to Webta earlier confirmed having “captured” a young “comrade” in Khayelitsha on Thursday but said he was taken to the ANC offices in Athlone from where he was transferred to hospital. An ANC source at the Athlone office confirmed having seen a youth bleeding from the nose there.

A senior matron at Groote Schuur confirmed that the youth was treated and discharged.

The youth said he would not be laying a charge for fear of his life.

Fourth victim killed in taxi war

By CHRIS BATEMAN

THE township taxi war death toll rose to four yesterday when police discovered another dead taxi driver lying in his vehicle in Site C Khayelitsha, a bullet hole in his head.

In spite of this, peace hopes rose last night as ANC regional president Mr Christinas Tinto confirmed that a high-powered delegation from the ANC, PAC and Azapo and township business and church leaders would meet the "breakaway" Western Cape Black Taxi Association (Webta) this

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morning. Police identified the dead driver as Mr A Amos, but said they were struggling to find witnesses and appealed to anyone with information to phone the Khayelitsha police station.

The shaky taxi truce broke down last week when the Taxi Crisis Co-ordinating Committee (TCCC) began a pamphlet campaign to boycott Webta taxis, alleging the members had broken a peace pact with rivals Lagunya. Mr Tinto said the delegation, formed yes-

terday at the ANC's offices in Athlone, wanted to "find out what problems Webta has with the peace plan".

On April 9 this year a three-week civic boycott of both rival taxi associations was provisionally lifted after they met the TCCC.

Webta claims they were "ordered" to accept the TCCC's 10-point "skeleton plan" and that at any subsequent meeting there were never more than five of the 13 delegated community organisation members, which caused deadlock.

They also hit out at the TCCC for using an "inaccurate" community newspaper report to accuse their president, Mr George Langilbalele, of being an active Inkatha member.

Several TCCC members were reportedly still not sleeping at home last night for fear of attacks by Webta members.

The week-long war has been marked by attacks on Webta taxis in Khayelitsha by youths and Webta retaliation and "capture" of at least four, three of whom were handed over to police. Two were charged

and one was released.

The fourth youth was allegedly beaten and confirmed as having been treated for cuts and abrasions at Groote Schuur Hospital from where he later fled.

Webta alleges that TCCC members allied to the Western Cape Civic Association (WCCA) are responsible for inciting the youths to enforce the boycott.

On Wednesday a shot was fired at senior TCCC member and WCCA chairman Mr Michael Mapongwana, allegedly by Webta drivers, during a high-speed car chase.

Eagle Freight acquires Amerford business

MALBAK subsidiary Eagle Freight has acquired the clearing and forwarding business of Amerford International for an undisclosed sum — giving it greater access to foreign markets. *B/D 10/6/91*

The acquisition, from Thyssen Haniel Logistics, took effect from June 1 and consolidates Eagle Freight's position in the business of clearing and forwarding freight, warehousing and ships' agency.

Eagle Freight MD Bobby Pearson said

BRENT VON MELVILLE

that in recent years Eagle Freight had concentrated on offering clients a "one stop" international service. (332)

"This transaction means that in addition to our existing strength in Europe and the Far East, Eagle Freight's customers now also have access to 38 stations in the US.

"We have enhanced our position here in SA and, with the Amerford acquisition, have opened a lot of new doors in the US."

Taxi war: 2 ANC men shot dead

Staff Reporters

TWO African National Congress activists — shot dead in Khayelitsha — have become the latest casualties in the Western Cape's taxi war.

The two, Mr Zola Tsoni, 35, and Mr Michael Mhlengwana, both of Town Two, Khayelitsha, were gunned down in the township on Sunday.

Mr Tsoni was shot four times and died on the way to hospital.

A member of the Transport Co-ordinating Crisis Committee, said four men had been looking for Mr Tsoni.

"They were at his house, and

when they did not find him they went to Philani Centre where he was gunned down."

Neighbours said that Mr Mhlengwana, from GG Section, died on the way to hospital after three men in a car shot him outside his house.

He was the ANC Youth League chairman for the Town Two branch, the neighbours said.

Meanwhile, a peace committee has been established to investigate the violence resulting from the feud between rival taxi associations, ANC spokesman Mr Bulelani Ngcuka said in a statement.

Yesterday afternoon representatives of Cosatu, PAC, ANC, SACP, Azapo and the Foundation for African Business Consumer Services met representatives of the Transport Co-ordinating Crisis Committee and the Western Cape Black Taxi Association to discuss the crisis and appeal for restraint.

"The parties identified the problem areas as they saw them and it was agreed that a special peace committee be established, representing all the parties. The committee will investigate identified problem areas," the statement said.

ARGUS 11/6/91

Urgent peace moves in taxi conflict

By CHRIS BATEMAN

A HIGH-POWERED political forum launched a special "peace committee" last night as the taxi-war death toll rose to five, with seven more taxis burnt out and a driver assassinated.

The new peace committee broadens out the embattled Taxi Crisis Co-ordinating Committee (TCCC), and has the initial support of the "breakaway" Western Cape Black Taxi Association (Webta).

Taxi driver Mr Zola Tsoni, 35, a prominent Lagunya Taxi Association member, was murdered on Sunday, hours before an attack on the Lagunya garage and headquarters in Khayelitsha.

**INKATHA
'WON'T
FIGHT
BACK'**

See PAGE 2

The garage yesterday resembled a war zone, with seven taxis burnt out, two petrol pumps and a refrigerator damaged and bullet holes in windows and walls.

According to TCCC member Mr Michael Mapongwana, Mr Tsoni survived an attack on Thursday, only to be shot from behind on Sunday. Four bullets were fired from a passing Webta car in Town Two, Khayelitsha.

The new peace committee was formed late yesterday, after a marathon five-hour meeting between members of Webta, the TCCC, the PAC, ANC, Azapo, the SACP, Cosatu and the Foundation for African Business Consumer Services.

In a statement, delegated senior ANC mem-

From page 1

Taxi war

bers Mr Bulelani Ngcuka, Ms Hilda Ndude and Mr Dullah Omar said problem areas were identified and all parties agreed that peace be established "immediately".

"We urged all those involved to show restraint and not to be provoked. The meeting urged the people to immediately stop stone-throwing, petrol-bombing, shooting and burning other people's property," they added.

The peace committee would "investigate problem areas and seek solutions" before reporting back.

But Lagunya and TCCC members from Khayelitsha, centre of the worst violence, were absent from yesterday's meeting.

The Khayelitsha-based Mr Mapongwana said he was "tied up in other meetings", but that

if "Khayelitsha was not there, it means our area is not part of the decision".

An April 9 Lagunya/Webta peace agreement, brokered by the TCCC, foundered when Webta pulled out of a 10-point plan, complaining of TCCC "favouritism" towards the rival Lagunya.

The situation degenerated into chaos, with the TCCC becoming directly involved in the conflict.

Mr Mapongwana said: "What Webta has done here is irreparable — they are inviting trouble by killing people."

Two men have been arrested in connection with the murder of a taxi driver in Khayelitsha on Sunday, police said yesterday.

The driver, Mr A Amos, was found with a bullet hole in his head in Site C, lying next to his vehicle.

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Putco in R100-m take-over talks



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AR 11/6/91

From MICHAEL CHESTER

DURBAN. — The threatened closure of the vast Putco bus network may be averted by a possible R100 million takeover by the state-owned Industrial Development Corporation in a new bid to rescue black commuter services from the risk of chaos.

Takeover talks are under way and details are expected to be announced in the next two weeks.

The Department of Transport, deeply concerned about the repercussions of a Putco withdrawal from vital passenger services, is being fed regular progress reports on discussions.

Speculation is rife that the IDC is trying to work out a plan for black communities to be drawn into a final plan by handing over local control of bus services to regional services councils.

The RSCs, it has been proposed, would also be responsible for the passenger service subsidies that determine the size of bus fares on specific routes.

Tens of thousands of black commuters had feared chaos if the Putco management pressed ahead with plans to close its nationwide bus operations inside the next few months if no buyers came forward with offers to take over services — wholesale or piecemeal.

Shock waves hit the entire public transport system when Putco

announced the closure plans two months ago.

The closure decision also put the jobs of more than 6000 bus workers at stake.

The Putco fleet of no less than 2000 buses has been relied upon to handle as many as 120 million passenger trips a year on dawn-to-dusk shuttle services carrying black commuters from home to work or school and back.

The industrial hubs of Johannesburg and the Witwatersrand have long considered Putco commuter bus services as crucial to daily transport links for labour forces packed into such huge dormitories as Soweto and Alexandra.

But Putco managing director Jack Visser announced in April that operations were no longer economically viable as the company ran into worse and worse losses as the result of stiff competition from black taxis and shrinking government subsidies.

The chance of a rescue package for commuters emerged yesterday when Mr Visser confirmed that negotiations on a possible takeover had been opened with the Industrial Development Corporation.

"The IDC is busy with a thorough analysis of group operations and it is expected that a decision on a takeover bid will be made soon," he said.

If an offer materialised it

would first be considered by the Carleo family, which controls Putco with a 52,5 percent holding. If accepted, the identical terms were likely to be offered to all holders of 26 million of Putco shares listed on the Johannesburg Stock Exchange.

IDC managing director Carel van der Merwe was unavailable for comment yesterday but insiders said a Putco takeover made sense in view of the corporation's commitment to special investment initiatives in key economic sectors — particularly when the saving of jobs or the creation of new jobs was an issue.

Mr Visser said discussions had also been started with Johannesburg Municipal Transport and with the Durban Metropolitan Transport Board about the sale of regional sections of the Putco network. But these had now been put on hold while IDC considered a possible total takeover.

He added that the Southern Africa Black Taxi Association had dropped hints in public about a possible offer, but said Sabta had not yet made any formal approach about a bid.

Putco shares were quoted at R2,70 each on the JSE at the weekend. Chairman Albino Carleo and his family, with almost 14 million shares, on that basis stood to collect around R37 million even if a takeover proposal were based on a shares deal alone.

Star 11/16/91

Putco in R100-m takeover talks

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By Michael Chester

The threatened closure of the vast Putco bus network may be averted by a possible R100 million takeover by the State-owned Industrial Development Corporation.

The chance of a rescue package for commuters emerged yesterday when Putco managing director Jack Visser confirmed that negotiations on a possible takeover had been opened.

"The IDC is busy with an

analysis of group operations, and a decision on a takeover bid will be made soon."

IDC managing director Carel van der Merwe was not available for comment, but insiders said a takeover of Putco made sense in view of IDC's commitment to investment initiatives in key economic sectors — particularly when the saving or creation of jobs is an issue.

Putco announced two months ago that it would close its nationwide bus op-

erations, involving more than 6 000 workers, if no buyers came forward.

The Putco fleet of about 2 000 buses handles as many as 120 million passengers a year.

● Putco shares were quoted at R2,70 on the JSE at the weekend. Chairman Albino Carleo and his family, with almost 14 million shares (52,5 percent), stand to collect about R37 million if a takeover proposal based on a shares deal alone is done.



TAXI LAAGER ... Members of the Lagunya Taxi Association at their new base in Site B, Khayelitsha, where they have gathered to "protect" themselves. Picture: BENNY GOOL

By CHRIS BATEMAN

THE new high-powered political forum formed to resolve the township taxi war struck its first obstacle yesterday when the chairman of the former Lagunya association, Mr Headman Nongwejane, rejected it outright.

Mr Nongwejane said his members would accept "nothing" that was agreed upon at Monday night's forum as the new peace committee had "no mandate", unlike the Taxi Crisis Co-ordinating Committee (TCCC).

A spokesman for the new forum, ANC lawyer Mr Bulelani Ngcuka, promised to act "immediately" on being approached for comment yesterday, rejecting Mr Nongwejane's conten-

Taxi boss spurns new peace body

tion that his members were unrepresented at the forum.

"The TCCC was there and the former Lagunya association is part of this," he said.

The TCCC was formed when Lagunya disbanded on April 9 as part of a tri-partite 10-point peace agreement with arch-rivals the Western Cape Black Taxi Asso-

ciation (Webta) and community organisations.

In return, a boycott of both warring taxi organisations was provisionally lifted.

Within days Webta pulled out of the TCCC, citing "favouritism". This resulted in a selective boycott being reimposed on Webta. Violence re-erupted, with five deaths in the past

fortnight.

The new forum, which expands the TCCC with representatives of the ANC, PAC, Azapo, SACP, Cosatu and the Foundation for African Business Consumer Services, is an attempt to get peace talks back on track and address Webta misgivings.

Mr Nongwejane said Lagunya paid out R100 000 to comply with provisions of the 10-point plan and asked what reparation was planned — "seeing as Webta continued along as always and did nothing".

Mr Ngcuka said members of the new forum spent yesterday briefing all ANC branches in Khayelitsha and ap-

To page 2

Taxi men's houses torched

Staff Reporter

(332) 13/6/91

TWO houses of members of the Western Cape Black Taxi Association have been torched.

The homes, in Khayelitsha, were those of Mr Allen James and Mr Andile Mcwebo.

Nobody was hurt in the attacks, which occurred within 15 minutes of each other about 2am yesterday. Kitchen windows were damaged.

Attempts to bring peace to warring factions in the taxi dispute are continuing.

A meeting of the Taxis Crisis Co-ordinating Committee and the newly elected peace forum comprising political and community organisations takes place in Athlone this afternoon.

Meanwhile few taxis were running in the townships today.

Taxi war: Pamphlets discredit leader

By CHRIS BATEMAN

THE township taxi war turned from violence to a smear campaign yesterday as thousands of pamphlets were distributed in an attempt to discredit a leading Taxi Crisis Co-ordinating Committee member.

Chairman of the Western Cape Civic Association and leading crisis committee member Mr Michael Mapongwana distanced himself from the pamphlets, which quote him as saying the crisis committee acted "undemocratically".

The pamphlets, left scattered overnight in Mr Mapongwana's stronghold, Khayelitsha, and other townships, said he was calling off the selective boycott of the breakaway Western Cape Black Taxi Association (Webta).

They claim the civics and the ANC failed in getting rivals Lagunya and Webta together and would now withdraw from negotiations in favour of an unnamed "non-political, impartial, arbitrator" and add: "We have suffered enough under black-on-black violence."

Sabta takes stock

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Sowetan
13/6/91

By JOSHUA
RABOROKO

The Southern Africa Black Taxi Association has drafted an economic document expected to shape its future.

The policy document, which could have far-reaching consequences for the burgeoning industry, will be distributed to members before Sabta's annual meeting at Sun City in September.

Sabta's public affairs manager, Mr Mike Ntlatleng, disclosed this to *Sowetan* after the association's management committee meeting in Bloemfontein this week.

It also discussed violence in the industry and in political circles and transport problems relating to the informal sector as discussed by Sabta's umbrella body Fabcos in the past weeks.

Ntlatleng said the document would address political and sociological problems affecting blacks. The possibility of sanctions featuring in it could not be ruled out.

Unions reject bus fare increases

Sowetan 13/6/91 332

A DELEGATION of trade union and community leaders has rejected Putco's bus fare increases to come into effect on routes to Pretoria, KwaNdebele and Moutse from July 1.

The delegation, consisting of officials of the Transport and Allied Workers Union, General Workers Union and Moutse Civic Association, met Putco and Government representatives in Pretoria yesterday.

Spokesman for the group Mr Freddie Pilane said the meeting was part of ongoing talks between the transport industry and the Government.

Proposed fare hikes and the Government's decision to reduce its subsidy for transporting workers featured prominent-

By ALINAH DUBE

ly at yesterday's meeting.

Pilane said: "We decided not to take a decision on the subsidy issue because we learnt from the meeting that the Government is organising a conference to address the subject in August.

"But apart from that we made it clear to those present that subsidising workers was the Government's responsibility because they are the ones who moved our people from where they lived to places far from their employment."

The proposed fare increases were rejected by both worker and community representatives.

Laser Transport earnings down

CAPE TOWN — Laser Transport Holdings, a household removals group, has suffered a decline in earnings in the six months to end-June but has not fallen into a loss-making position, MD Denis Kaye told shareholders at the AGM this week.

Interim results of the company will be published shortly.

"Given the present circumstances, we are reasonably happy that we have done reasonably well," he said. In the year to end December, Laser's earnings plummeted 45% to 34c (62c) a share.

Laser owns Stuttaford Van Lines, Pickfords Removals, Fraser International, Van Nimwegen International, Jack Wellsted and commercial carrier, Lasertrans.

The year-end has been changed to end-September and no dividend will be declared at interim stage. A cover of two to three times earnings will be maintained for the final dividend, Kaye said.

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LINDA ENSOR

He explained that the contingent liability of R1,6m relating to tax deductions, which was mentioned in a note to the last financial statements, had been expunged.

To cope with the extremely difficult conditions in the transport industry Laser has over the last 18 months cut its staff by 18%, sold 140 vehicles, closed a branch in Pretoria and rationalised workshops around the country. The cost of the retrenchments had been about R160 000.

Margins were still not good, Kaye said, and an attempt had been made to improve capacity utilisation.

He said in an interview after the meeting that emphasis had been placed in the last six months on cashflow to ensure Laser was well-placed to take advantage of the economic upturn.

Eight taxis burnt out in Khayelitsha

By DON HOLLIDAY

Staff Reporter **Acc 14/6/91**

EIGHT mini-bus taxis were burnt out after members of the Lagunya taxi association were ambushed in Site B, Khayelitsha, police said.

Taxi drivers said about 30 men, armed with rifles and handguns, opened fire on a taxi laager on a field near Masiyile High School, about 6.30pm yesterday.

Tracer bullets were also fired.

The drivers said they retreated and the attackers "ran amock" among about 20 parked taxis.

They systematically petrol-bombed eight of the vehicles, gutting them, and smashed windscreens and windows of at least 13 others with metal rods and pangas.

The drivers said a young woman had been shot in the leg after being caught in the cross-fire. She was taken to the Khayelitsha day hospital and treated before being discharged.

BLACK TAXIS FM 14/6/91
COUNCIL KNOWS BEST?

Johannesburg is embarking on a R1bn-plus scheme to build six full-service terminals for mini-bus taxis. But experience in at least three other cities suggests that, at best, taxi drivers might not use them quite as city planners envision, and at worst they could end up being white elephants. (332)

Work has already started on two of the sites — the Kaserne Garage on the corner of Bree and Sauer streets and the Jack Mincer Garage on Noord Street. The initial capital outlay is R1,3m. But with some of the tenders for individual sites coming in at around R300m, the total cost would top R1bn. The three-year project is aimed at serving the estimated 15 000 mini-bus taxis plying the city's streets every weekday.

To its credit, the council has been consulting the Southern African Black Taxi Association (Sabta) — unlike its counterparts in some other cities that planned taxi terminals. The problem is, Sabta and the council seem to have different ideas on how the terminals will function.

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BUSINESS & TECHNOLOGY

FM 14/6/91

(332)

The city's planning department believes they will eliminate the existing 30 on-street ranks scattered around downtown Johannesburg and thus ease traffic congestion. Sabta, however, while admitting it has long sought the proposed facilities and believes its members will use them, views the terminals as taxi depots to feed what it calls satellite ranks around town.

Says Sabta spokesman Fanyana Shiburi: "We have made recommendations to the council, but are not sure yet whether it intends to incorporate them into its plan to build the six taxi sites.

"We have asked for 26 satellite ranks downtown, with facilities, and controlled by two-way radio to filter taxis through to the ranks from the taxi sites. Ideally there will be three to five taxis at each rank, and as one leaves another will be called from the depot."

So, in Sabta's view, on-street ranks won't be eliminated, but would at least become more manageable. Now, up to 30 taxis line up at the ranks.

Shiburi says he does not see the proposed terminals as collection points for commuters. In some cases the proposed sites are far from where people work and he says you can't expect passengers to walk across town with parcels when they are hurrying to get home.

That, of course, is the basic principle underlying the success of the taxi industry — taxis go where the people go, not where somebody else decides they should go. Governments the world over violate this principle — building markets for hawkers away from their customers, laying out pedestrian malls for shoppers who don't want to shop on that street.

At least three other cities have tried to round up mini-bus taxis in council-built ter-

minals and all three efforts have failed dismally.

The Durban City Council tried it about four years ago when it built a bus and taxi terminal in Soldiers Way, not far from the city centre. The north section of the terminal was meant for taxis, but they ignored it, and today they still park down one lane of the road not more than 50 m from the terminal.

Dave McNaught, chairman of Durban's public transport committee, says the council's intentions were good "until (taxi) politics stepped in.

"I think the council learnt that there is a structure of command operating in the taxi business, and you can't just step in and try to tell them how to line up. If you want to build something like a taxi terminal, all conditions must be conducive to the operators using the facility in all respects. It is essential to consult with them first."

Similarly, the Maritzburg council built a bus terminal in the basement of one of its buildings in Church Street five years ago. After it sold off the municipal bus service, it tried to attract taxis to the terminal, with no success. The property now has been put out to tender for private development.

More recently the Pretoria City Council, in an attempt to clear the Bloed Street taxi rank, built a new site after consulting and getting the backing of the local taxi association. The trouble was, the operators would listen to neither the council or the association, and the new site stands vacant.

The Johannesburg council is saying little about all this right now. But the plan's originator, Paul Asherson, a member of the council's management committee, does emphasise that he sees the plan as a joint private-sector project.

Some people, such as transport consultant Paul Browning, believe that, aside from the other problems, the proposed terminals are based on a faulty assumption — that taxis will continue for years as the dominant mode of mass transport. "The council may be taking a decision on what appears to be a natural extrapolation, but which in fact may not be borne out," he says.

Browning believes that with the taxi industry facing tough times financially and with increased competition, there may be a move towards a more formalised industry. This, he thinks, could see the introduction of companies comprising taxi-operator shareholders and with their own boards and managers running mini-buses as well as midi-buses, which seat 30-35 people versus the mini-buses' 16 (*Business* May 31).

The midi-bus idea is being kicked around by the Johannesburg Transport Department which is considering buying 40 midi-buses and running a service based on the successful Mynah bus service in Durban. Johannesburg might be looking at a future where, instead of endless taxis filling the streets, a fleet of small buses from competing municipal and private services get people to and from work. And where will that leave its costly taxi terminals?

Shaun Harris

Uniserv firmly on acquisition trail

MARC HASENFUSS

COURIER, freight and forwarding group United Service Technologies (Uniserv) will be on the acquisition trail, says its annual report.

The group is also set to fight for market share in the express delivery market by slashing tariffs.

Chairman Tiger Wessels, in his annual review, said the group would continue its policy of growth by acquisition.

"With this in mind, it is envisaged that the dividend cover will probably be increased in future years as earnings grow to maximise our cash position for this purpose."

Uniserv's main operations include express delivery group Sun Couriers,

city messenger service company Mounties, Burlington Ocean Express and Gundelfingers Travel. Wessels said an aggressive reduction in Sun Couriers express tariff could result in a short-term cost, but obvious long-term growth benefits would become apparent.

In addition, Sun Couriers management had been restructured to enable the company to meet its full potential.

In the year to end-February 1991, Uniserv reported a slender 2% increase in earnings to R12,2m (R12m) or 27c (26,5c) as economic

activity declined further. The dividend was maintained at 8c, covered 3,37 (3,31) times. 332

Wessels said all Uniserv operations were able to handle significant expansion and should cope with economic recession.

"Our cash resources are considered to be adequate to cope with the least favourable alternative which may rise."

Wessels said the inevitable easing of economic sanctions against SA would ease international business conditions. This would boost earnings as a major portion of Uniserv's income was earned through international markets.

Putco to increase fares by 18 percent next month

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Soweto
14/6/91

By GRACE RAPHOLO

PUTCO will increase all fares by 18 percent with effect from July 16, the company's managing director Mr Jack Visser said this week.

Visser said this was an annual increase which is introduced every July.

Commenting on the increase, chairman of the Soweto Daily Passengers Committee, Mr Steven Sangweni, said commuters could only afford eight of the 18 percent increase. The other 10 percent should be absorbed by the Government's transport subsidy.

Government warned

Sangweni said his organisation was totally against the gradual phasing out of transport subsidies.

"The Government is trying to shift its responsibility of subsidising transport to Regional Services Councils and this we regard as a way of making life difficult for the black community."

He warned that if the Government phased out subsidies, especially for black commuters, they would be forced to use strategies such as stayaways and boycotts.

Poverty salaries

He said South African citizens and companies were paying taxes to the Government in order to render subsidies for public transport, housing and education, especially for the black community.

Black communities suffered most when subsidies were cut because of apartheid. They were paid poverty salaries and spent more on transport because they lived far from their workplaces, he added.

East Rand tow-away taxi war (332)

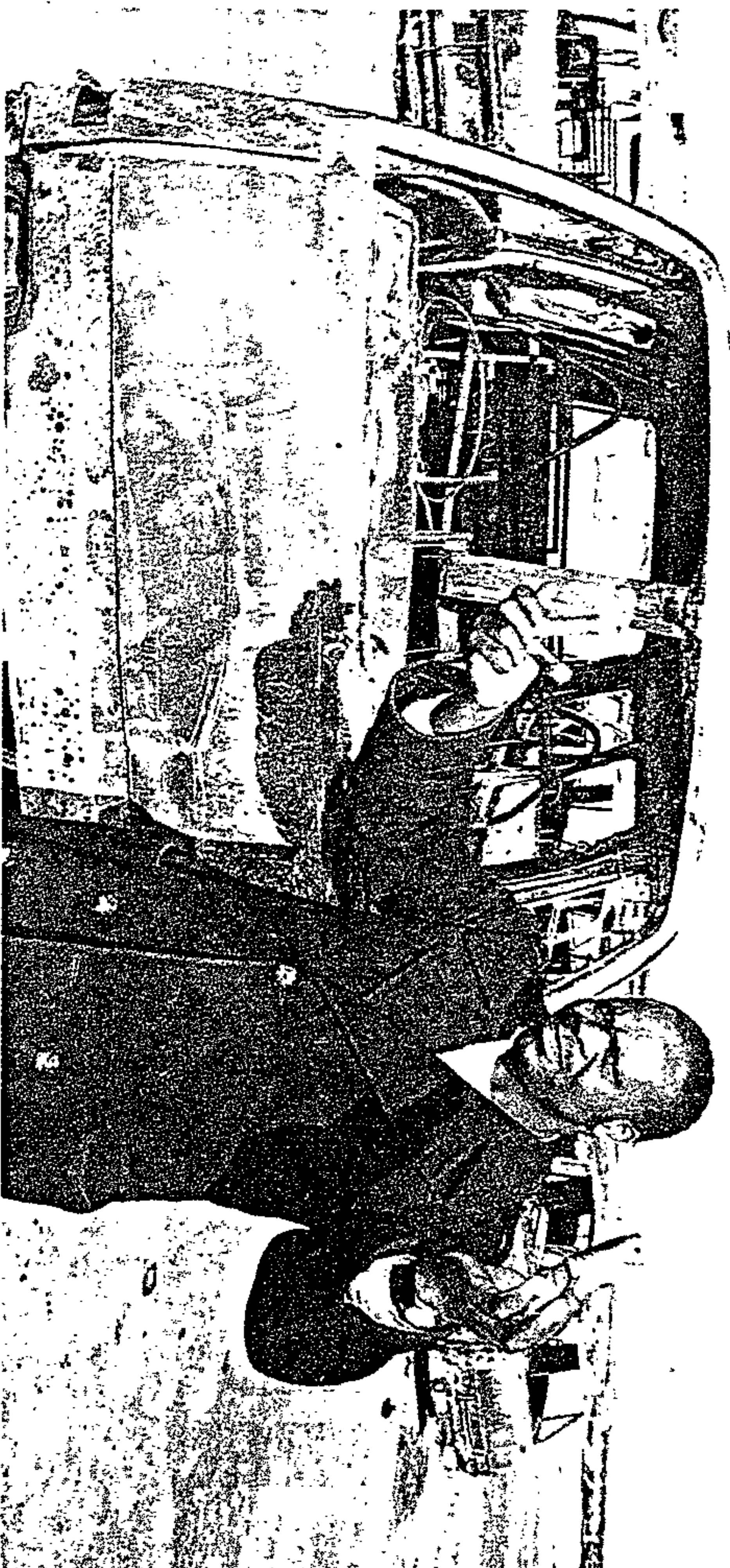
JOHANNESBURG. — Forty-three taxis and a truck were towed away by East Rand police after about 100 taxi owners parked their vehicles in central Springs on Friday morning.

A Witwatersrand police spokesman said the owners parked their vehicles and left them unattended at about 10.25am. The action followed a dispute between the Springs Traffic Department and the Springs Taxi Association.

He said the taxis and truck towed away would be returned to their respective owners when the necessary fines had been paid.

"We would like to thank all parties for remaining calm," he said. — Sapa

CT 15/6/91



DESTROYED . . . Lagunya Taxi Association chairman Mr Headman Nongwejane displays empty shotgun shells and a teargas canister which were picked up on a soccer field after an attack on minibus taxis belonging to members of the association on Thursday evening. Nine vehicles were destroyed when they were petrol-bombed by the attackers, alleged to be members of the rival Western Cape Black Taxi Association and the police.

Pictures: BENNY GOOL

Fear grips the Flats

By CHRIS BATEMAN

KHAYELITSHA was gripped by fear last night as taxi attacks continued unabated with reports of automatic gunfire, petrol bombings and car tyres being stockpiled in preparation for Soweto Day tomorrow.

The Lagunya Taxi Association, which has lost 23 taxis in the three-week war with the Western Cape Black Taxi Association (Wehta), was still reeling from Thursday's attack on their Site B "lager" in which nine vehicles were destroyed and a driver was reportedly injured.

Khayelitsha town clerk Mr Graham Lawrence said field workers yesterday reported seeing piles of car tyres besides Zola Budd Avenue and in Town Two, "always an indicator of upcoming burning barricades".

He expressed serious misgivings about protests tomorrow being aggravated by the

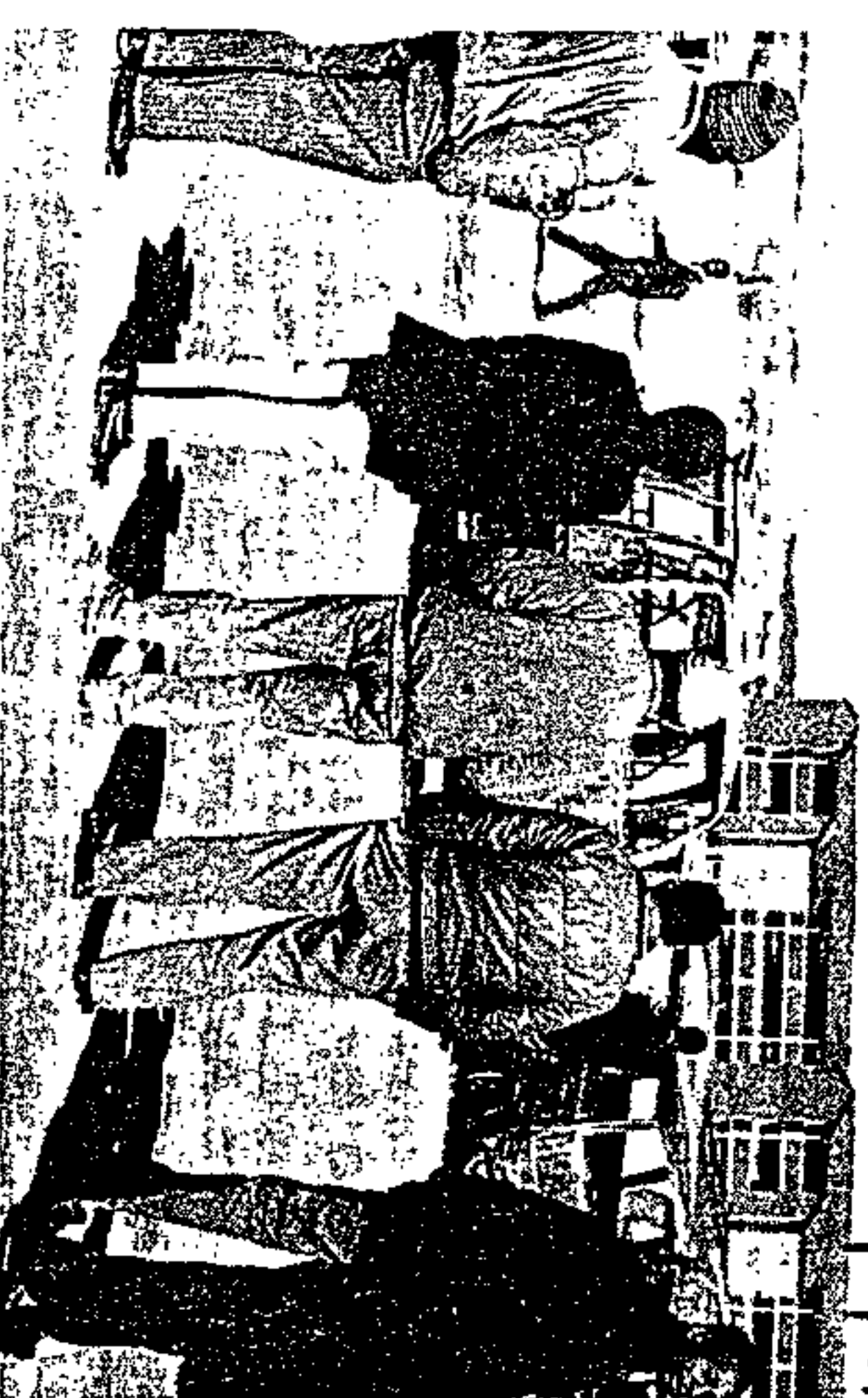
taxi war.

Western Cape Civic Association chairman Mr Michael Mapongwana described the situation as "very bad — we fear Wehta will continue with more attacks".

Lagunya chairman Mr Headman Nongwejane said members had "nowhere else to go" and would stay on at their newly created "lager" in L-Block, Site B.

Next door, in K-Block, raw sewage is overflowing and seriously threatening the health of some 40 families, but fear is preventing them from moving to a temporary relocation site so the sewer can be repaired.

So far the war has cost five lives and about R1 million in destroyed vehicles and property and has disrupted the lives of the estimated 700 000 residents who rely mainly on taxis for transport. Virtually no taxis have been running for a week.



UP IN SMOKE . . . Several Lagunya Taxi Association drivers survey the aftermath of Thursday's petrol-bomb attack in which nine minibus taxis belonging to members of the association were destroyed in Site B, Khayelitsha.

Boycott not hurting us, says taxi operators

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South

616-1216191

THE selective boycott of taxis in Cape Town's African townships, called by the Taxi Crisis Coordinating Committee (TCCC) on Tuesday, has proven unsuccessful so far.

There are fears, however, that the mounting tension could cause a repeat of the violence earlier this year.

The boycott was called because operators affiliated to the Western Cape Black Taxi Association (Wechia) had withdrawn from the unity talks established last month after violent clashes between Wechia and the Lagunya Taxi Association.

Lower fares

This week, Wechia taxis ran normally. As an incentive to commuters, Wechia's 12 branches in the Peninsula decided at a meeting in Nyanga on Tuesday to lower its fares on all routes by 20 cents from Thursday.

Wechia's deputy chairperson, Mr Victor Mooi, said the fares were being lowered to "help the community". He claimed the majority of the township's residents supported Wechia.

The TCCC criticised the lowering of fares as "an attempt to buy people's favours".

Wechia currently runs on most of the routes to and from Cape Town, while their rivals, the Lagunya Taxi Association, operates mostly in the townships, between Langa, Guguletu, Nyanga and Khayalisha. While Wechia claims it has not been affected by the boycott, Mr Roseberry Sonto, secretary of the Western Cape Civic Association (WCCA), said: "Time



IN THE COLD: Wechia taxi drivers are being boycotted by the townships communities after withdrawing from unity talks in March

PIC: YUNUS MOHAMED

will tell whether the boycott will be effective or not".

He said the boycott was "official" as it had been called by the township communities and would continue until Wechia members agreed to rejoin the unity process.

Sonto slammed Wechia for allegedly distancing itself from a 10-point plan drawn up earlier this year to resolve the violence.

He said the "door is open" for Wechia members to rejoin the unity

initiative. Sonto said that Wechia and Lagunya no longer existed, as both organisations had agreed to disband to form one organisation at previous peace talks.

He said Wechia members were "intransigent". But Mooi said Wechia was not opposed to the unity process. He claimed the process was forced on them before they had had a chance to consult their membership.

Mooi said members refused to remove the Wechia emblem from their

taxis and replace them with the "T" agreed on in the 10-point plan.

He said Wechia was opposed to the interim committee, claiming it favoured Lagunya. Mooi and Sonto agreed, however, there was a possibility that violence could flare again. Mooi said it would happen only if rival taxi drivers attacked them.

Sonto said that if there were "people out there who're interested in conflict", the 10th taxi war in the Peninsula was likely.

Police to probe role in taxi war

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CT 15/6/91

By DANIEL SIMON

A TOP-LEVEL police probe is under way into claim that policemen and members of the Western Cape Black Taxi Association (Webta) together attacked and set alight nine minibus taxis belonging to the Lagunya Taxi Association in Khayelitsha on Thursday evening.

Thirteen other minibus taxis were badly damaged in the attack when a large group of men — armed with an assortment of firearms, including automatic rifles and shotguns — attacked a laager of Lagunya minibus taxis parked on a soccer field in L-Block, Site B, Khayelitsha, about 6.30pm on Thursday.

The attackers, alleged to be members of the rival Webta and policemen, scattered Lagunya members when they fired into the air and at the vehicles before lobbing petrol bombs at nine taxis.

Police spokesman Major Gys Boonzaaier said policemen who initially went out to investigate a call that a special constable was being necklaced in M-Block were forced to pull back because of the intensity of the rifle fire. Reinforcements were called in and police returned to the scene a short while later in a Casspir.

Major Boonzaaier said police had taken statements from Lagunya drivers who had witnessed Thursday

night's attack in which police were alleged to be involved. He said eight charges are being investigated.

However, he said he felt the allegations were a revenge ploy by some Lagunya members, as two of the complainants had been arrested last week in connection with murder charges.

So far, about 23 minibus taxis belonging to Lagunya have been destroyed in the conflict over the past week — with total damages amounting to close on R1 million. The attacks have taken place in Khayelitsha, Nyanga and Bellville, Lagunya chairman Mr Headman Nongwejane said yesterday.

The conflict has also led to hundreds of rands a day in lost business for each taxi. Drivers on both sides stopped transporting commuters last Friday because of a flare-up in taxi violence.

Members of both taxi associations have since taken to parking their vehicles in laager formations in a bid to minimise the risk of attacks. Drivers eat and sleep in their vehicles.

"This problem can carry on for a long time. We will continue to do this for a month if we have to," a Lagunya taxi driver said yesterday.

The SAP's Western Cape chief of the operational branch, Brigadier Frik Kellerman, yesterday invited both associations to a meeting with him today to find a solution to the ongoing feud.

Taxi peace ⁽³³²⁾ meeting unlikely ^{CT 17/6/91}

By CHRIS BATEMAN

POLICE attempts to mediate in the township taxi war seemed doomed to failure last night when Taxi Crisis Co-ordinating Committee sources (TCCC) said they were the mandated forum and would not support meetings with police.

This follows Saturday's abortive meeting organised by riot squad chief, Brigadier Frik Kellerman, when only two lawyers of the former Lagunya Taxi Association arrived.

A prominent TCCC member, Mr Welcome Zenzile, said that former Lagunya members now on the TCCC had approached his committee in principle about police meetings and were told peace would be brokered by "our community".

Police spokesman Major Gys Boonzaaier said attempts by police to mediate between Lagunya and the rival Western Cape Black Taxi Association (Wehta) would however continue.

Differences between the newly constituted "peace forum" consisting of all major township groups and the TCCC seemed resolved last night.

Both Mr Zenzile and Mrs Hilda Ndude, a spokesperson for the new body confirmed that the new forum would recuse itself once the twin objectives of "bringing Wehta back on track" and ending the violence had been achieved.

● 'New taxi-war weapons disturbing' — Page 6

'New taxi-war weapons disturbing'

By BARRY STREEK

(332)

CT 17/6/91

THE type of weapons now being used was a disturbing new feature of the taxi war in Cape Town, the ANC's publicity secretary in the Western Cape, Mr Trevor Manuel, said at the week-end.

Teargas and shotguns were now also being used, and many taxi drivers carried pistols, he told a press briefing at Club Mykonos.

Mr Manuel said regardless of whether Inkatha was involved or not, there seemed to be a tendency throughout the country to promote violence.

Other ANC spokesmen said at the briefing that although the violence

was aimed specifically at emasculating the ANC, it had serious implications for everyone.

"Violence is a danger to all those who stand for some form of democracy in South Africa," Mr Mohammed Valli Moosa said.

The spokesmen also accused the police and security forces of failing to take action against those who were promoting the violence.

Also at the briefing Mr Saki Macozoma said that what the ANC wanted president F W De Klerk to do was to ensure the normal functioning of government.

The government should arrest

people who broke the law, he said, adding that currently only a fraction of less than 1% of people who committed violence was being arrested.

It was clear that certain elements of the security forces were either not taking action or even promoting it, and these people should be weeded out.

There was a clear unwillingness to act and there was also an attempt to create a climate to make violence acceptable, Mr Macozoma said.

The head of the ANC's constitutional committee, Professor Kader Asmal, said 33 unrest areas or mini states of emergency had been declared since

August last year and nine were still in force.

● The ongoing violence could well be raised by President F W de Klerk when he addresses Parliament this afternoon.

Today's speech is his first major address since the government-sponsored summit on violence in Pretoria, and Mr De Klerk may also indicate whether the government will attend the church-sponsored meeting on violence on June 22.

The government has, however, dismissed speculation that the deployment of civilian-force troops in the townships would be announced today.

Arms seized, five held in police taxi-war raid

Crime Reporter

³³² ~~ET-20/6/91~~ ARGUS
FIVE unlicensed firearms were seized and five men were arrested in a pre-dawn riot-police raid today on Western Cape Black Taxi Association members who had taken refuge with their minibuses next to the Khayelitsha cemetery.

The drivers, guarding more than 150 minibuses, said police arrived about 5am.

The men have been living away from home since the taxi war started two weeks ago.

A police spokesman said the raid

was connected to the taxi war, which has claimed at least six lives and destroyed and damaged dozens of vehicles.

More raids and searches of vehicles were expected to take place during the day, the spokesman said.

Meanwhile, 14-year-old Wandile Quwe is still in a serious condition in Tygerberg Hospital after being shot when he was apparently caught in the crossfire during fighting between the two taxi factions.

His brother, Mqolise Quwe, said he was still unconscious when his family visited him on Saturday.

He said Wandile was shot in the forehead on Thursday when he was walking behind the Khayelitsha day hospital from Site B.

Mqolise said there had been random shooting that day, followed by the torching of about eight minibuses belonging to the Lagunya Taxi Association.

WCBTA drivers said an urgent meeting called by the recently formed interim committee comprising the Pan Africanist Congress, the Azanian People's Organisation and the African National Congress would be held in Athlone today.

Taxi war: 5 arrests, weapons seized

POLICE yesterday arrested five people and seized five firearms, ammunition and other dangerous weapons during a crime-prevention operation aimed at trying to stem the violence in the taxi war.

The number of firearms seized by the police since they started conducting searches of minibus taxis last week has now reached 16.

A police spokesman yesterday said that members of the Pinelands Unrest Unit carried out mass searches of minibus taxis in several Peninsula townships, Mil-

chells Plain and a Bellville taxi rank.

He said that during the operation, which started about 5am yesterday, police seized five unlicensed firearms and 110 rounds. Five men were arrested for being in possession of the firearms which included two 9mm pistols and a .38 Special revolver, he said.

Also confiscated were eight pangas and an assortment of other dangerous weapons, including knives. The police also recovered a stolen minibus during the operation, Major Boonzaaier said.

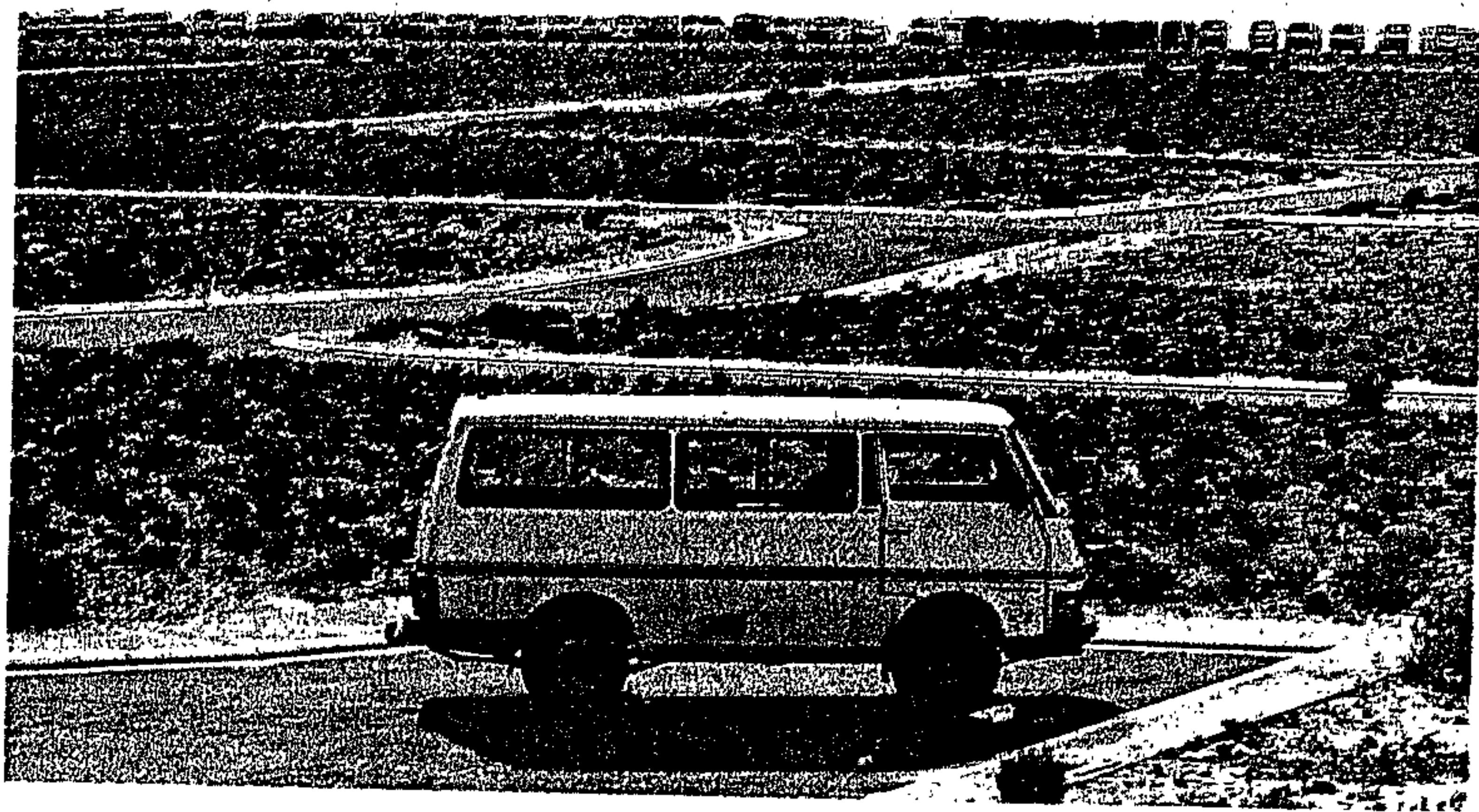
Meanwhile, upcountry taxi drivers, unaware of the simmering local tensions, have recently been coming under attack on their arrival in local townships, it emerged yesterday.

According to Mr Michael Kupiso, a member of the Township Taxi Crisis Coordinating Committee, several such incidents have been reported over the past week.

He also warned upcountry drivers to "take extreme care when entering local townships".

The Laager (332) ARGUS 19/6/91

Death is the macabre neighbour of 100 taxi drivers who fear for their lives as war goes on



Picture: ROY WIGLEY, The Argus.

TAXI LAAGER: Members of the Western Cape Black Taxi Association at their new base near the Khayelitsha cemetery.

By EDWARD MOLOINYANE
Staff Reporter

AN open space next to the new Khayelitsha cemetery has become home to more than 100 taxi operators who have left their families temporarily to guard their minibuses which have been targeted for attack in the taxi "war".

The men, all members of the Western Cape Black Taxi Association (WCBTA), have been guarding and sleeping in their vehicles off Swartkops Road for the past week.

The feuding started at the beginning of the month after WCBTA members serving on the community-initiated Taxi Crisis Co-ordinating Committee (TCCC) withdrew, accusing it of favouring the rival Lagunya Taxi Association.

Their withdrawal led to the TCCC calling for a boycott of WCBTA taxis, claiming the decision had been taken by the community.

At least seven people, including a passenger, have been killed and scores of minibuses have been torched.

When the conflict hotted up last week, WCBTA members fled with their vehicles to a no man's land next to the cemetery while Lagunya members assembled their minibuses on a sports field under guard in Khayelitsha.

The WCBTA men said at the site that they had left their families to guard the minibuses.

Four men said their houses had been burnt down and their families were staying with relatives.

The men, mostly from Khayelitsha, said it was "better" at their "hideout" because attackers could be spotted from a distance.

The men denied allegations by Lagunya and some TCCC members that they (WCBTA) were backed by police because the association had white minibus owners as members.

Lagunya and the TCCC have also claimed that members of the WCBTA are Inkatha, an allegation the WCBTA men vehemently denied. The men said the claim was "cheap politicking aimed at winning community support" for one faction in the war.

They said life was "tough" at the hideout and they spent days on end without washing.

Two minibuses are parked at strategic points with lookouts keeping a wary eye open for attackers.

They said their leaders were holding meetings in Athlone with the newly formed "peace committee" comprising the Pan Africanist Congress, the Azanian People's Organisation, the African National Congress and the Foundation for African Business Consumer Services.

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Taxi war ultimatum

By EDWARD MOLOINYANE
Staff Reporter

THE two warring township taxi factions have been given until tomorrow to work out proposals for a ceasefire and report to a newly formed peace committee.

The committee, representing the PAC, Azapo, ANC and the Foundation for African Business Consumer Services, was formed when violence flared afresh after calls for the boycott of taxis of one association three weeks ago.

The two associations, Lagunya and the Western Cape Black Taxi (WCBTA) are also represented on the committee, which includes members of the Transport Crisis Co-ordinating Committee (TCCC).

A source close to the committee said the ultimatum was given at a meeting in Athlone this week.

He said the two factions had undertaken to go back to their members and were urged to "bring concrete decisions" by tomorrow.

The source said: "It's only after Saturday that we will know exactly where we are going."

At least seven people, including a passenger, have been killed and scores of vehicles have been torched in the feuding which was sparked by boycott calls against WCBTA taxis three weeks ago.

The boycott was called because WCBTA was accused of withdrawing from the community-initiated TCCC, which had been entrusted with devising means to regulate the taxi industry to avoid a repetition of of the last taxi "war" in April.

Passengers boycotted taxis after the April clashes and the 27-member TCCC was set up.

The TCCC came up with a 10-point plan. One of the objectives was the formation of one taxi association, but the plan foundered when the WCBTA withdrew from the TCCC, claiming it favoured Lagunya.

Details of the latest peace moves were not available as the spokesman for the new "peace committee", Mr Bulelani Ngcuka, was said to be out of town.

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2 taxi ³³²
drivers shot
in Nyanga

Crime Reporter

TWO taxi drivers were shot at the Nyanga taxi terminus in separate incidents on Wednesday afternoon.

One driver was slightly injured and a minibus taxi was stolen from the second victim, police said yesterday.

A spokesman said several shots were fired at a taxi driver by a group of men at 4pm. The driver fled and a minibus worth R70 000 was stolen.

During a second incident, a group of men fired several shots at the driver of another taxi at 4.05pm. The driver was slightly injured when a bullet grazed the right side of his head.

No arrests had yet been made in connection with the incidents, the spokesman added.

Putco fares up as from July 1

By GRACE RAPHOLO

(332)

PUTCO will increase bus fares by 18 percent across the range with effect from July 1 and not July 16 as *Sowetan* reported last week.

The corporation's managing director Mr Jack Visser said this was an annual increase effected in July.

He advised commuters to buy 10-trip with 14-day validity tickets for maximum savings.

Commenting on the increase, chairman of the Soweto Daily Passengers Committee Mr Steven Sangweni said commuters could only afford eight percent of the 18 percent increase.

The other 10 percent should be absorbed by the Government.

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Truck hijacking threat to SA transport industry

332
ARG 25/6/91

The Argus Correspondent

JOHANNESBURG. — When you order crayfish at your favourite restaurant and the waiter tells you the truck didn't arrive on time it may well be because it was hijacked.

Fantastic as it sounds, this scenario may become a reality in South Africa unless the country's multi-billion rand truck hijacking "industry" is broken.

In spite of significant regional successes, the police are no match for the increasing numbers of "Mad Max"-type bandits who have made South Africa's roads their hunting ground. This becomes clear when you consider that the total value of goods annually stolen from trucks amounts to about R1,5 billion.

If delays caused by hijackings are taken into account, the annual loss to the economy amounts to R6 billion, according to the National Association of Private Transport Operators (Napto) and the South African Chamber of Business (Sacob).

By far the worst hit is the PWV area: sketchy statistics provided by the police indicate that an average of four trucks are hijacked on the Reef each day.

This malaise led to the formation in May 1988 of the Transport Security Association (TSA), an umbrella body made of representatives of the transport industry, the police and the Transvaal Provincial Administration.

In the interim, the Automobile Association (AA) and the Insurance Surveyor's Association joined in the fight.

As a result of the TSA initiative, some progress was made in ironing out liaison problems within the police force in responding to hijackings, and transport companies started to work out safety programmes in conjunction with the police (who claim that as many as 80 of hijackings are "inside jobs").

Last year a task force under Colonel Ivor Human, head of the East Rand murder and robbery unit, began to concentrate on hijackings in the region with considerable success.

However, the unit's activities are limited to the East Rand and Colonel Human himself concedes that hijackers may have moved to other areas, where the pickings are easier.

TSA chairman Mr Joe Pretorius says hijackings are continuing apace and may even be increasing "by as much as 500 percent in some companies".

XPS Services, a courier company employing a fleet of close to 300 trucks, launched its own anti-hijack squad last June after a six-month spate of 31 hijackings which cost the firm R6 million.

Mr Dave Renton, the company's national security manager, says XPS had had only four hijackings since the unit was formed.

"We recovered all four vehicles ourselves, as well as 75 of their total load combinations."

Although he emphasises that

the unit owes much of its success to the support it is given by the police, Mr Renton says problems of understaffing and red tape still mean that the police are "not able to cope with this crime scenario".

Employing a helicopter and several reaction cars, the XPS hijack squad, manned entirely by former policemen, uses a range of monitoring devices including sophisticated (but expensive) GPS satellite tracking systems, which have been installed in trucks carrying the most valuable cargos.

When airborne, the helicopter, supported by vehicles on the ground, is "in constant communication with the police air wing" for back-up requirements, says Mr Renton.

"Our members receive specialised helicopter training and they are all police reservists. Whenever we answer a hijack call we all phone in to our respective police stations."

Tollgate seeks bus subsidy raise

8/04/21/6/91

332

Own Correspondent

CAPE TOWN — Tollgate Holdings is unhappy about the return on assets from running commuter bus services in greater Cape Town and is urging government to increase subsidies rather than phase them out.

Colin McCarthy, executive director of the Cape Chamber of Industries (CCI) said yesterday that he did not know of any city anywhere in the world where the public transport system paid for itself.

Tollgate chairman Julian Askin says in the annual report: "Our rationalisation of the group's commuter bus interests has returned this division to profitability but not, I believe, to levels of return on these considerable assets that are acceptable to the shareholders of a publicly-owned company."

"It is not the proper task of Tollgate to operate efficiently a high-cost commuter division solely on the basis of providing an extensively regulated social service against virtually unregulated competition and we are as a priority addressing the future of these operations."

Askin is in London but a Tollgate executive director, Laurie Mackintosh, explained yesterday that, to

make a profit from commuter bus services and provision for rising expenses and fleet replacement, bus fares would have to rise beyond low-income passengers' ability to pay.

This meant that although government was trying to phase out transport subsidies "we are telling them that this will not work, and in fact they must be increased".

Solution

Mackintosh pointed out that, as a result of political decisions, low-income passengers in SA had to make long journeys to work. This reversed the normal pattern in other countries where high income earners lived in distant suburbs while poorer people lived near their work.

The solution of moving work nearer where poorer people lived did not seem to help. "Atlantis was founded as a decentralised place of work. But commuter traffic on our buses from there gives the impression that a large number of Atlantis residents work in Cape Town."

Charging economic bus fares

would mean "a substantial rise" which most commuters would not be able to afford.

The situation was aggravated by competition from completely deregulated taxi services.

It was necessary for commuter bus services to be co-ordinated. Otherwise there would be a chaotic situation with no-one willing to operate the least profitable routes.

"The situation is that either commuter bus services must be provided by a public utility like London Transport Services or by a private company ... with the fares subsidised."

McCarthy said the CCI was aware of Tollgate's difficulties, particularly in competition with taxis.

Cape Town was widely spread out, because of geographical factors, and if the bus services had to be subsidised by local authorities rather than government it would become one of the most expensive places to live in.

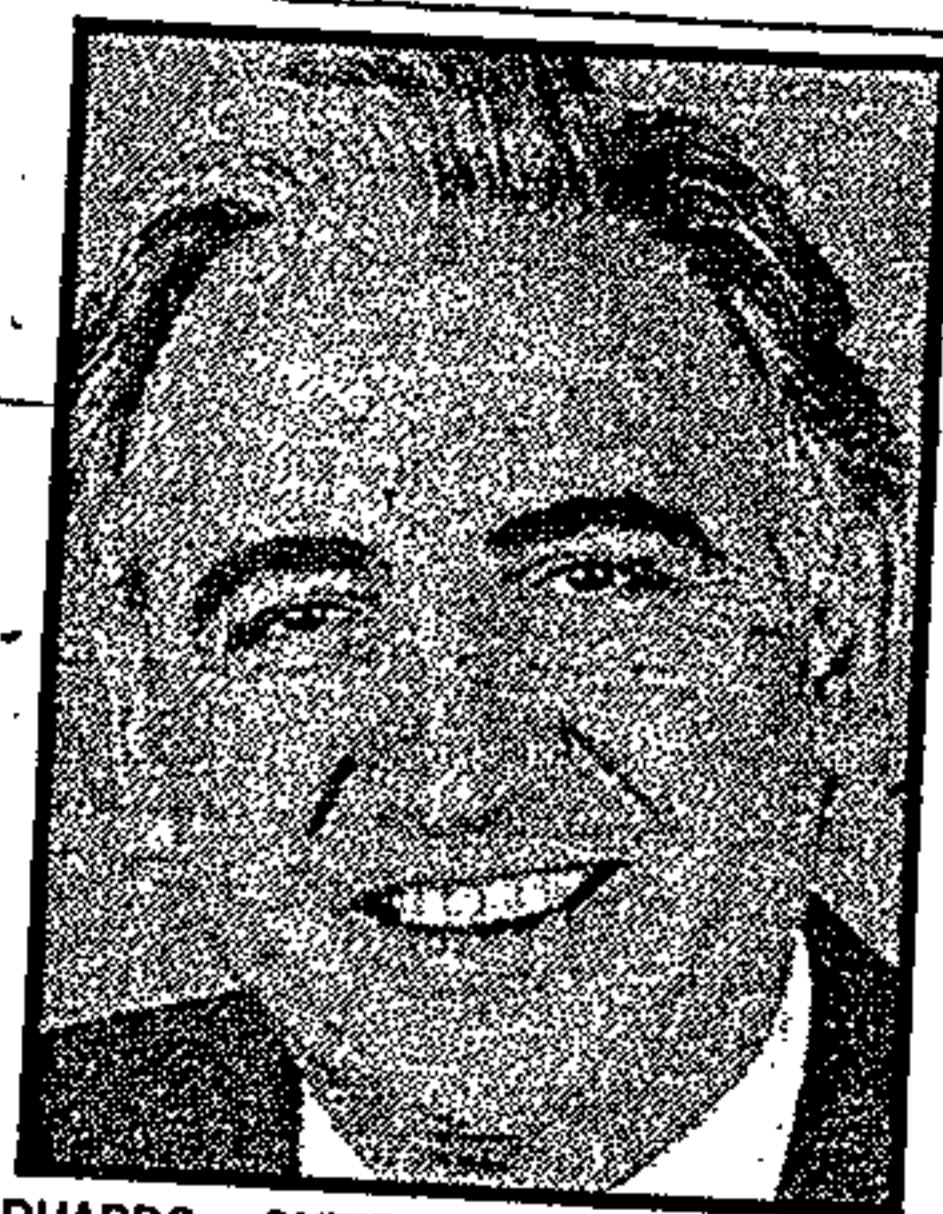
The whole country benefited from the concentration of people and manufacturing in urban nodes like Cape Town and therefore it should be government, and not local government, which subsidised local transport.

Unitrans on high road

332

S/Times (Burr Times) 3d/6/91

By JULIE WALKER



EDUARDO GUTIERREZ-GARCIA: Shareholders entitled to be told everything

UNITRANS managing director Eduardo Gutierrez-Garcia agrees that his group has gone through a few changes since last we spoke in March 1989.

For one thing, the share price has almost trebled to a high of 650c. The major shareholder has also changed. Unitrans used to be controlled by London's BET. When Unitrans was listed in 1987, 20% was floated and the balance held 60-40 respectively by BET and Sankorp.

But while Unitrans has thrived, BET has dived. It fell from 180p to 67p in a single day when investors offloaded more than 15-million shares. This sale of the SA gem is a reflection of the group's disorder, not a slight on Unitrans.

In March 1990 BET reduced its holding in the pyramid company to 49-51 in favour of Sankorp, and in January sold out completely. Ostensibly the reason was that Unitrans needed growth capital that BET could not afford.

Discards

Enter Murray & Roberts, also controlled by Sankorp. M&R bought 49% of Unitrans from Sankorp and has an option for another 2% exercisable after June 30. Should it be exercised, control will pass to M&R, but it will probably not have to make an offer to the minority because of ultimate Sankorp influence.

I was a bit worried when I saw that M&R had lost no time in selling Much Transport and Tankfreight to Unitrans in a R13-million deal announced two weeks ago. Would Unitrans become a dustbin for M&R's discards?

No, says Mr Gutierrez-Garcia. He is happy to have the two specialist companies aboard because Unitrans gains a foothold in the Cape.

"You cannot just open up shop in a new area and wait for customers to come in. It is easier to get in this way."

He says M&R seems to have a hands-off policy. There is no need to make waves and upset a happy formula at Unitrans.

Mr Gutierrez-Garcia was a little piqued that the 1991 earnings did not beat the previous year's. But he gives three reasons why.

The first was the surplus of new vehicles in stock and of older vehicles awaiting sale. They could have been sold, but the prices they would have fetched were too low.

"There is a price for everything, but I won't give things away," he says.

The net effect was that R20-million more capital was employed than if the new trucks had been used and the old sold. But the value of the trucks will grow as they sleep, and Mr Gutierrez-Garcia is confident that the decision to hold will turn out a good one.

He dismisses the economic downturn as a specious excuse for lower trading results. In a recession the volume does not fall materially. Paper, minerals, sugar, timber, all are still being moved. Margins are affected, not volumes.

"What has happened is that the railways won business from private road hauliers at a time when fleets were becoming oversized. This has had the net effect of depressing the whole road transport industry. The railways have

won business by reducing tariffs by up to 40%."

Unfair competition comes from a third source — small hauliers who carry many more tons than their vehicles' capacities. I ask how good is the policing of overloaded vehicles since the industry was deregulated.

In a nutshell, policing overloaded vehicles is not a priority.

The flippant answers are tongue in cheek. Mr Gutierrez-Garcia relishes the challenge of running a successful business in the face of adverse conditions. There is hope on the horizon.

"We are still in with a chance," he says. "We are the best structured, we have a cohesive team, we offer service through secure contracts."

It is not wasted on him that Sankorp was only too keen to wrest control when the opportunity arose.

"We stay away from jobbing work. With contracts we can survive when the industry is in deep crisis."

It is good when every question is answered in an interview.

Mr Gutierrez-Garcia says: "Many people pretend to be open with their shareholders on the provision that certain questions are not answered. I have never been able to think of a single example where shareholders do not merit an answer."

The market in Unitrans shares is strong at the moment. I like it.

Financial market, since the fashion retailer headed by battle — and make a profit

Tollgate cuts out the frills

By Blaise Hopkinson

332

The first annual report of the new regime at Tollgate won't win any prizes for design and glossiness and chairman Mr Julian Askin says this is intentional.

"Shareholders will notice and I hope approve, that this report does not maintain the group's recent tradition of a host of artistic photographs and mission statements.

"It has been a difficult year and it behoves me to offer no distractions from these events," writes Mr Askin.

In the year to Decem-

ber the group posted an after tax loss of R34,7 million on a turnover of R598 million.

Mr Askin led a takeover of the group in May last year that resulted in a R70 million cash injection into the troubled transport, food and tourism group. *Star 117191*

"It would not be amiss, however, to say that we inherited a group of companies that had for some while severely tested the patience and goodwill of its shareholders and bankers," he said.

A complete restructure and drastic reduction in borrowings should lead to

a year of improvement.

The purchase of a UK company is on the cards and the intention is to evolve Tollgate into an international industrial holding company.

During the year the Duros group's five listed companies were consolidated into one holding company under the new name, Tollgate, which also has a full listing on the International Stock Exchange in London.

Good news is at year end the group's long term borrowings had been halved while the ongoing process of pruning loss-making and non-performing assets is continuing.

THIS TUESDAY AT 7.30 PM

Transport firms find Africa a high-risk market

TRANSPORT operators are becoming increasingly disenchanted with their move into Africa as a way of riding out depressed local business conditions.

Road Freight Association business development manager Hugh Sutherland said transport ventures beyond the immediate southern African region was "bottom of the barrel business".

Africa was a high risk market for transport operators because of political uncertainty and escalating crime. Heavy losses were incurred through damage to trucks by "criminals" and underdeveloped infrastructure, theft of goods and high fuel costs.

The business did not outweigh the risks. A single truck hijacking led to almost irrecoverable losses.

Furthermore, Sutherland said, breakdowns in most African countries were costly as spares and repair services were virtually non-existent, and usually saw the operator sending another truck on a long-distance rescue mission.

Some transport operators claimed overheads were pushed up also by the payment of exorbitant bribes to political factions who had control in cer-

MARC HASENFUSS

tain areas of a country.

Unitrans marketing manager Joe Rule said the excessive price hikes in Zimbabwe, Botswana and Zambia had knocked the viability of cross-border transport operations.

The problem was exacerbated by closure of the Tete Corridor in Mozambique, Rule said. This had forced truckers to take a 2000km detour through Zambia to transport goods to Malawi.

An SA Customs Union agreement makes transport in the immediate southern African region almost totally deregulated and gives operators easy access to permits.

Further north in Zambia and other countries, permits are still hard to come by.

One transport analyst said the further SA transport companies expanded their routes north, the less likely it would be for transporters to guarantee a two-way load. This would lead to a gross under-utilisation of fleets over such a long distance.

Sutherland said when prospects improved in Africa, road freight groups would benefit by the absence of a reliable rail network.

Taxi driver ^{(332) ARG 4/7/91} shot dead as peace talks about to start

By VUYO BAVUMA, Staff Reporter

A KHAYELITSHA taxi driver was shot dead in Guguletu minutes before warring factions were to hold peace talks.

An Argus reporter arrived within minutes of the shooting and saw the body of Mr Thami Shazi, a member of the Western Province Black Taxi Association (WPBTA), slumped against the railings of the Food and Allied Workers' Union offices. He had been shot in the head.

Mr Shazi had been eating with three friends in his car, which was parked outside the Fawu offices in NY1, less than 15 metres from where the Taxi Crisis Co-ordinating Committee (TCCC) and peace committee meeting was to be held.

The meeting was postponed until today.

Witnesses said someone in a minibus parked nearby opened fire on Mr Shazi's car.

Mr Shazi was hit by the first bullet and collapsed. Other shots damaged the rear window of the car. None of the other three people was hit.

The witnesses said they tried to follow the minibus but gave up as it sped away.

A crowd gathered as police searched Mr Shazi's car for clues.

Ambulancemen removed his body, watched by shaken WPBTA members.

A spokesman for WPBTA blamed Lagunya members for Mr Shazi's death, and claimed that on Tuesday "some Lagunya members fired at Mr Shazi's car but missed".

Ironically the killing of Mr Shazi comes a day after the two warring factions resolved to implement a "complete ceasefire" and establish a joint peace committee.

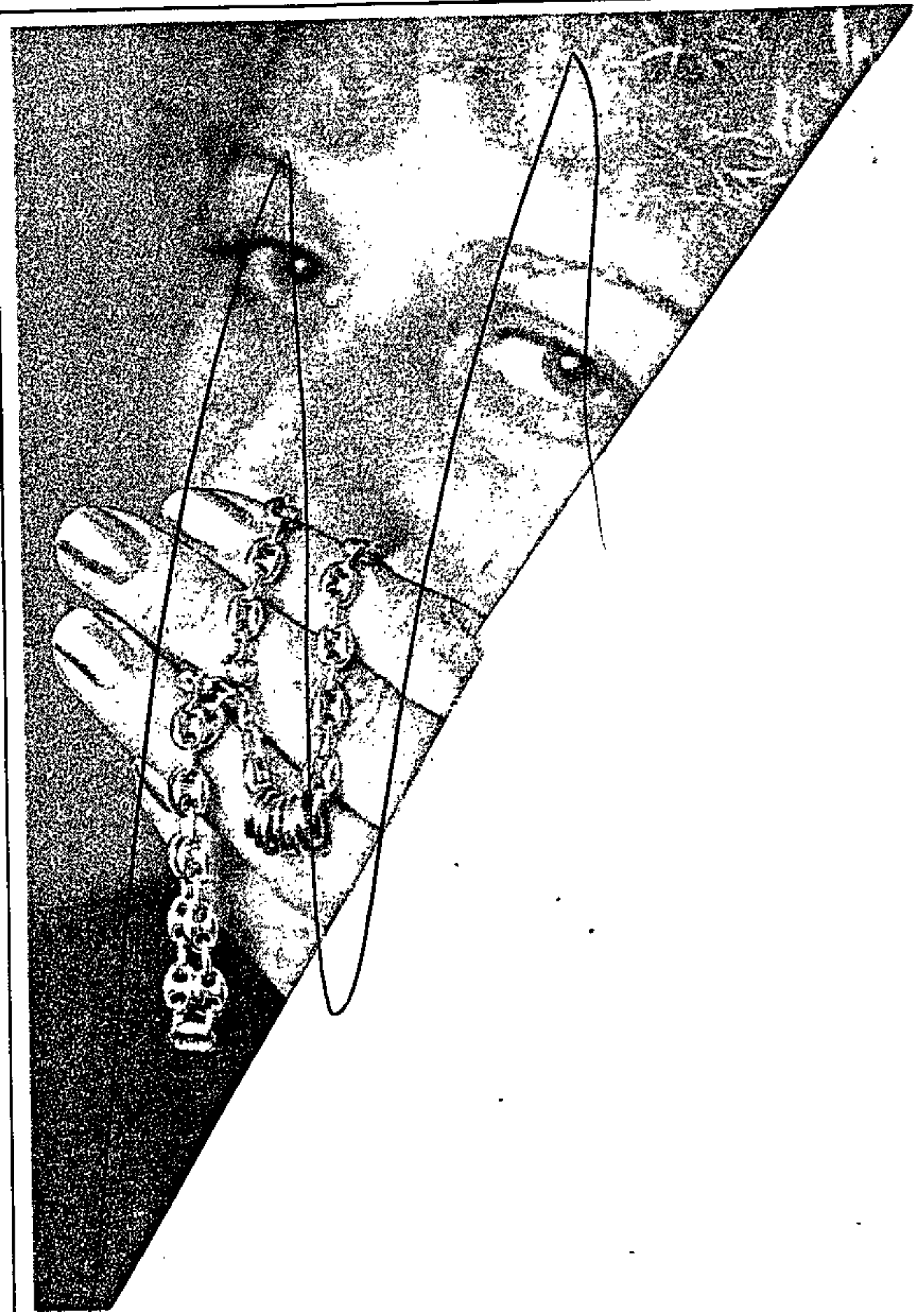
They also decided to form a 10-member disciplinary committee, made up of five members from each side, and a "criteria committee" to monitor routes.

At a later meeting, organised by the TCCC and peace committee, it was decided the taxi organisations' resolutions would be conveyed to the public.

Late last night members of the two organisations distanced themselves from the killings "bedevilling" the taxi industry.

They said the peace progress of community organisations could not be undermined as it was the will of the people that the crisis should be resolved. A spokesman said: "After yesterday's killing we met representatives of Lagunya and WPBTA and appealed for calm and for the continuation of peace meetings."

"The TCCC and the PC fear that certain elements are trying to derail the peace process. We appeal for calm."



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Gunmen kill taxi owner in Guguletu

Staff Reporter

A TAXI owner was shot dead next to his minibus in Guguletu yesterday afternoon.

His taxi was raked by gunfire from another minibus.

The dead driver, whose name is not yet known, is believed to be a Webta member.

Webta and Lagunya taxi factions have been involved in a bitter war in the Peninsula.

The slain driver had been waiting outside offices where a meeting was taking place between the warring factions in an effort to end the war.

The meeting was under the guidance of the Taxi Crisis Co-ordinating Committee (TCCC) and the Peace Committee.

According to Mr Alan Roberts, a Cosatu representative on the Peace Committee, the driver had been standing outside his van with some colleagues when he was shot dead.

The driver was shot through the head and his taxi was riddled with bullets.

Mr Roberts in issuing a joint statement on behalf of the Peace Committee and TCCC, said a strong appeal for calm and restraint had been made.

It was feared that Webta would retaliate after the latest killing.

Mr Roberts said the timing of the attack was surprising since the leadership of Webta and Lagunya as well as substantial sections of their membership had met on Tuesday night and had agreed in principle to a ceasefire.

(332) 47/91

Sabta helps organise taxis in Mozambique

8/Day 417191
332

THE Southern African Black Taxi Association (Sabta) is to help Mozambican taxi operators set up routes and an association as part of Sabta's drive to expand into Africa.

Foundation of African Business and Consumer Services (Fabcos) spokesman Fan-yana Shiburi said yesterday that Sabta had established links with taxi operators in Mozambique, Zimbabwe and Zambia.

Fabcos affiliate Sabta has sent two officials and 10 taxis to Mozambique.

It has had unofficial talks with Zambian and Zimbabwean taxi operators, who are maintaining a low-key contact with Sabta as their governments are still cautious about contact with SA.

Most southern African regions will be sending delegations to Sabta's annual conference in Sun City in September, when regional co-operation will be discussed.

"Our presence in neighbouring countries has of course been determined by the attitudes of our political leaders who want local black entrepreneurs to forge links with Africa," Shiburi said.

THAMI MAZWAI

After Sabta helped upgrade services in Lesotho, Botswana, Namibia and Swaziland, it saw the benefit from the profitable commuter trade between SA and neighbouring states.

The taxi associations in these countries are affiliated to Sabta and are represented on its national executive. Shiburi said Sabta might soon become the first post-apartheid regional trade association.

He said revenues of taxi operators in neighbouring countries were declining as their national economies faltered and they wanted to switch from a metering system to Sabta's point-to-point fare structure.

Sabta had also assisted taxi owners in neighbouring states by guaranteeing a portion of the deposits needed to buy minibuses.

□ Sabta's rival, the National Federated Taxi Organisation, is also making headway in establishing links with Africa, with the assistance of its parent, the National African Federated Chamber of Commerce.

Stuttafords opens Mozambique office

6/10/91 4/17/91 MARC HASENFUSS 332

INCREASED prospects for trade with the rest of Africa prompted Stuttafords Van Lines, a subsidiary of listed household removals group Laser, to open its first office in Mozambique yesterday.

Laser MD and CE Denis Kaye said the Maputo operation was established in expectation of peace in Mozambique, when the country would be positioned to take advantage of its enormous trade and tourism potential.

The new operation in Maputo would handle import and export shipments from throughout the world, with the majority of the international removals market in Mozambique centring around embassy and international aid personnel, Kaye said.

The firm felt Maputo would play a key part in southern Africa's transport chain once the situation normalised, and would offer the PWV, a viable alternative to Durban.

Kaye said Stuttafords' move was part of the company's overall strategy of establishing bases in potential boom areas in order to be well positioned when these markets became active.

Laser is investigating the establishment of another office in Beira.

Shots hit taxis as feud flares

332

5/7/91

Staff Reporter

THREE minibus passengers were injured as the taxi war flared with an unknown group of men raking two taxis with gunfire in Langa early yesterday morning.

Three charges of attempted murder are under investigation, a police spokesman said.

A female and a male passenger were slightly injured in the attack, which occurred about 5.45am yesterday.

The vehicle's driver was also slightly wounded in the hand.

The three were treated at Conrادية Hospital and later discharged, the spokesman said.

The attack follows the killing of a Western Province Black Taxi Association (Webta) taxi owner who was shot

dead in his minibus taxi in Guguletu on Wednesday afternoon.

The driver, known as Mr Thami Shazi, was shot dead when his taxi was raked by gunfire by unknown gunmen travelling in another minibus.

Webta member and Langa taxi owner Mr Albert Sogaxa said his vehicle was one of the two hit during yesterday's attack.

He said six shots were fired at the vehicle, damaging windows and bodywork.

"I lay flat on the driver's seat until the shooting stopped." He chased the attackers before losing them in Zone 6. He believed the attackers were members of the rival Lagunya taxi association.

Lagunya chairman Mr Headman Nongwejana yesterday said he had heard nothing about the morning attack.

SHIPPING — 1

REPAIR BOOM

The harsh winter weather is taking its largest toll in years on the ships rounding the Cape — a headache for local authorities and environmentalists but a bonanza for the salvage and marine repair industry.

Business always increases at this time of year as the rough seas and high winds pound oil tankers, bulk carriers and other ships travelling through the south Atlantic and Indian oceans. But lucrative freight rates and the prohibitive cost of building replacement vessels are keeping in service many ships that should have been long retired.

The result: more distress calls, more shipwrecks and for local yards, more repair work.

Bulk carriers worldwide are sinking at the rate of nearly two a month and nearly 200 sailors have been lost in the last year. Some of the big ships disappeared without a trace and are assumed to have fractured, filled with water, and sunk before a call for aid could be sent or the crew could escape in lifeboats.

Counting on a big jump in traffic around the Cape, the local marine industry thought business would boom during the Gulf War. Instead, traffic rose only modestly, but that disappointment has been more than offset by the recent deluge of repair work.

The industry doesn't expect the seasonal business to peak until next month's notorious August westerly gales, which inflict enormous punishment on westbound giant tankers and bulk carriers.

In May the 250 000 t oil tanker *Alborz*, which suffered severe damage to the plating on its bow while coming down the East African coast, spent more than R1,5m in SA on temporary repairs. The tanker then sailed to Singapore for underwater repairs because there is no drydock in SA large enough to cope.

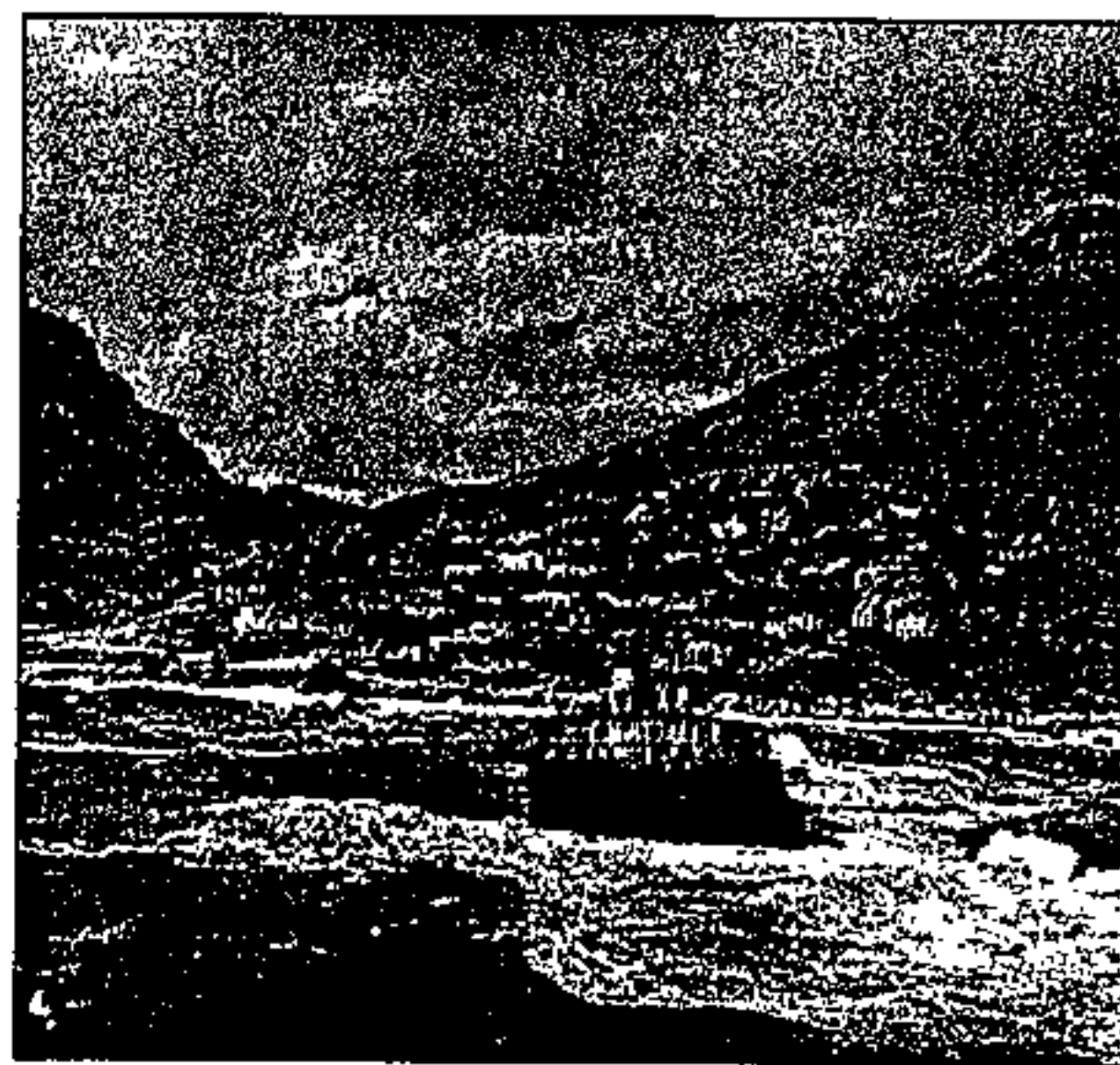
Coming in the *Alborz's* wake last month from Australia was the Greek-owned *Kashee*, laden with 120 000 t of ore. The ship sought refuge in False Bay after springing leaks that increased its draught to more than 18 m, too deep for any other haven.

On government orders, the salvage tug *Wolraad Woltemade* stood by, receiving US\$12 000 a day, later reduced to about \$7 000 a day. Globe shipyards won a contract worth hundreds of thousands of dollars to make temporary repairs.

Another bulk carrier will now be chartered to transfer the cargo. This operation might take as long as three months. Then the *Kashee* will be taken to an SA port for repairs.

SA's other big salvage tug, the *John Ross*, was dispatched in May to assist a disabled Brazilian freighter, the *Frotamanila*, in the South Atlantic. At a cost of \$330 000 the tug towed the ship to Cape Town, where the rudder is being repaired. Brazilian shipping is beset by financial problems, but happily for SA contractors, the *Frotamanila* is covered by insurance.

Last week the 250 000 t Shell tanker *Latia*, full of crude oil headed for Europe, broke down and was allowed to anchor in False



Cape shipwrecks ... bad for the environment, good for business

Bay, with the *John Ross* standing by. Globe rehabilitated the ship's boilers and the *Latia* resumed its voyage this week.

While the marine repair business is often erratic, the Cape's shipyards may soon have a steadier source of work. Soviet factory trawlers fishing for sardines near the Equator off West Africa are considering having their regular overhauls done in SA. A decision is expected by the end of the year; the hold up is the Soviets' shortage of foreign exchange.

Representatives of the Russian fishing industry, disenchanted with the facilities in West Africa, visited the engineering workshops of the main ship repair complexes in the Cape last month. The yards have gained considerable experience in recent years from working on Polish and Romanian trawlers, which are similar to the Soviet vessels.

The Soviets already have appointed shore agents at the Cape and they communicate regularly with headquarters in Moscow. The new business, worth hundreds of thousands of rands a year, would ensure a better flow of work for the yards and help them to retain skilled workers who now leave or are laid off when big contracts are completed. ■

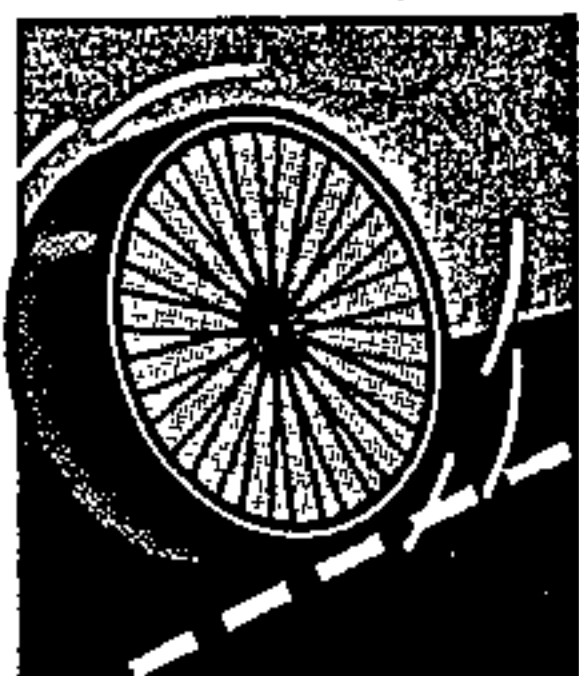
PUTCO AND MASS TRANSPORT

FM 5/7/91

PICKING UP THE PIECES

332

PAST POLICIES HAVE SKEWED THE TRANSITION TO A FREE MARKET



Not all that long ago, Putco was in the forefront of what might be called the black commuter wars. Apartheid moved blacks far from their place of work; Putco survived by getting subsidies from government to

move them to and fro as they were needed.

Then black enterprise came in with minibuses. Run on a commercial basis, the taxis were more efficient, comfortable and represented an actual example in the real world of black economic empowerment.

So Putco lost out.

The debacle took place on several fronts. The subsidy system became such a burden that fare increases became inevitable and politicised. Putco, in fact, became synonymous with apartheid transport — and the target of stonings, burnings and boycotts. Yet it was — and is — a huge entity, the largest bus operator in SA; mass public transport needs a multi-faceted solution.

The question then arises: who will pick up the pieces of Putco? Meaning, in effect, what kind of role will government continue to play in this highly sensitive area?

At present, the Industrial Development Corp (IDC) is looking at buying Putco. Exactly what is it thinking of buying? And should it be thinking of doing so at all, given that the shareholders have already benefited enormously from taxpayers' resources? They must face the financial consequences of a market that is turning sour without any further help from taxpayers.

The latest Department of Transport (DoT) statistics and Putco's own figures demonstrate how much it was savaged by the events of the Eighties. Bus trips dropped from their peak of 1,6bn in 1982 to 771m in 1989. Vic Coetzee, of Putco, told a recent seminar on bus transport that in 1987 Putco conveyed 33,5m adult passengers to and from Soweto using 480 buses. By 1990, that total had dropped to 28,2m, but, because they were all peak-hour passengers, 553 buses were needed. Offpeak traffic used black taxis.

It is against that backdrop that chairman Albino Carleo and MD Jack Visser have decided to put the assets of the bus giant up for sale. Naturally, the nationalisation of a quoted company — which is what will happen if the IDC takes over — has led to strong criticism from the marketplace. But Putco was never a normal company and government's inter-

vention in the sale, therefore, is a response to its previous inglorious record as the invisible hand behind Putco.

The big buses remain the major component of mass transport. A Transplan Consulting Services study for the DoT shows that "63% of all bus trips (771m at last count) are to go to work and back home." Transport economists feel government cannot allow Putco simply to stop operating. A vacuum would arise that could trigger further unrest. Transport Minister Piet Welgemoed has said government now accepts that "mobility is just as important, some say more important, than education, housing or medical facilities ..."

Because the cash-strapped DoT cannot buy a company with assets worth R400m, the IDC has been left as the most likely buyer (*Business* June 7). Apparently it did not want to become involved, but was chosen as the rescue vehicle as it is sitting on billions of unrealised assets.

Jackie Walters, chief of the SA Bus Operators' Association (Sabo), reasons as follows: "In this instance, there may be a case for State intervention. It's an essential industry and its owners aren't getting the returns they're entitled to." He adds a caveat: "Such a move will, however, be completely contrary to the State's avowed intention of deregulating and privatising transport."

However, UCT free market maverick Brian Kantor doesn't see much wrong with the deal. The IDC has substantial shareholdings in Iscor and Sasol, which means it's no stranger to the Johannesburg Stock Exchange. It has lots of money "and it is fulfilling the government's industrial policies, which is its mandate."

Perhaps predictably, the takeover won't anger Alex Mahlatjie, president of the Transport & Allied Workers' Union, who has called for "State intervention, to the

extent of taking over ownership of major bus operations in both metropolitan and rural areas" if affordability and mobility of the worker are at stake.

If the deal is struck — or pushed through — there is a glimmer of promise for black involvement that would have commercial benefits, if only in the area of training. The IDC does have experience in mass passenger transportation, but is hardly likely to want to manage Putco on its own. It may, Visser believes, split the company into smaller units and allow local black communities to run them under the control of regional services councils.

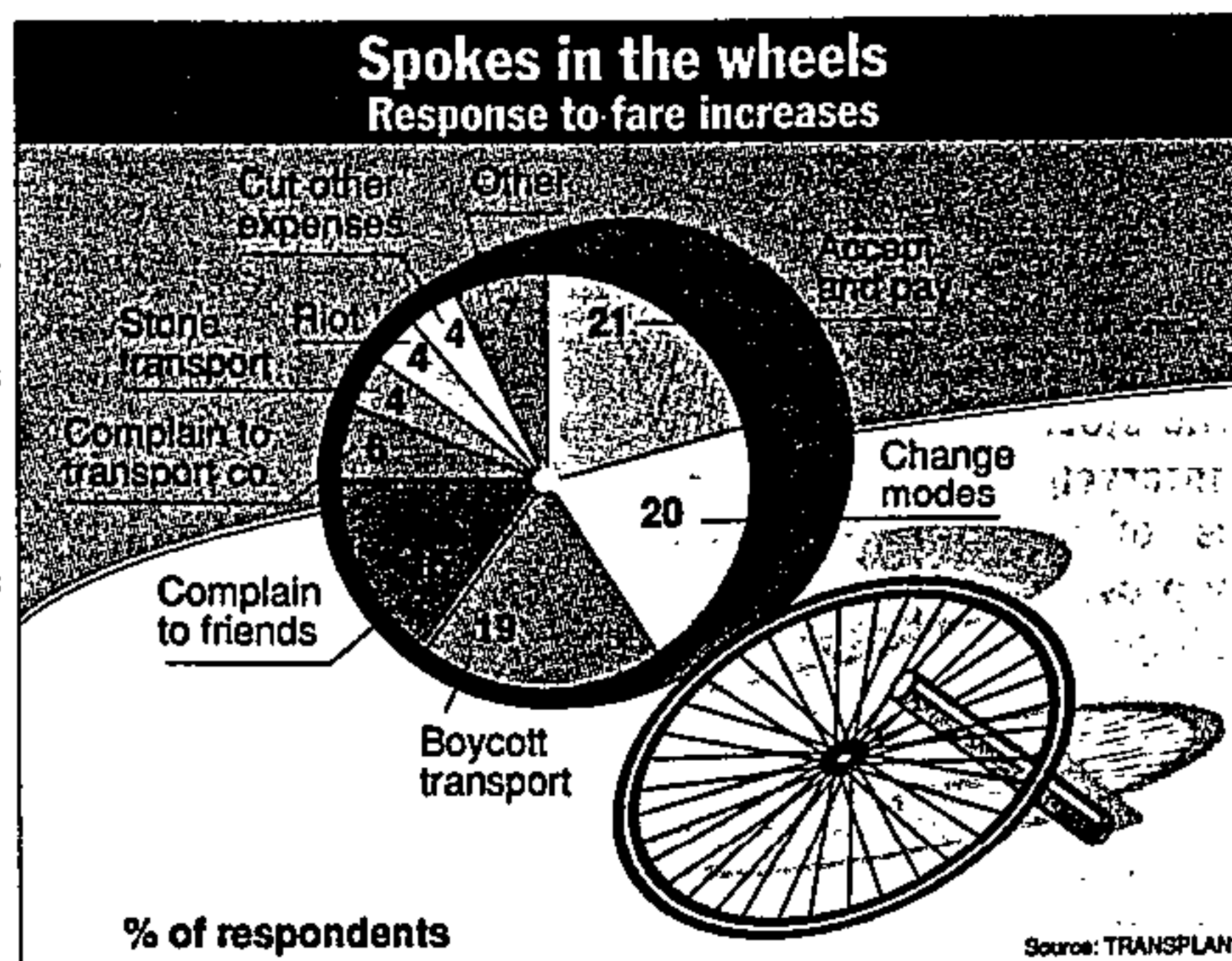
Rand Afrikaans University's transport expert Wynand Pretorius warns: "It is essential to negotiate the whole issue with community-based organisations in order to depoliticise public transport and to reduce friction between the various transport modes."

Others agree. They point to the problems government is experiencing in education, where it is still seeking to impose "solutions" that lead to conflict. Furthermore — in terms of official industrial policy — if the IDC buys Putco and contracts out its services, only the big formal sector operators will be able to tender; and that goes against the recommendations of the 1987 White Paper on National Transport Policy, accepted by Pretoria, that small entrepreneurs be assisted to get into transport.

If the IDC is to split Putco up, what about selling those components? Several potential buyers have shown interest — but that's all — in buying parts of Putco: among them, the city councils of Durban and Johannesburg, which realise that a total withdrawal of services will lead to chaos. More than 3 300 black taxis would be needed to transport the 50 000 peak-hour passengers Putco now transports into and out of Johannesburg's city centre every day.

The SA Black Taxi Association (Sabta) is also interested and discussed the possible acquisition of Putco or parts of it at a meeting of its council last week; but no firm resolution was taken, says spokesman Fan- yana Shiburi.

A Putco in segments makes more sense than the monster bred by the ideology of the past and nurtured at heavy cost to both black commuters and white taxpayers. Some segments could turn a profit — so the idea that a management buy-out of some kind could continue to provide mass commuter transport on a contractual basis on more profitable routes isn't being ruled out. Certainly not by Ron Meyer, the DoT's Director-General.



CORPORATE PROFITS

LOOKING FOR RECOVERY

PROFITS MAY BE NEAR THE BOTTOM BUT NO UPTURN IS IMMINENT

As is apparent from the severe setbacks sustained by some leading industrial groups, business conditions have generally continued to deteriorate as the year progressed.

However, analysis of corporate profits announced over the past six months underlines a peculiarity of this recession: its effects remain patchy; certain sectors, particularly those exposed to consumer spending, remain surprisingly buoyant.

The same approach was taken for the *FM*'s previous profit surveys. Summarised in the accompanying table are the results of major industrial companies that reported over the past six months. Selection is based partly on size, with an arbitrary cut-off of about R100m turnover.

An attempt is made to ensure that the figures are comparable with results for the previous period, to minimise distortions from corporate restructurings or changes in financial periods.

Some 170 companies appear on the list. They are roughly the same companies as appeared in the previous table and cover the entire industrial board. Reporting periods (interim or preliminary year-end figures) are

cline of 19%) roughly reflect the blows dealt out to many manufacturers. They have been hurt by falling sales volumes, competition from imports, rising finance charges, capital spending programmes and the sudden moves by customers to slash inventories.

On the other hand, distributors of many consumer products, especially semi-durables, have again held up well. In the retailers and wholesalers sector, EPS on average were virtually static, but for individual companies there were wide variations, including some more outstanding performances.

Three other sectors where the earnings trend remained vigorous were beverages, hotels and leisure (EPS rose by an average 34%); furniture and household (EPS were up by an average 20%); and paper and packaging (EPS increase of 18%). For the last the sales are closely linked to consumer spending on durables and semi-durables.

Exactly when industrial profits will turn upwards will depend on many factors, not least of all the nature of the business concerned.

As was emphasised last week when *LTA* released its results for the 1991 year, indus-

While positive developments may emerge, it is also likely that certain obstacles standing in the way of brighter business conditions will remain in place for some time.

One obstacle is the feeble level of fixed investment by the private sector. With a few recent exceptions — such as SA Breweries — many industrial companies have been cutting back on capital spending. To change this, there will have to be higher levels of confidence but also, in many cases, sharply higher levels of capacity utilisation.

Further easing of interest rates will happen eventually, but the probability of a steep drop is low. In general, profits are likely to benefit at trading level, rather than from shrinking finance charges. High real rates are not usually seen as a prime ingredient for getting a profit boom off the ground.

Wait for 1992

While the trend in industrial profits may have bottomed, there is no great assurance that a marked upswing will appear this year. Equity investors are now assuming there will be enough positive developments in the economy and political backdrop to get profits

CARGO CARRIERS ^{FM 26/7/91} DOWNHILL RUN ⁽³³²⁾

Activities: Bulk road transportation.

Control: Bolton Industrial Holdings 34,6%.

Chairman: G H Stein; MD: P E Murray.

Capital structure: 20m ords. Market capitalisation: R37m.

Share market: Price: 185c. Yields: 1,9% on dividend; 0,3% on earnings; p:e ratio, 370; cover, 0,1. 12-month high, 225c; low, 150c.

Trading volume last quarter, 202 000 shares.

Year to Feb	'88	'89	'90	'91
ST debt (Rm)	—	7,1	18,7	29,1
LT debt (Rm)	2,8	15,1	10,9	7,5
Debt:equity ratio	—	0,40	0,51	0,65
Shareholders' interest	0,63	0,50	0,46	0,47
Int & leasing cover ..	26,3	9,0	3,31	0,93
Return on cap (%) ..	22,2	8,8	12,4	6,4
Turnover (Rm)	121,0	142,5	174,6	180,3
Pre-int profit (Rm) ...	18,1	9,7	15,7	7,6
Pre-int margin (%) ..	14,9	7,2	9,0	4,2
Earnings (c)	44,6	26,0	37,3	0,5
Dividends (c)	14,8*	9,0	13,0	3,5
Net worth (c)	258	275	291	293

* Annualised.

A fall in profit at the interim stage warned shareholders that the real increase in earnings and dividends expected by Cargo Carriers' management for financial 1991 would not materialise. But the rapid swing into losses in the second half was not expected.

Executive deputy chairman Brian Puchert says the difficult trading conditions limited turnover growth to 3,3% in financial 1991. In addition, a number of contracts, entered into between 1986 and 1988 to transport coal, timber and sugar, came to an end in the latter half of the year and were not renewed. Puchert says these operations had consistently performed poorly but were not disposed of earlier because of contractual commitments.

The scaling down of operations led to a reduction in the work force with resulting

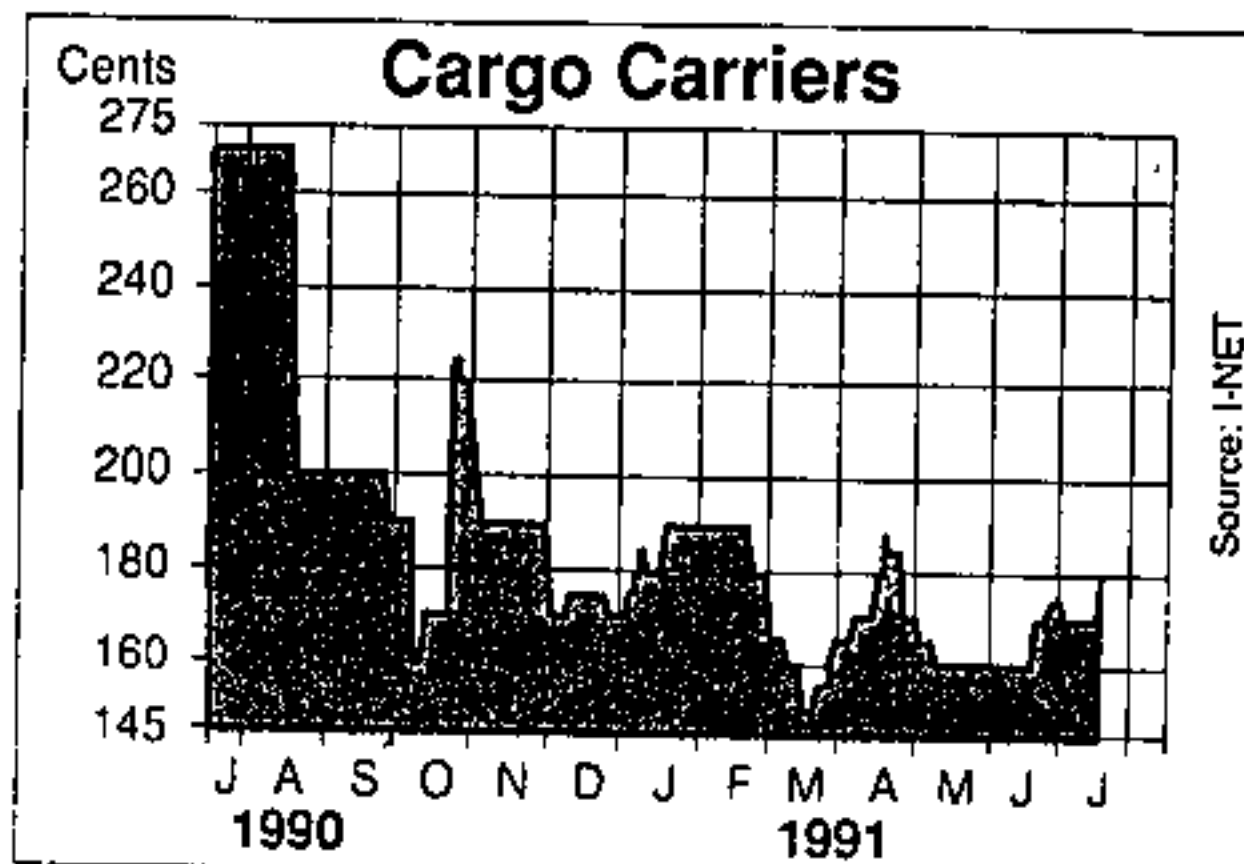
extraordinary item — further eroded profit; attributable earnings plunged R1,8m into the red. This compares to earnings of R7,5m in financial 1990.

Puchert contends that the bad parts of the business have now been excised, the fleet's age has been halved, and capital spending will fall considerably. He is confident that debt and interest payments will be a lot lower in financial 1992.

Trading conditions remain difficult but the opening up of trade links within southern Africa should provide some relief. Cargo Carriers already has a strong presence in Lesotho and Swaziland.

Puchert expects a gradual and slow recovery in margins. He hesitates to predict earnings for the year but Gerald Stein, in his chairman's statement, says management is cautiously optimistic of achieving considerably better profit levels.

The share is trading at a 37% discount to NAV and the gap is unlikely to close much before management can demonstrate a sustainable improvement in the group's per-



^{FM 26/7/91 (332)}
formance in the medium term and show that a recovery in returns on equity (0,2%) and capital (6,4%) can be expected.

Pam Baskind



Cargo's Puchert ... gradual recovery in margins

retrenchment costs, putting additional pressure on profitability. The pre-interest margin and operating profit shrank by half compared to financial 1990 — and these figures disguise the extent to which conditions worsened in the latter half, when losses were incurred.

A decision taken to reduce the average age of the fleet and to provide tanker washing facilities — so increasing the fleet's efficiency — kept capital spending high for the second successive year, lifting debt and boosting interest payments to R8,3m (R4,8m).

Interest costs and the R3,8m loss incurred on closure of operations — treated as an

Raids stall taxi peace talks

Staff Reporter

THE PROSPECT of an end to Cape Town's bloody taxi war faded further at the weekend when peace talks were again postponed following a petrol-bomb and gunfire attack on the home of community leader Mr Michael Mapongwana.

Mr Mapongwana was in hiding yesterday after being warned that his life was in danger due to his involvement in the Taxi Crisis Co-ordinating Committee (TCCC).

Police liaison officer Captain Attie Laubscher said no other incidents related to the conflict between rival taxi organisations Webta (Western Province Black Taxi

Association) and Lagunya had been reported since the attack on Mr Mapongwana.

During the attempt on Mr Mapongwana's life, a petrol bomb was thrown through the window of his home shortly after 5am on Saturday and shots were fired from several directions simultaneously.

Mr Mapongwana has survived three other assassination attempts in the past.

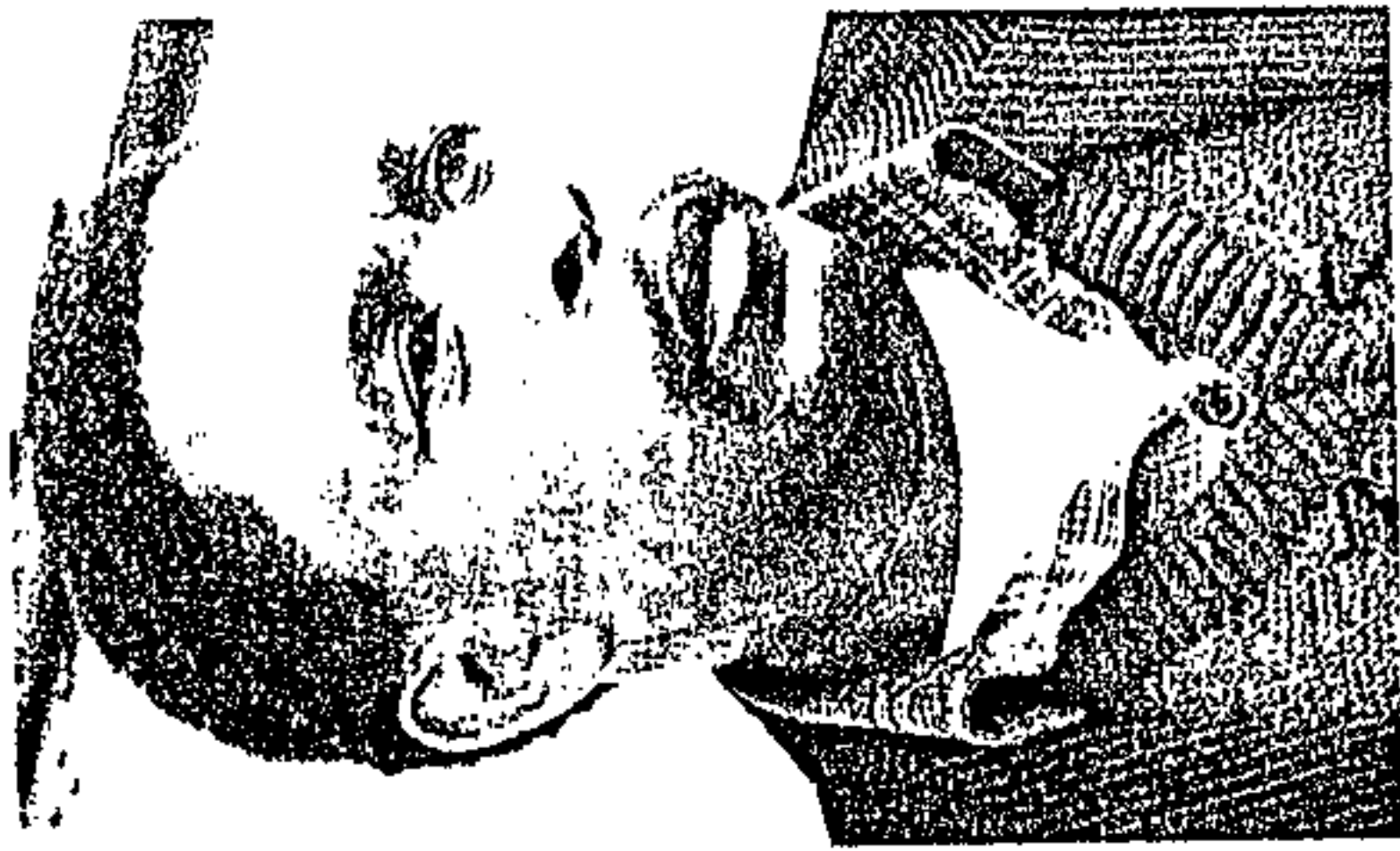
His wife Nomsa was murdered last year during one of the attacks at their home.

Township residents said the atmosphere at taxi ranks was extremely tense following the attack.

Top police

hunt assassins

R10 000 reward offer after High Noon in Lansdowne Road



Mr Michael Mapongwana

A R5 000 reward has been offered and a special investigation team commanded by one of Cape Town's top policemen has been assigned to the hunt for the assassins of Western Cape Civic Association chairman Mr Michael Mapongwana.

The team, led by Athlone district CID chief Colonel Louis Fourie, was set up after the ambushing on June 19 of ANC activist Mr Mziwonke "Pro" Jack.

Colonel Fourie, 47, is a veteran detective with 23 years' experience.

He and his squad will be assisted by the crack Peninsula Murder and Robbery Unit.

May be link

Police believe there may be a link between the killing in Lansdowne Road yesterday of Mr Mapongwana and his driver and Mr Jack's assassination.

The killings took place within 400m of each other in Nyanga East.

The new reward brings the price on the heads of the killers of the two community leaders to R10 000.

Regional Commissioner Major-General F.L.P. Fourie said he would "leave no stone unturned" in the effort to track down the killers of both men.

He expressed sympathy with the families of yesterday's victims.

He said forensic experts in the police laboratory in Pretoria were still examining material from the scene of Mr Jack's death.

Clues from yesterday's scene, which includes a 9mm calibre cartridge, will also be sent for forensic tests.

General Fourie said because of Cape Town's considerable distance from Pretoria there would be an "unavoidable" delay before findings were released.

"Matter of days"

He said relevant findings would be made public and he expected this would be "in a matter of days".

Seconds after he was shot, Mr Mapongwana tried to say something to a witness but he collapsed with blood flowing from his mouth.

This was part of a harrowing account of Mr Mapongwana's last moments by a man who said he saw the assassination from his garden.

He said Mr Mapongwana struggled to fend off an attacker. Moments later others ran up and shot him at point-blank range.

Mr Mapongwana, 43, and an unidentified man who was apparently driving him from a Wynberg court hearing yesterday, were shot dead. A woman and two men who were in the car fled unhurt.

The killings took place in Lansdowne Road, Nyanga East, about 400m from the spot where African National Congress activist Mr Mziwonke "Pro" Jack was ambushed and killed last month by gunmen wearing balaclavas.

A man, who asked not to be identified for fear of reprisals, said he had been standing at his front gate in Nyanga looking out on Lansdowne Road when the shooting started.

He saw a grey Chevrolet Kommando drive up alongside a red Valiant which was heading towards Khayelitsha about midday.

The Chevrolet had four occupants and the Valiant five.

Two men were leaning out of the windows of the Chevrolet with guns pointing at the Valiant.

The driver of the Valiant lost control and the car swerved to the right across the central island.

The driver's door opened and the driver fell out into the road.

(Turn to page 2, col 6)

Top police squad hunts for killers

(Cont from page 1)

in front of oncoming traffic as his car slewed to a halt.

The witness said he saw a woman run from the car across Lansdowne Road towards Nyanga East and two other passengers disappear into the squatter settlement opposite.

The Chevrolet stopped and four men ran towards the Valiant, where the fifth occupant, whom he later recognised as Mr Mapongwana, was standing.

"I saw they all had guns and they were going for the kill."

When one of the gunmen reached him, Mr Mapongwana grabbed at him and there was a struggle.

Mr Mapongwana pushed the gunman's hand up in the air.

"The others caught up and just started firing at him (Mr Mapongwana)."

Then they just turned and went back to their car. Some of them were laughing.

Two of them pulled on balaclavas as they were running back to the car, the witness said.

The car drove off towards Khayelitsha.

The man said he ran to help Mr Mapongwana. He found the driver was dead. Mr Mapongwana tried to say something but blood spewed from his mouth and he collapsed.

AK47 gunmen kill children

The Argus Correspondent
DURBAN. — Two children were gunned down and a man seriously wounded when a gunman armed with an AK47 assault rifle fired shots at a house at Mfume on the Natal South Coast.

Police said today that the incident occurred just after 5pm yesterday when a gunman fired several shots at the home of the Rev Benjamin Ngidi.

Mr Ngidi's four-year-old child Sibiso and a relative, Si-tabonga Duma, 6, were killed instantly. Mr Nzuzwa Makwazi, 16, was seriously wounded.

Police said the attack was not politically motivated and that no arrests had been made.

Star 9/7/91

Capex splurge by Unitrans is paying off

By Jabulani Sikhakhane

332

Unitrans is beginning to reap benefits from its R206,9 million capital expenditure programme over the past three financial years.

Chief executive Eduardo Garcia says in his financial 1991 review that this expenditure must be seen in the context of improved cash generated from trading operations.

This improved from R43,36 million in 1989 to R52 million in 1990 and reached R63,87 million in financial 1991.

A huge chunk is accounted for by the depreciation charge which was R17,32 million in 1989, to R24,62 million and R30,75 million in financial 1991.

As a result the group's tax charge has reduced substantially from 33 percent in 1989, to 16 percent and five percent in financial 1991.

Mr Garcia says the lower tax charge has helped off-set the high interest payments resulting from the capex programmes. Debt is expected to reduce further during the current financial year because of improved cash inflow.

Despite this heavy capex programme, Unitrans interest bearing debt to capital still remains a very comfortable 16 percent compared with 34,7 percent in financial 1991.

It fell to 9,9 percent in financial 1989, due to a R60 million cash injection resulting from a rights offer of 16 percent unsecured convertible debentures.

Mr Garcia says the current ratio leaves the group with enough scope for further expansion and development.

However, the capex programme resulted in a decline in the group's return on capital employed which fell from 36,5 percent to 21,5 percent.

This ratio should start improving as the group benefits from the under-utilised assets.

Overall, Mr Garcia says Unitrans enters the new financial year with a strong balance sheet, a modern fleet and a good management team which should place the group in a strong position to resume growth.

Murder linked to taxi war

By CHRIS BATEMAN

THIS WEEK'S assassination of community leader Mr Michael Mapongwana has been linked to the Peninsula's bloody taxi war and yesterday there were fears that revenge attacks could plunge the townships into chaos. It also emerged that the killing has damaged a developing accord between Lingeletu West Town Council and Khayelitsha Civic Association.

Khayelitsha town secretary Mr Gerhard Ras said yesterday that the two parties had been "on the verge of forming an interim government" before the assassination.

"Now there's so much suspicion with fingers being pointed at our councillors, police and others — it has set the process back months," he said.

In a statement by the City Council's executive committee (Exco), taxi permits and ranking facilities were blamed as the root causes of the taxi war. Exco specifically blamed the Department of Transport which controls the issuing of permits. An application by Exco for an interview with the

'Killing set back township accord'

Minister of Transport was refused until an intervention by the deputy mayor, Mr Frank van der Velde, secured a meeting for next week.

Exco said a solution to the dispute had been in sight before the latest violence, and called for an impartial review of the system regulating taxis.

Civic leaders meanwhile expressed fears yesterday that residents might launch revenge attacks on members of the Western Cape Black Taxi Association (Webta).

The civic sources warned that attacks on Webta could plunge local townships into chaos and "hugely set back the liberation struggle".

Webta has accused Mr Mapongwana of siding with the rival Lagunya Taxi Association in his capacity

as peace facilitator. Mr Mapongwana in turn claimed that Webta was responsible for at least one murder attempt on him.

A spokesman for the Western Cape Civic Association, Mr Wilson Sidina, said the WCCA was "urging police to bring the culprits to justice instead of hiding behind the taxi feud".

He said he found it "strange" that there had been a spate of murder attempts on Mr Mapongwana at his "various places of hiding" in the 19 days since police confiscated his firearm.

Police spokesman Captain Attie Laubscher said the police had "no choice but to take Mr Mapongwana's firearm away as he was illegally in possession of it and six rounds of ammunition".

Police are offering a total of R10 000 reward for information leading to the arrest of the assassins of Mr Mapongwana and Mr Mziwonke "Pro" Jack who was killed in similar circumstances last month.

● Mr Mapongwana had all the attributes to be a formidable leader in the Western Cape and his "senseless death" filled the Democratic Party with deep sorrow, the MP for Simon's Town, Mr Jannie Monberg, said yesterday.

Killing: Minister urged to look into taxi laws

By SHARON SOROUR
Staff Reporter

CAPE Town City Council has urged the Minister of Transport to review regulations controlling the black taxi system following the death of civic leader Mr Michael Mapongwana.

Councillors want an "impartial and credible" inquiry into the regulation of taxis.

The executive committee (Exco) said in a statement it was "shocked" and "especially disturbed" by the recent and repeated attacks on individuals "arising out of the taxi crisis".

Peninsula detectives continue to search around the clock for the killers of Western Cape Civic Association chairman Mr Mapongwana and ANC activist Mr Mziwonke "Pro" Jack, who died in an ambush near his home on June 19.

Police are offering R10 000 for information leading to the arrest of the assassins.

Colonel Louis Fourie, Athlone CID chief whose squad of detectives has teamed up with members of the Murder and Robbery Unit, said they had a "relatively quiet night".

"But our men are working in full force on the cases," said Colonel Fourie.

Exco said a "substantial amount of the conflict" revolved around taxi permits and ranking facilities, which were under the auspices of the Road Transport Board.

This fell directly under the authority of Transport Minister Dr Piet Welgemoed.

Exco had sought an "immediate, urgent interview" with the minister, who initially refused, and "reluctantly" agreed only after intervention by deputy mayor Mr Frank van der Velde three weeks later.

"In the intervening period there have been additional killings, shootings and fire bombings," Exco said.

Exco had met the two taxi associations involved, community mediators and the police to try to help resolve the crisis.

It had believed a solution was in sight "until the renewed outbreak of violence".

But there had also been difficulty in obtaining an early meeting with senior Department of Transport officials.

Exco called on all parties in the taxi dispute to exercise restraint.

"All concerned must commit themselves to achieving a peaceful resolution and work towards a system of control acceptable to all," it said.

Taxi factions agree to truce

(332) 12/1/91

By ANDRÉ KOOPMAN

THE city's two warring taxi factions yesterday agreed to an immediate truce, ending more than 16 months of violence in which at least 14 lives were lost, 40 vehicles destroyed and township life severely disrupted.

In a major breakthrough after a high-powered six-hour meeting between taxi associations, police and government officials — brokered by the City Council — it was decided to negotiate a new system to regulate the taxi industry.

The new system will be administered by the city council and not the Department of Transport. It is to be negotiated by all the interested parties and must be "acceptable and enforceable".

The new deal was proposed by the Department of Transport.

The city council confirmed details of the agreement last night in a statement.

The council's executive committee said earlier this month that a "substantial amount of the conflict revolved around taxi permits and ranking facilities which were under the auspices of the Road Transport

Board".

The meeting, last night, was attended by, among others, the Mayor, Mr Gordon Oliver, executive members of Lagunya and Webta, top officials of the Department of Transport, Brigadier F Kellerman of the Riot Unit and traffic chief Mr Wouter Smit.

In the taxi war, which severely disrupted township life, more than 40 minibus taxis were damaged or destroyed causing some R1 million damage.

The Department of Transport said that local authorities and other interested parties should negotiate an acceptable and effective system to regulate the taxi industry. These would be entrenched in municipal by-laws and accepted by the department.

The two warring associations, Lagunya and Webta, agreed to halt the violence and that all their members should be free to return to their homes immediately without fear of intimidation or danger to themselves or their property.

Both associations agreed to submit a proposed interim agreement to their members for discussion and would report back to a meeting next Wednesday.

Hopes for peace after taxi violence

VUYO BAVUMA

Staff Reporter

332

Aug 12/79

HOPES for a permanent peace in the township taxi industry have soared following a "cease-fire" agreement between the two warring factions.

In a major breakthrough, the groups also agreed that all their members were free to return to their homes without fear of intimidation.

The measures are expected to bring relief to township commuters after an eight-week conflict which cost 14 lives and 40 vehicles.

The decisions were taken at a meeting held in the Cape Town Civic Centre yesterday and attended by the Western Province Black Taxis Association (Webta), Lagunya Taxi Association, Mayor of Cape Town Mr Gordon Oliver, and Department of Transport chief director Dr Louw Dreyer.

Webta and Lagunya agreed to negotiate a new system to control the taxi industry. The new measures would be included in the municipal by-laws, according to the Department of Transport.

The parties also would submit an interim agreement to their members for discussion and are expected to report back next Wednesday.

Yesterday's meeting comes after peace measures arranged by community representatives foundered.

Costly burden of overloaded trucks

Star 13/7/91

AL-AMEEN KAFAR 332

WITH sanctions crumbling and the gateways to neighbouring African countries opening for South African traders, the chances of damage to trucking routes has risen substantially.

Irresponsible transporters using overloaded trucks are already costing South Africans billions of rands in road maintenance and upgrading.

Heavy road abuse has taken on such large proportions that R3,1 billion would be needed by the year 2000 to upgrade roads in the PWV, according to an estimate by the Transvaal Provincial Administration.

The Natal Provincial Administration has released a list of companies found to be using overloaded trucks frequently.

Cunning tactics, however, have made efforts by provincial officials to apprehend overloaders very difficult, according to the CPA's chief traffic controller Jas Cronje.

"Operators often send out pilot cars to observe which roads are being patrolled," Mr Cronje said.

He said current legislation in a way also favoured culprits.

Traffic officials were empowered to issue spot fines of up to R300 while the courts could only impose fines of up to R8 000, Mr Cronje said.

However, draft legislation had recently been completed and if Parliament accepted the new

Road Traffic Act, offenders could see their vehicles confiscated, Mr Cronje said.

An NPA spokesman said overloading was a national problem and to exercise control was imperative because of the huge cost of repairing damage, because overloading affected the ability of transport operators to compete on even terms and because it posed safety risks to other road users.

The spokesman said road funding has been cut drastically to make much needed funds available for socio-economic upliftment and it was therefore unacceptable to redesign roads to cope with unnecessary overloading by companies serving their own interests at the expense of others.

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Police close in on assassins

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CT 17/7/91

By CHRIS BATEMAN

POLICE are on the verge of a dramatic breakthrough in their investigation into the assassinations of two top local ANC men.

They believe three prime suspects — all township taxi operators — narrowly slipped through their fingers yesterday.

A tense court-room stake-out by detectives in Mitchells Plain yesterday failed when one suspect — due to appear on taxi war-related attempted murder charges — apparently realised what was happening.

Suspect

Detectives, who had names but no descriptions of the suspects, believe all three suspects were present at yesterday's hearing but had "twigged on" to their plan before the accused man was called to the dock.

A large contingent of Western Cape Black Taxi Drivers' Association (Webta) was seen to dwindle dramatically seconds before the accused man's name was called by a court orderly.

The detectives intended arresting the suspect once the hearing was over and had strategically positioned several "back up"

Cape Times

EXCLUSIVE

policemen in the corridors of the court building.

However, the man is believed to have slipped away.

The trio are wanted in connection with the assassination of Western Cape Civic Association chairman Mr Michael Mapongwana on July 12 this year, and by yesterday were also being strongly linked to the killing of ANC activist Mr Mziwonke "Pro" Jack on June 19 this year.

This emerged from sources close to the investigation.

"More and more evidence is pointing to the same guys having done it," one source said.

In a day of cat-and-mouse drama and intense frustration for detectives, the Cape Times also learnt from township sources that:

● Minutes after the daylight killing of Mr Mapongwana, a vehicle fitting the description of the getaway car was allegedly seen to do a "victory lap" at the Webta headquarters in Mitchells Plain.

● A car belonging to Mr Jack was allegedly stolen by Webta members a fortnight before his killing. He had made repeated unsuccessful attempts to reclaim it before dying in a hail of R4 automatic rifle fire.

Police liaison officer Major Gys Boonzaaier declined to reveal the names of the three suspects but conceded: "We are close to a breakthrough.

"We can say that the suspects got away yesterday because we did not know what they looked like," he confirmed.

Boycott

Police are reluctant to release names of their suspects as they fear revenge killings would thwart their attempts to bring the culprits to justice.

● Mr Mapongwana was a leading light in the Taxi Crisis Coordinating Committee which incensed Webta by introducing a selective commuter boycott against them for allegedly reneging on a unity agreement with rivals Lagunya.

He had also alleged that Webta had made unsuccessful attempts on his life.

Council in drive to halt taxi war

Municipal Reporter

A MEETING between opposing organisations in the continuing township taxi conflict was held in one of Cape Town City Council's committee rooms yesterday.

Mr Clive Keegan and several senior council officials attended the meeting and tried to help the different sides to arrive at a solution to the conflict.

This is the latest of several low-key initiatives by the council to play an active role in mediating "new South African" conflicts both within and beyond Cape

Town's municipal boundaries.

Talks such as these are usually secret until they produce results. Deputy city administrator Mr Alan Dolby said yesterday that delegates at the "taxi conflict" talks had jointly decided not to release any information to the press before reporting back to their constituencies.

It is reliably learnt that the council's taxi-conflict mediation initiative pre-dates Transkei leader Major-General Bantu Holomisa's facilitating efforts.

Meanwhile, Mayor Mr Gordon Oliver said at a function for ratepayers' associa-

tions yesterday evening that it was imperative that "a strategic vision for our community and municipal organisation" should be worked out together with representatives of all interested civic bodies.

The current state of local government was untenable, he said. In metropolitan Cape Town, 64 bodies each exerted some authority over "cross-cutting areas" within a single metropolis. "The impracticability of the existing system is fortunately widely recognised and a number of initiatives are presently in progress to restructure local government."

Charred body dug up at taxi rank

By DON HOLLIDAY
Crime Reporter

A BADLY charred body has been dug from a shallow grave at the Tafelsig taxi rank in Mitchell's Plain.

Brigadier George Potgieter, police regional CID chief, said the body was so badly burnt its gender was difficult to determine, although it was believed to be that of a man.

He said police were given a tip-off about the body and a police team dug it up yesterday.

"It had obviously been burnt

but we cannot say how long the body had been there," said Brigadier Potgieter.

There was no evidence yet to suggest there might be more bodies in the area.

The possibility was being investigated that the death might be linked to the taxi war between the Lagunya taxi association and Western Cape Black Taxi Association but no link had yet been established.

The case has been handed to the Peninsula murder and robbery unit for investigation.

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ARG 18/7/9

Police ^{ET 18/7/91} 'tracing' ³³⁰ suspects

Crime Reporter

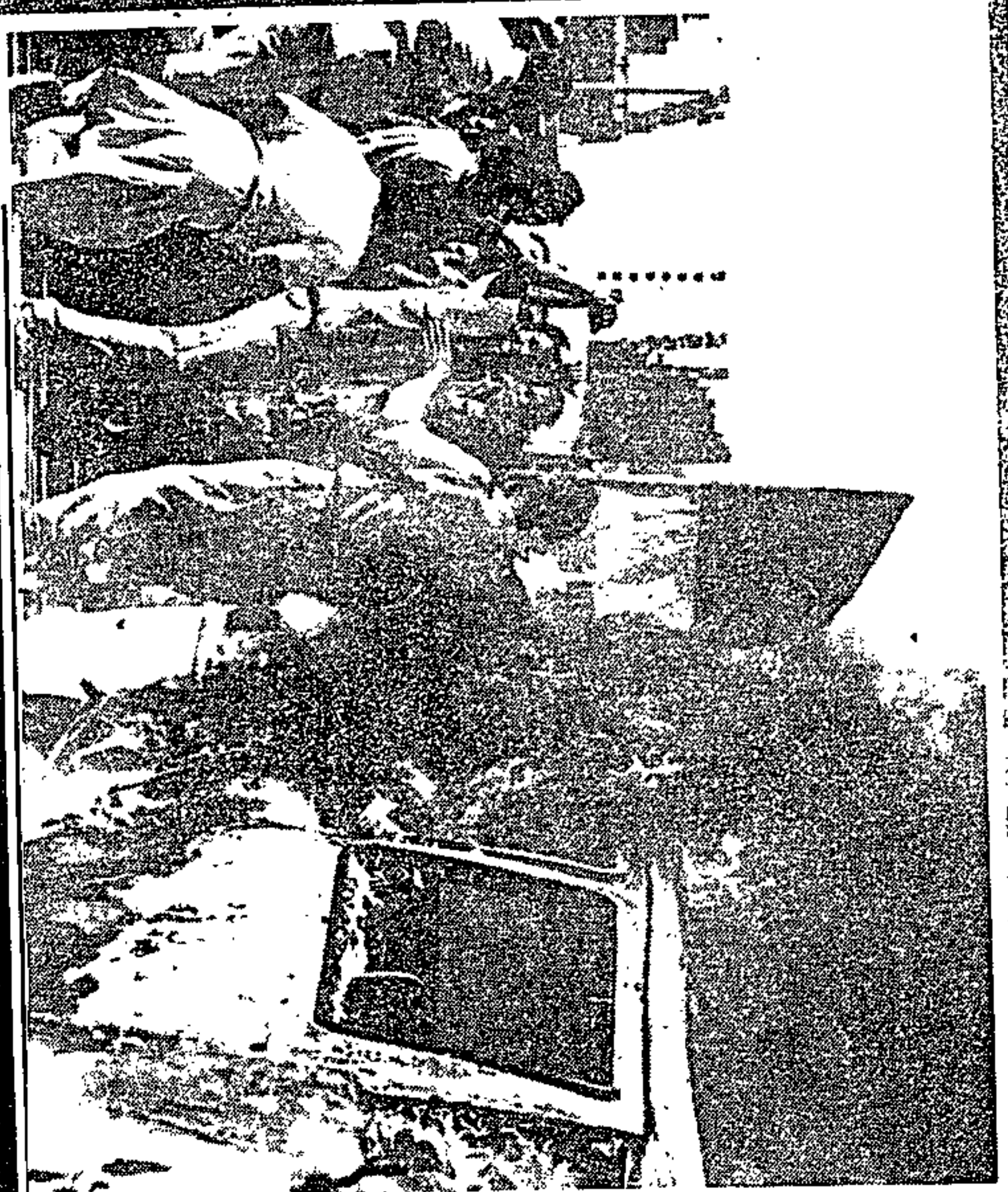
THE detectives investigating the assassination of Western Cape Civic Association chairman Mr Michael Mapongwana were yesterday still trying to trace his killers, a spokesman said.

Police have identified three possible suspects in the crime which occurred on July 12.

They attempted to arrest one of the suspects when he was due to appear in Mitchells Plain Magistrate's Court on Tuesday, in connection with a charge of attempted murder relating to the taxi war.

It is believed all three suspect eluded an elaborate police stake-out at the court building when they sensed police were about to pounce.

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Marchers want taxis disarmed

332 CT 19/1/91

By CHRIS BATEMAN and RAMOTENA MABOTE

AT least 10 000 Khayelitsha residents, in a march marred by the burning of a taxi minibus, converged on their local police station yesterday to demand that police disarm warring taxi factions and arrest the assassins of leading activists.

The huge crowd, tightly controlled by ANC marshals, covered a circuitous 10km route through the sprawling township without incident until their leaders handed over a memorandum to police station commander Major Winston Hennis.

Within seconds a Western Cape Black Taxi Association (Webta) minibus opposite the police station burst into flame, evoking excited shouts of approval from the crowd, held back by marshals.

Claims by some activist leaders that police were responsible were refuted by Khayelitsha's police staff officer, Captain Colin Els, who said he saw youths throw petrol bombs into an open sliding door.

An inspection of the charred mini-

To page 2

From page 1

bus afterwards revealed the broken remains of a glass bottle.

Captain Els said the youths had been standing on top of the vehicle as if trying to get a vantage point.

Several placards called for a boycott of "Webta, the boere's taxis".

The written memorandum handed over to Major Hennis by Mr Rose Sonto, secretary of the Western Cape Civic Association (WCCA), protested against the assassination of WCCA chairman Mr Michael Mapongwana and ANC member Mr "Pro" Jack and several other local activists.

It also called on police to deal with violence emanating from the taxi conflict and to remove warring factions from taxi ranks pending the resolution of the conflict.

The memorandum also said the ANC and the WCCA believed police "know and act in coalition with the assassins".
CT 19/1/91
Major Hennis said he would convey

all sentiments to the Minister of Law and Order, Mr Adriaan Vlok.

A joint statement on the march by organisers, the ANC and United Civics Association, and endorsed by the Peace Committee, said the march was not aimed at Webta or any taxi organisation.

The attack on the taxi belonging to Webta was not planned by the organisers, but done by a small group of spectators, it said.

"We condemn the attack in the strongest terms and feel it is a provocative act that can only jeopardise the delicate peace negotiations underway."

Meanwhile DAN SIMON writes that police reported an incident in Guguletu on Wednesday in which a man fired several shots at a passing taxi about 5pm, wounding two women passengers.

Just over an hour later in Nyanga, a group of men fired at another passing taxi, slightly injuring a man.

'Faceless' whites key to taxi war?

232

Argus 20/7/91

Weekend Argus Reporter

FACELESS white "shareholders" could hold the key to the bloody taxi war which has been responsible for a spate of brutal killings and the torching of vehicles and homes.

Peace talks — revived this week after one of the major players pulled out — have resulted in an uneasy truce.

But questions are still being asked about how some taxi operators managed to stay in business in spite of a boycott and violence while others have had to beg the banks for a moratorium on taxi repayments.

On opposing sides are the Western Cape Black Taxi Association — once pirates — and the "establishment" Lagunya (Langa, Guguletu and Nyanga) Taxi Association.

But events took a more serious turn with charges of WCBTA involvement in the killings of two prominent ANC activists, Mr Michael Mapongwana and Mr Pro Jack.

Burning question

At the height of the conflict, with a boycott in force and violence scaring off customers, few taxis were running — and the burning question lingered: Are the WCBTA members the "sole shareholders" in their empire?

Light might have been thrown on the issue had the WCBTA not pulled out of earlier peace talks.

One of the pertinent issues in a planned peace agreement was a minimum criteria for drivers including registration and identification cards and numbers.

Many believe these measures would expose the true prime movers in WCBTA, who initially agreed to the steps and the formation of one body.

But they later backed out of the agreement, claiming that the peace committee was being forced on them.

After that rumours were rife — and vehemently denied — that the WCBTA had been instructed by their white backers not to accept the package.

● Police are still searching for the killers of Mr Mapongwana and Mr Jack. Mr Mapongwana is due to be buried today in Khayelitsha.

Mapongwana burial: Huge crowd expected

By CHRIS BATEMAN

TENS of thousands of Peninsula township residents are expected in Khayelitsha this morning for the funeral of Mr Michael Mapongwana, the assassinated chairman of the Western Cape Civic Association.

Mr Mapongwana died when three balaclava-clad gunmen shot him at close range in Philippi last week.

An outspoken activist known for his strongly held political views, Mr Mapongwana had survived numerous

murder attempts, including one which claimed the life of his wife Nomsa at their Khayelitsha home in October last year. He will be buried alongside her in the Khayelitsha cemetery.

His death — which orphaned their two children, aged six and three — has left the townships simmering.

Police have said their investigations so far point towards three suspects, whose names they have, being local taxi operators. Arrests have yet to be made.

By MONWABISI NOMADOLO

AFTER several death threats, Charles Mabena, owner of Mabena Bus Service on the East Rand, is taking his 10 scheduled passenger buses off the road.

Mabena, 41, started a full-time bus service in KwaThema last year after Putco stopped operating there.

He alleges he has since been threatened by members of the Springs Taxi Association (STA).

Mabena says the scramble for passengers was the main cause of the problem.

My buses have been stoned and their tyres slashed on more than 10 occasions.

"I've received many calls threatening me with death if I didn't close down my operation," said Mabena.

Intimidated

"I can no longer risk the lives of my family for the sake of money."

Because taxi owners charged more than he did, he was attracting many elderly passengers to his buses and this had resulted in his drivers being intimidated.

STA chairman Jerry Mphahlele confirmed there had been a dispute between his organisation and Mabena, but denied it was over passengers. He accused some of the bus drivers of recklessness.

"We had a meeting with Mabena to resolve the problem," he said.

"We appreciate Mabena's services, especially in the white suburbs where elderly people work."

It was possible that members of the association were involved, but this was not the policy of the executive.

"Even Putco buses were stoned in the area.



BOWING OUT ... Mabena says fighting for passengers started the trouble, but taximen say it was reckless bus driving. ■ Pics: ANDRIES MCINEKA

Forced off the road!

Death threats used in 'battle for passengers'

Was that done by taxi drivers?" he asked.

East Rand police liaison officer Capt Ida van Zweel confirmed that Mabena had reported that his drivers were being intimidated but he had not made a statement and the police were not investigating.

She confirmed that a charge of malicious damage to property was being investigated after one of Mabena's buses was

damaged last week.

Mabena started his bus operation in 1969 with one bus. He later bought several others from Brakpan Municipality and started taking people to funerals and on outings.

Last year, Mabena was asked by the civic association to start a full operation in the township.

He says he will continue to hire out his buses for funerals and outings.



CHARLES MABENA ... I can no longer risk the lives of my family for the sake of money.

21/7/91

C. Press

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Taxi drivers unite to clean up image

By LINDA GALLOWAY 332
Staff Reporter AUG 21/79

TAXI drivers have united to form a union to clean up their image and to protect them from what they allege is victimisation by employers.

A representative of City of Cape Town Taxis, who did not want to be named, said the drivers wanted to clear their names before the next passenger liner docked this week.

He said accusations by mayor Mr Gordon Oliver that taxi drivers were ripping off tourists by charging exorbitant fees had damaged their trade.

Claims by the owner of a large taxi company that it was smaller owner-driver operations which overcharged customers were untrue, he said.

"We know that some of the large companies instruct their drivers to turn on their meters when they are called out, which is illegal. The meter is only supposed to be turned on at point of pick-up.

"We want customers to know that the meter should be zeroed when they get in a taxi and if it's not they must take down the name of the company and the number of the taxi and

report them," he said.

He also said larger companies charged per person on a trip to the airport.

Challenging Mr Oliver's assertion that tourists were charged up to R450 for an hour's sight-seeing trip, the drivers said there was a standard route taking in the beachfront, Hout Bay, Chapman's Peak, Cape Point, Constantia wineries, Kirstenbosch and Rhodes Memorial which could take three to four hours.

On an average kilometre rate — most companies charge R2,60 — this could cost between R450 and R600.

The drivers, who work 24-hours shifts and pay the company a varying charge per metered kilometre, also complained about having to bear the cost of "dead kilometres".

"Sometimes you have to drive to Table View to pick up a fare to Bloubergstrand. The driver has to pay for those dead kilometres," he said.

The union intended arranging a meeting with the traffic chief and the mayor to put their case and to iron out misunderstandings.

SA taximen rough up Zimbabweans

Sowetan 22/7/91

332

HARARE - Three Zimbabwe bus companies taking passengers across the border at Beitbridge to Johannesburg have stopped their services, alleging violence and harassment by South African operators as the cause.

"It was threats and rough handling," said Mr John D'Almeida, owner of the Harare-based Kuwirirana bus company which curtailed services last month.

"They (the South African operators) roughed up our guys."

The other two companies, Shu-Shine Bus Services and Mach stopped around the same time.

They ran a booming business, providing transport for women travelling to Johannesburg for the low prices and high-tech goods.

Border

But now, said D'Almeida, the big 75-seater Zimbabwe buses would go only as far as Beitbridge and let their passengers walk across the border to catch South African minibuses on the other side.

Earlier this year, Zimbabwean shoppers were ordered off their bus at gunpoint by minibus drivers fearful of losing business to the bigger and cheaper vehicles.

On another occasion, said D'Almeida, a Kuwirirana bus sought safety by parking outside a Johannesburg police station, "but the minibus drivers just came in force and chased our guys away". - Sapa.

Shots kill 2 in taxi

Crime Staff (332) 23/7/91

A MAN and a woman are believed to have died and another person was seriously hurt in a shooting incident at Nyanga taxi rank early today.

An ambulance spokesman said the two — occupants of a taxi — died in a hail of bullets.

Police said a shooting had taken place, but could not confirm the deaths.

Forensic experts and detectives were at the scene.

Names of the victims have not been given.

Fear stalks the taxi ranks

VUYO BAVUMA

Staff Reporter

FEAR stalks "defenceless and innocent" commuters caught up in the spiralling township taxi violence who can at any time become victims of random attacks by gunmen.

The violence, which has claimed the lives of more than 20 people and destroyed R1-million worth of vehicles, ironically increased after two warring factions, Western Cape Black Taxis Association (WCBTA) and Lagunya, agreed to a ceasefire last week.

The latest victims are a 57-year-old New Crossroads woman, Mrs Kay Jikani, shot in a queue at the Nyanaga taxi rank yesterday and Mr Henry du Plessis, a 37-year-old taxi driver from Mitchell's Plain.

Hours later, a minibus belonging to a member of the Central Taxi Association was torched at Section Two rank, Guguletu, where few taxis are operating.

So far, more than 10 passengers have been injured in indiscriminate shootings at taxis with passengers.

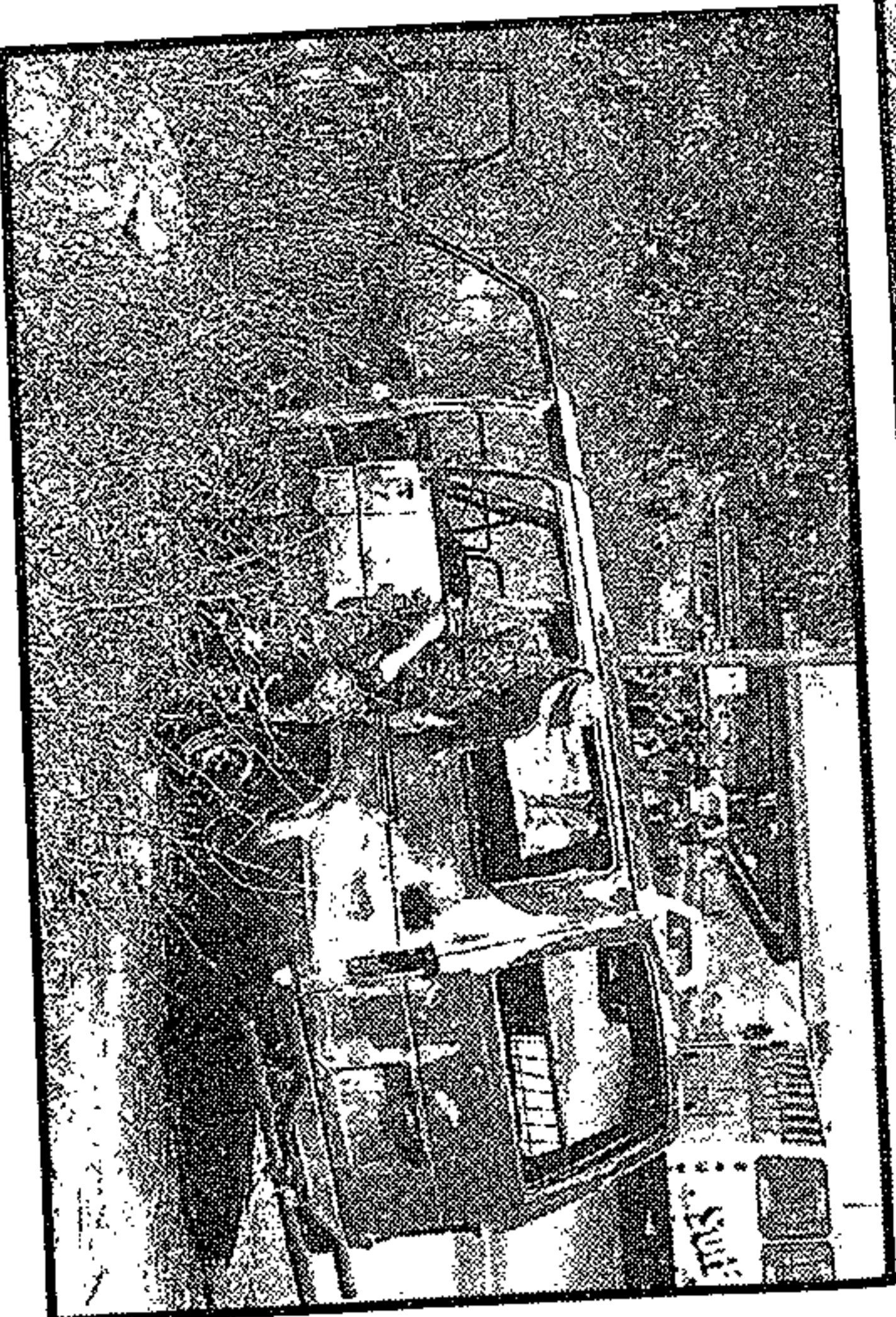
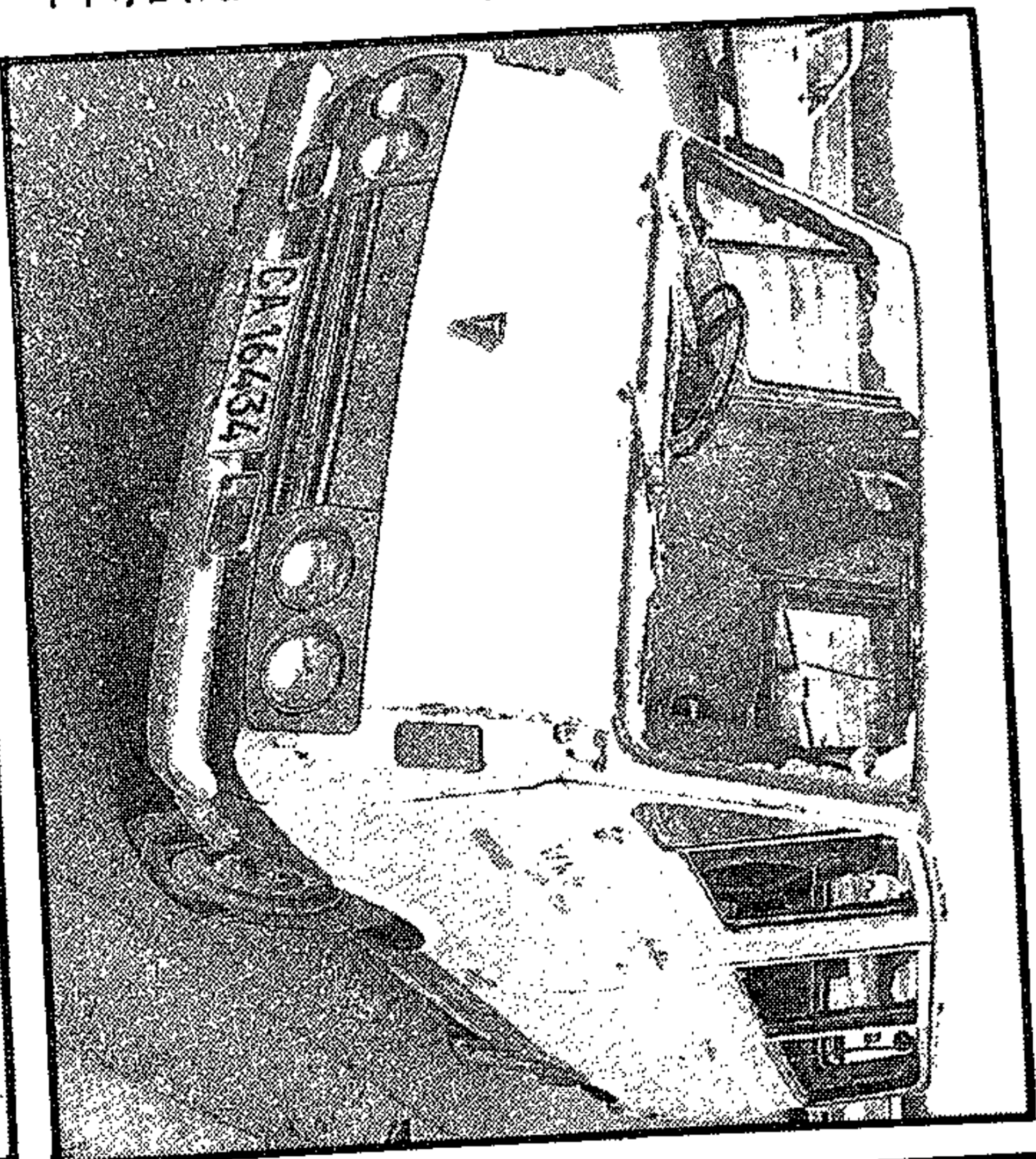
Last week three passengers were injured when shots were fired at two taxis in Guguletu and Nyanaga where community leader Mr Mziwonke "Pro" Jack was assassinated last month.

Khayelitsha taxi rank in Site C, which was the scene of clashes in April, is now deserted. In Langa few taxis, mostly private, are operating.

Yesterday commuters, who refused to be named for fear of reprisals, said they were scared to use the taxis because of the "increased indiscriminate attacks."

They said they would resort to train services which were "safe".

A New Crossroads woman, who was at Nyanaga rank during the attack, said



Arson, violence and death in the transport wars

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24/1/91

Killings, arson and violence have left a trail of taxi destruction which has left 20 people dead and caused R1-million worth of damage.

she would use train to get to work.

"I really feel unsafe when I use taxis. Yesterday morning I could have been hit by a bullet as the gunmen were just firing randomly at the people.

"Even going to board a bus

at the terminus is unsafe as the area has now been turned into a battleground by the feuding parties," she said.

A Nyanaga man, who normally used taxis, said he would stop using the taxis until the situation improved.

"I think drastic action

Some said police should protect the ranks to stem the attacks on "defenceless and innocent" people caught up in the conflict.

Some taxi drivers are no longer operating for fear of attacks against their vehicles.

A WCBTA taxi driver from Guguletu, who said he had been operating since 1986, said he relied on long distance trips to the homelands.

"I no longer use my taxi to operate in the townships since the conflict broke out. During the week I just park my vehicle at home and use it when I get trips to either to Transkei or Ciskei.

"Yesterday morning I could not return a trailer I had hired because I was afraid the people would attack my vehicle once they see the sign on my doors," he said.

Laser reports 59% fall in interim earnings

B1 Day 25/7/91. 332

MARC HASENFUSS

SEVERELY eroded margins and depressed local and international business levels saw the interim earnings of household removals specialist Laser Transport Holdings fall 59% in the six months to June.

Soaring operating costs reduced margins to 7,3% (15%) and transformed the slight increase in turnover to R58m (R56m) into a 50% decrease at the operating level.

Earnings were slashed to R1,5m (R3,5m) or 14,5c (35,2c) a share and no interim dividend was declared.

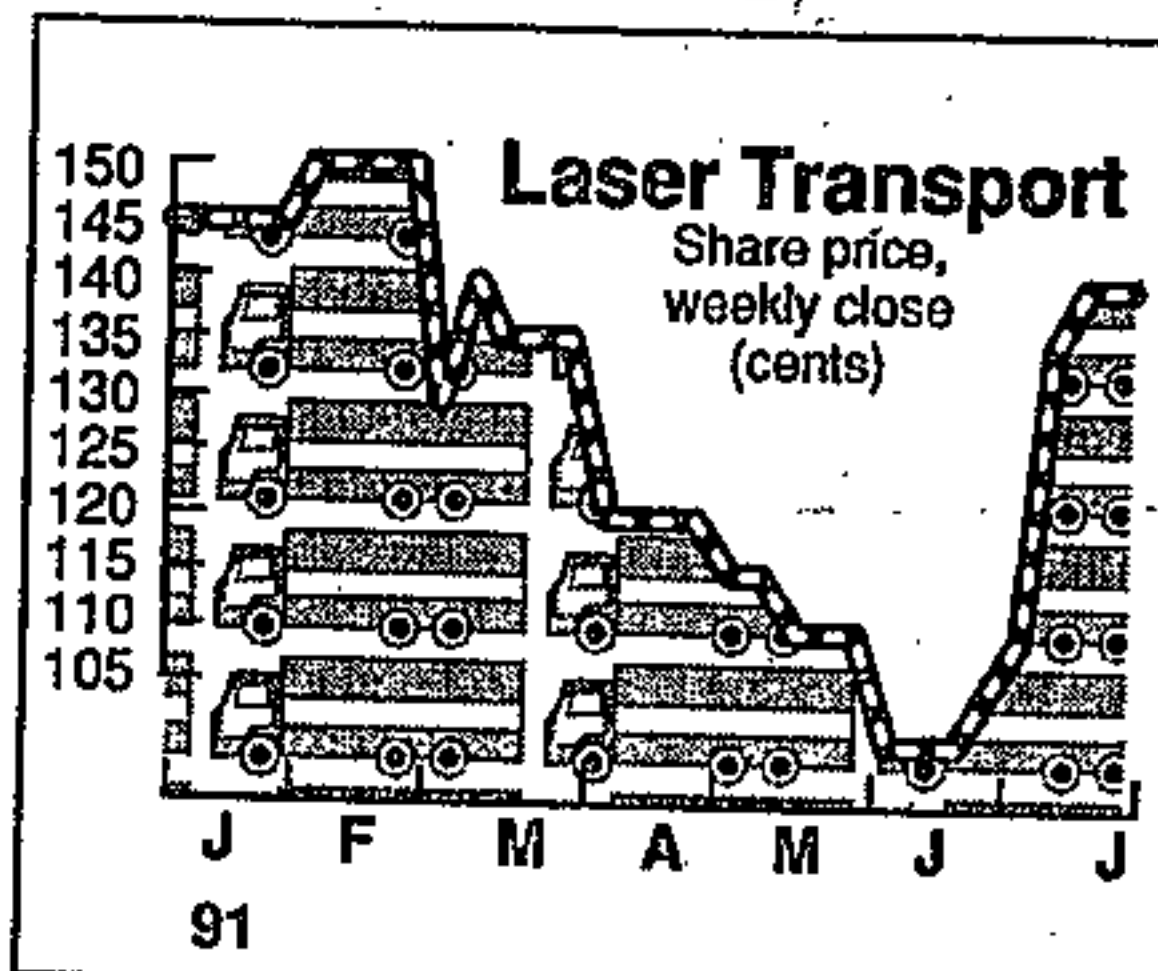
Due to the change in Laser's year-end to September, the group will only declare a dividend in October in respect of the nine months.

The group has been looking to offset the cyclical nature of the removals industry by expanding into new areas of business.

Laser acquired Rent-a-Rig last month and was awarded the franchise for the assembly of Foden trucks.

The group is also investigating expansion into Africa and recently opened a branch in Rotterdam.

A Laser spokesman said yesterday Rent-a-Rig complemented Laser's existing removals companies and was expected to make a contribution to future earnings and net asset value.



Graphic: LEE EMERTON Source: INET

The spokesman pointed out that although Foden truck service centres and spare part facilities had been established in major centres, Laser still had relatively little experience in truck engine assembly.

Laser would only consider full engine manufacturing when the economy picked up, he said.

With difficult trading conditions expected to continue, the spokesman said Laser hoped to maintain the current level of earnings until year end.

On the JSE, Laser fell from a high of 200c in September last year to a 100c low in June, but anticipation of better results by the market saw the share recover to the current 140c.

Webta extends hand of peace

CT 27/11/91

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By DANIEL SIMON

THE Western Cape Black Taxi Association (Webta) yesterday extended a hand of peace to its arch-rival, the Lagunya Taxi Association, saying it wanted an end to the long and bitter taxi feud which has seriously disrupted services and claimed many lives in the townships.

After months of silence, Webta chairman Mr James Mafuya said yesterday he wanted to set the record straight.

Over the past six months, the organisa-

tion has been linked to a number of shooting incidents in which passengers and taxi drivers have been wounded or killed. About 40 Lagunya taxis have also been destroyed over the period.

Webta has also been linked by police to the recent assassinations of Nyanza ANC leader Mr "Pro" Jack and Western Cape civic leader Mr Michael Mapongwana.

Mr Mafuya said Webta was not responsible for the murders of the two leaders.

"Mr Jack did not belong to any taxi association and Webta had no dealings with

him regarding the business we do. We have nothing to do with his death," he said.

Although Mr Mafuya admitted that Webta had once had a strained relationship with Mr Mapongwana regarding the 10-point peace plan, he denied that Webta was in any way responsible for his death.

Mr Mafuya denied that policemen had helped Webta to attack Lagunya taxis.

He said that more than anything else, he wanted to see Webta and Lagunya sit down and work out a peace strategy. He suggested that the SA Black Taxi Association could act as mediator.

Taxi 'hell': Two shot dead

SHARON SOROUR
and VUSI KAMA
Staff Reporters

(332)

ARG 31/7/91

TWO Langa men died and one was injured when gunmen opened fire on a taxi at the Nyanga rank today.

Police liaison officer Captain Attie Laubscher said the attack took place at 6.10am on a taxi at the bus terminus rank.

"A man walked up to the taxi and started shooting," Captain Laubscher said.

He said the driver, Mr Patrick Moyake, of Zone 5, Langa, died when he was shot in the head. A passenger died later in Groote Schuur Hospital.

Mr Livingstone Mbewe, of Zone 21, Langa, was shot in the right arm and is in Groote Schuur Hospital.

The shooting was the second at the rank in eight days.

Last Tuesday a woman and a taxi driver were shot dead and a person was injured during a rush-hour attack.

Witnesses said a gunman opened the driver's door of a taxi and shot a man dead at point-blank range.

Mr Moyake's body was left lying on the front seat.

Captain Laubscher said two 9mm cartridges were found.

Many commuters said they were frightened of the taxi war and would take only trains and buses to work.

"This is hell, we cannot live like this," said a commuter who asked not to be named.

The killings have snuffed hopes of peace in the long-run-

ning dispute between the Western Cape Black Taxis Association (WCBTA) and Lagunya, which has claimed more than 20 lives and destroyed taxis worth R1 million.

● Yesterday five shots were fired from the Nyanga bus terminus at a police patrol van, Captain Laubscher said.

Sergeant M B Hallibey was travelling in Puma Road with three policemen and nine municipal policemen when the shots were fired.

About 20 people were standing at the bus stop. Two bullets hit the police van but no one was injured and the vehicle had "minimal damage", he said.

Two 3.22 cartridges were found lodged in the vehicle.

Taxis increase market share

332

CT31/7/91

Own Correspondent

PRETORIA. — The minibus taxi industry's share of commuter traffic rose sharply at the expense of other modes of transport between 1987 and last year, a Department of Transport study has found.

The survey established that minibuses' share of the total commuter market increased from 29% in 1987 to 44% in 1990 — an increase of 51%.

The most dramatic increases were in the East Rand (274%), East London (248%), Cape Town (38,2%) and Port Elizabeth (31%). Train transport declined from 21% of the total in 1987 to 16%.

The survey shows that the shift towards minibuses was partly due to an outbreak of attacks on commuters shortly before the latest survey was conducted in October last year.

State-subsidised

The 24% loss in train traffic was most pronounced in Durban (67%), Port Elizabeth (40%), Cape Town (37%) and the East Rand (27%).

At the same time state-subsidised passengers — travelling by train and bus — last year declined from 50% of all commuters to 40%.

The survey also shows that the most important transport modes — train, bus and taxis — slightly increased their share of the market in relation to cars and walking.

The survey said the main sources of dissatisfaction with public transport last year were growing crime on trains, perceived high bus fares and the frequency of taxi accidents.

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Rise in minibus taxi commuters

GERALD REILLY (332)

PRETORIA — The minibus taxi industry's share of commuter traffic rose sharply at the expense of other modes of transport between 1987 and last year, a Department of Transport study has found.

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Stayaway could claim 200 jobs

B1 Day 31

17/9

WILSON ZVANE

AT LEAST 200 workers living in the East Rand township of Duduza could be fired for heeding a stayaway called by a local civic organisation last week, Nigel Chamber of Business chairman Bernard Fitton said yesterday.

Fitton said representatives of 20 businesses held an emergency meeting yesterday at which they discussed a call in a letter sent by the Duduza Civic Association to the chamber for "leniency" on workers who heeded the stayaway.

There were indications that companies would abide by their industrial procedures.

Warning

"All but one of the companies represented at the meeting indicated their companies would give due warnings according to their industrial procedures," Fitton said.

"In cases where employees had been warned three times for the same offence, they will be fired."

One company not affiliated to the chamber said it would stick to its "dismissal without warning" policy.

"That means about 200 people could be fired," Fitton said. He declined to name the company.

He said there were no plans as yet to hold discussions with the civic as-

sociation.

"But in the letter in which the civic asked employers to be lenient on the workers, it stated it would, in future, talk to employers first before engaging in similar actions," he said.

The association could not be reached for comment yesterday.

The stayaway was called in retaliation against Duduza town council's decision to impound the property of rent-defaulters. The action began on Monday last week and ended on Friday after the town council returned the property of the four residents.

□ Meanwhile, THEO RAWANA reports that Daveyton residents, threatened by a power cut over a R5m rent and services debt, will stage a half-day stayaway today.

Daveyton interim committee chairman James Ngubo said Eskom, which was owed R2m by the township of 250 000 people, had written him a letter threatening to cut electricity if tomorrow's talks between the council, the interim committee, the Daveyton town council and the Transvaal Provincial Administration did not yield a solution.

He said residents were paying an agreed R70 monthly flat rate, but the council was not paying Eskom.



Ria Oomen Ruiften, the Netherlands representative in the European People's Party delegation, with Foreign Minister Pik Botha after their meeting yesterday. Picture: ROBERT BOTHA

European politicians' visit 'important'

B1 Day 31

17/9

PRETORIA — Government considered the visit to SA by the European People's Party delegation important, Foreign Affairs Minister Pik Botha said at a news conference yesterday after talks with the delegates.

The delegation, which also met President F W de Klerk earlier yesterday, was here to observe, discuss and to meet members of government, he said.

The EPP represents a compilation of European Christian Democratic parties.

Botha said he had told them where government stood in the negotiation process.

Delegation spokesman Ria Oomen Ruiften said she appreciated the "open way" in which Botha had discussed the problems which government was trying to resolve.

She said anything which happened which threatened to destroy the process of negotiation was a source of concern to the EPP.

She said Botha had assured them government would continue to fight apartheid and wanted a real democratic SA. — Sapa.

COMPANIES

Cafca prospers despite export slump

CENTRAL African Cables (Cafca), the Zimbabwean electrical cable company listed on the JSE's electronics sector, continued its strong growth in the six months to end-June despite a drop in exports.

The company's after-tax profit grew 39% to Z\$8,7m compared with Z\$6,2m in the last interim period, down from 1990's growth of 56%.

Cafca held its dividend cover at 4.1, paying an interim dividend of 7 Zimbabwean cents on earnings of 28,4c a share. The number of shares in issue was increased to 30,6-million from 5,1-million in March.

After last year's 80% increase in exports, sales to SA and other neighbouring countries dropped 15% to Z\$6m.

The drop in exports was offset by a 33% increase in domestic sales, boosting turnover 25% to Z\$55m compared with Z\$44m

in the last interim period.

Directors said plans were in place to improve export sales in the second half. "During the half-year exports were impacted by recession and settlement problems in a major market."

Aluminium cable sales increased substantially while copper cable sales remained steady.

Directors said cable prices, which were reduced in January because of low copper prices, had to be increased in June because of the cost of other materials.

Additional plant scheduled to come on stream later this year would not affect second-half earnings, which should be similar to those in the first half, directors said.

ROBERT LAING

Sun Couriers' troubles will affect results, says Uniserv

COURIER, freight and forwarding group United Service Technologies (Uniserv) has warned of a "significant drop" in interim earnings, caused largely by the underperformance of subsidiary Sun Couriers.

Uniserv chairman Tiger Wessels said yesterday that a spate of union troubles had plagued Sun Couriers for almost a year. During the past month the company had been unable to reach an agreement with the Transport and General Workers Union, he said.

"This instability is having a direct bearing on our performance."

"This is particularly sensitive in our service industry, where commitment by people determines performance standards."

He said Uniserv's interim results would be published in early October.

Uniserv managed a 2% increase in earnings to R12,2m (R12m) for the year to February 1991 as improved contributions from Sun Couriers and Burlington Air Express were offset by poor performance in the group's export division.

Wessels said the courier sector was sensitive to drops in overall economic activ-

ity, and the current recession had also had a negative effect and sharpened competition.

Union demands, labour instability and a sharp drop in productivity during a protracted dispute had compounded the situation, he said.

"We hope the current deadlock will soon be broken, common sense will prevail and Sun Couriers and Uniserv will get back on track."

"We are certainly hoping for an improved level of earnings and overall performance in the second half of the year."

The group recently acquired R&M Global Tours and Overnight Express for undisclosed sums, which is in line with Uniserv's policy of growth by acquisition.

Uniserv's shares have recently seen renewed investor interest. The share was untraded yesterday at 135c, after several large deals pushed the share to its 140c peak earlier this month. The share was at a 107c low in December.

MARC HASENFUSS

TRANSPORT - PRIVATE - GENERAL

1991

AUG. — ~~DEPT~~ DEPT OCT.

By DANIEL SIMON

MORE arrests are expected in connection with the assassination of Western Cape Civic Association chairman Mr Michael Mapongwana, following this week's breakthrough when police arrested a Western Cape Black Taxi Association (Webta) member.

Police yesterday said a 31-year-old man is expected to appear in a Cape Town court today on three charges of murder, following his arrest at a New Crossroads house early on Tuesday morning.

The charges relate to the murders of Mr Mapongwana and taxi driver Mr Mtini Gebenga, 32, who was shot dead while transporting the civic leader along Lansdowne Road, Philippi.

Police said a third charge related to the murder of Mr Zola Chris Blee of Thebani Road, Khayelitsha, whose body was dug up near Tafelsig, Mitchells Plain, on July 17. The site is a gathering place for

Civic killing: New arrests expected

(332)
CT 1/8/91

LEADERS of the rival taxi associations, the Western Cape Black Taxi Association (Webta) and Lagunya, met for several hours in the Civic Centre yesterday.

The two groups have been involved in a bloody, months-long feud in which lives have been lost and property has been damaged.

The meeting, brokered by Cape Town City Council, was apparently a tense affair.

The 10-person Webta delegation were angry about a fatal early-morning armed attack on one of their members and his passengers at Nyanga terminus yesterday.

It is understood that the delegates agreed to meet again next week.

Webta taxi drivers:

Western Cape CID chief Brigadier George Potgieter said yesterday that the breakthrough followed the arrest of another Webta member in Bellville last Friday.

After questioning the

39-year-old suspect, police visited a house in New Crossroads and found the second suspect hiding in a cupboard. Police are holding, on a charge of attempted murder related to the ongoing taxi war, the suspect who

tipped them off.

The arrest of a Webta member in connection with Mr Mapongwana's death follows Webta chairman Mr James Mafuya's denial, last Friday, that Webta was in any way involved in the assassination.

Commenting on the high-profile investigation, Brigadier Potgieter said detectives were not ruling out the possibility that the assassination of Mr Mapongwana was linked to that of top ANC member and activist Mr Mziwonke "Pro" Jack, who was shot dead near his Nyanga East home by balaclava-clad men on June 19.

Brigadier Potgieter said ballistics tests conducted on spent R4 rifle cartridges found at the scene of Mr Jack's assassination matched those which were found at the scenes of three ambushes against members of the SA Police over the past nine months.

No firearms used in the assassination of Mr Mapongwana had yet been found, he added.

Friend sees ⁽³³²⁾ taxi men felled

By DANIEL SIMON

CT 1/8/91

A MINIBUS-TAXI helper has described how a lone gunman shot him and two of his friends as they waited for passengers at a Nyanga taxi rank early yesterday.

Mr Livingstone Mbeye, of Zone 21, Langa, said he fainted when the gunman opened fire and killed taxi driver Mr Patrick Moyake, 37, of Zone 5, Langa, and wounded another friend, known only as "Walawala".

Mr Mbeye said he had watched in horror as a man, gun in hand, walked up to Mr Moyake and shot him in the head at point-blank range. The gunman turned to Walawala and shot him in the stomach.

"The man said nothing. He just walked up to Patrick and shot him in the head. I fell to the ground and lost consciousness. I thought I was also going to die," Mr Mbeye said.

The gunman shot him where he lay, inflicting a flesh wound.

He had not seen the man at the rank before and he — Mr Mbeye — would not return to the rank for some time.

Police said Mr Moyake had died instantly. Walawala died three hours later at Groote Schuur Hospital. Mr Mbeye was admitted to the hospital.

A police spokesman said the attack had taken place at the Nyanga taxi rank in Terminus Road, scene of numerous shootings in the past few months.

A Lentegeur taxi driver and a New Crossroads woman were shot dead at the rank last week.

Survival plan puts employees in bus company's driving seat

IN A bid to stay in business, Port Elizabeth-based Algoa Bus Company (formerly PE Tramways) is adopting a new approach to make it less dependent on state subsidies. *Monday 1/8/91*

Government's cut in subsidies to bus groups forced the once lucrative Putco to sell or close its routes earlier this year.

Algoa's pioneering approach vests responsibility for the success of the company not only with central management, but also with the drivers who operate its fleet of 280 buses.

Algoa will be split into small units made up of a driver, or a number of drivers, responsible for ensuring that the operation addresses commuter needs while remaining cost effective.

The bus group has appointed the Human Sciences Research Council (HSRC) to devise a system suited to Algoa's needs.

According to MD Hannes Grebe, the new

MARC HASENFUSS

system relies heavily on motivating employees, who are given the opportunity to improve their own earnings potential along with that of their company.

"Considerable emphasis is also made on commuter needs, such as routing and trip timing, with the company's strategic objective being that it must be market driven," Grebe said. *332 332*

He said the new approach and structure could lead to Algoa eventually becoming a holding company presiding over a large number of "independent" bus operators who could own or lease their vehicles from the parent.

Algoa, on the verge of being closed down, was acquired by a consortium of PE businessmen from Tollgate Holdings in October. The group mainly carries black commuters in the PE area.

Taxi war may be over after talks

EDWARD MOLOINYANE
Staff Reporter

ARG 2/8/91

THE two-month township taxi war, the bloodiest and longest in the industry in the Peninsula, may be over after a successful meeting between the parties.

The meeting, convened by the city council on Wednesday, was attended by representatives of the two taxi associations, the Western Cape Black Taxi Association (WCBTA) and the Lagunya Taxi Association.

Also present were members of the Peace Committee which is composed of delegates from the PAC, Azapo, ANC and other formations.

The meeting was one of several moves initiated by the city council to restore peace after a boycott of taxis ran out of

control, leading to widescale violence.

The boycott was called by the Taxi Crisis Co-ordinating Committee.

More than 20 people have been killed, scores of vehicles set alight and several houses burnt in the feuding, which has brought taxi services in the townships to a virtual standstill.

According to WCBTA chairman Mr James Mafuya, progress was made at this week's meeting and taxis could be back on the roads by Tuesday.

Describing the outcome as "historic", Mr Mafuya said "concrete" agreements had been reached.

These included the granting of permits to Lagunya members to ply the lucrative Mowbray and Claremont routes. These routes, with Belville, were previously the sole domain of WCBTA taxis.

Uniserv hit by dispute

332
star
2/8/91

Finance Staff

Uniserv, the freight and courier services company, is forecasting "a significant drop" in first half earnings, caused largely by the under performance of Sun Couriers.

The Uniserv chairman, MJ (Tiger) Wessels said yesterday: "A spate of union troubles has plagued Sun Couriers for nearly a year and during the past months the company has been unable to come to an accommodation with the Union (TGWU).

"We hope the current deadlock will soon be broken, commonsense will prevail and Sun Couriers and Uniserv will get back on track".

PRINTED IN

Miller

2/8/91
fiasco car

Truck hijackings cost about R6-bn a year

Up to R6,1 billion a year — that's the cost to the country as a result of truck hijackings, according to a brokers' newsletter.

Santam's Focus, the agents and brokers newsletter, reports in its latest edition that last year there were 208 vehicle hijackings reported to the police, 183 of them

in the Transvaal, 23 in Natal and one each in the Free State and Cape.

The PWV area accounted for 80 percent of the hijackings in the Transvaal. (332) (284)

Focus reported that the main types of freight being stolen included food, clothing, cleaning materials, furniture and

Star 2/8/91
electrical equipment such as VCRs and radios as well as cigarettes and liquor — all easy to get rid of.

It said the estimated "direct cost" of hijackings was some R1,5 billion and the estimated cost to the country as a whole was R6,1 billion last year. — Sapa.

Mapongwana death: Man, 31, in court

332

Staff Reporter

ET 2/8/91

A KHAYELITSHA man appeared briefly in Wynberg Magistrate's Court yesterday in connection with the murder of Western Cape Civic Association chairman Mr Michael Mapongwana.

Mr Mapongwana was shot in the back of a taxi in Zola Budd Drive (the Lansdowne Road Extension) by balaclava-clad gunmen on July 8.

No charges were put to Mr Eric Mahlutshana, 31, who was arrested by police on Wednesday.

His appearance was delayed yesterday morning, when another man was mistakenly put in the dock. After a short adjournment, Mr Mahlutshana was found and he appeared before magistrate Mrs H Alman.

Mr Mahlutshana, who was informed of his right to legal representation, indicated his intention to apply for bail.

The prosecutor, Mr J van Niekerk, told the court Mr Mahlutshana was being held in connection with a number of other crimes.

Mrs Alman postponed the case till August 5 for Mr Mahlutshana's formal bail application and further investigation. He will remain in custody until then.

Oh, so close to the ranks of death

VUSI KAMA

Weekend Argus Reporter
HAD I been at the Nyanga bus terminus 30 minutes earlier I would probably have been a victim of the morning rush-hour gun attack that claimed two lives and left one injured this week.

Unknown gunmen had struck again. This time they killed a taxi-driver and a passenger and left another passenger injured.

The terror was a sequel to last Tuesday's shootings, which left a woman and a driver dead and one person injured. The two incidents happened about the same time — 6am — at the same taxi rank.

The continuing taxi war has taken a grim toll. Western Cape CID chief Brigadier George Potgieter said that since the war broke out 16 murders have been reported. In addition 38 attempted murders, 19 armed robberies, seven robberies and one theft have been reported and 30 vehicles valued at R1 million were stolen or gutted. Police also recovered 45 unlicensed firearms.

It was only when I was in a

taxi on my way to work on Wednesday that I realised my luck. I had unknowingly boarded a "safer" taxi, parked behind the one that came to misfortune.

I took the taxi because of the long queue for the Cape Town bus. The police vans and the sad faces in the bus queue should have warned me that not all was well. But others ran for the taxis ... and so did I.

"Let's move in quickly," said a woman as we were boarding the second of two combis.

Puzzled, I asked: "Why the hurry? We'll all fit in." She did not reply.

Soon after we had left the terminus the combi was buzzing with the news. A taxi-driver had been gunned down, at point-blank range. The door was opened and he was riddled with bullets. Then they let loose at passengers.

We discovered later that one of the two injured passengers died.

Suddenly the morning's episode ceased to be just another one of its kind — it became a harsh personal experience.

I have often visited the Nyanga rank to cover bloody confrontations between taxi-drivers and

the police.

But the "taxi-bullet" reality had never come so close.

My fellow-travellers' talk in the taxi had ceased to be about the weather.

There were vows: "You won't see me taking a combi again."

When our driver tried to turn his radio-tape on he was greeted with protests from the old-timers and the mamas: "Switch that off. We're too nervous to listen to music."

Fear was etched on their faces.

Why do you keep on carrying passengers when you could be hit by your rivals at any time? I asked him. Aren't you scared?

"If I were scared I would be in my bed," he said. "But even in your own home you're not safe."

"I'll continue to do my work, but I won't stop for anyone I don't trust."

He said he knew he could be gunned down. "But they must be careful that I don't hit first." He was always armed.

In town I stepped shakily out of the taxi. That's the last time for me, I vowed.

Maybe.

332

ARG 3/8/91

Passport to truck fleets' efficiency

STimes (Bus Times) 4/8/91 (332)

NISSAN DIESEL is not in the business of simply selling trucks. It is here to offer transport solutions, says Nissan Diesel director Dave Scott.

"Our commitment to fleet management, no matter how big or small it is, is our customers' passport to cost-effective transport and profit."

Mr Scott's summary of his company's responsibility to its customers might sound trite, but he says it is sincere.

The days are long gone when companies could wave good-bye to customers in their new vehicles, then promptly forget all about them.

Today, the sale is only part of the package — the beginning of a long relationship between company and customer.

The successful truck manufacturer does not merely make high-quality products. In addition, the manufacturer and his dealers must offer a combination of services ranging from product advice

and financial packages to driver and technical training, and from route cost analysis and maintenance back-up to the simplification of complex transport legislation and the implications of value added tax.

Nissan Diesel, says Mr Scott, has a highly professional approach to the concept of transport consultancy.

It has taken a leadership role in the market. The range of its customer information and support services bears witness to the fact that its expertise has been built up over many years.

Alarming

What has become apparent is that buyers themselves have not always been aware of what is on offer.

That awareness is, however, growing — and for good reason. Truck prices have risen at such an alarming rate in recent years that buyers want more for their money. If they must pay more, then they expect more in return.

They want value for money. That includes learning how to avoid losing mon-

ey on a truck's day-to-day operation.

"There is little price difference between all the truck manufacturers, and no difference when it comes to quality," says Mr Scott.

"So how do you market yourself? You market yourself through the service and support you provide to your customers as well as your general attitude to them."

Nissan provides a comprehensive customer support package to fleet operators. This includes the Nissan Diesel Vehicle Management System, which enables operators and their drivers to record and compare every area of vehicles' performance and condition.

This system includes sheets for recording vehicle defects, insurance costs, workshop costs, cost ratios, parts requisition forms, and even a planning chart for service and maintenance programmes.

In pursuit of its aim to offer the best transport consultancy programme in the motor industry, Nissan has also prepared a series of route standards, detailing the main transport routes in SA.

The company's experts can advise on the best available body for any Nissan Diesel vehicle. Everything the body-builder needs to know is included in Nissan Diesel's Body and Equipment Mounting Manual.

The booklet contains specifications for every Nissan model.

Videos

Driver and technician training is another of the support functions which Nissan Diesel provides. The company has produced video tapes to go with each of its truck models, advising customers what to look for at point of purchase and what to expect of the dealer.

It also offers important operating and training tips for drivers — even experienced ones. The videos — in English and Afrikaans — demonstrate how to drive the vehicle, how to set it up for work, how to follow checklists and ensure everything in the cab is in order. It has advice on changing gears and even on how to change a flat tyre and deal with the vehicle in a breakdown.

The service is extended to

the technical side of the operator's business. Nissan provides technical support staff with training on the Nissan vehicles in the fleet at its training centre in Wynberg, Johannesburg.

To be an operator today no longer requires merely a vehicle and a strong pair of shoulders. You must be able to find your way through a seeming maze of confusing rules.

Nissan offers a wealth of vital and easily understood information through its Trucking Insights programme.

Cold

This programme, in the form of pamphlets in both English and Afrikaans, explains how to prepare for and overcome the challenges presented by trucking.

Titles currently available are Vehicle Costs in Perspective, Preparing for RTQS, Truck Cab Maintenance, Depreciation in Perspective, Towards More Fuel-Efficient Trucking and Guide to Roadside Roadworthiness Inspections.

Nissan also offers its customers a full maintenance contract, enabling them to fix the direct cost of maintenance and repairs at a monthly rate. This fixed sum is fixed according to the customer's needs.

Mr Scott says: "Operators are increasingly beginning to realise that the capital investment in a truck is so high that they need a lot more advice on how to use it."

"To recover your money, you must make the vehicle work hard. The higher the cost of the machinery, the more productive it must be. The driver's seat must never get cold."

Nissan Diesel has no shortage of experts to help operators make the right choices and decisions.

"We would like to stop their repeating wrong decisions."

The fleet consultants are always available to help and Mr Scott is never further than a phone call away.

"We concentrate on certain segments of the market because you can't be all things to all people. We are strong in the construction industry where we have specialist vehicles, the petrochemical industry where we



DAVE SCOTT: At your service

focus on particular customer needs, and in the truck rental business.

"We are only now entering the public carriers sector where one talks to specialist hauliers. Our recently launched Cabstar is a newcomer in the three-to-four-ton sector. It is fitted with a Nissan Diesel engine and not an ADE power plant."

There are certain sectors where Nissan Diesel is not represented "and we are honest about it". In such cases Nissan Diesel gives advice on where to go and what to buy.

"It is important to have specialists on your team who know and understand the truck business. We use outside specialists from time to time to help us with different projects."

The most important aspect of the truck industry, according to Mr Scott, is closeness to the customer's business — and an understanding of commerce and industry. Although trucks look the same as they leave the plant, they end up in a large variety of applications.

Principles

"It's no use talking to an operator and saying: 'There's the whole book on transport. Study that and you'll have all the answers.'"

"They have individual problems and it is our duty and responsibility to help. Our business is, therefore, very much a consultative one."

To meet Nissan's intention to provide the best support possible, its consultancy package includes seminars and, of course, face-to-face advice apart from the booklets and videos.

"Our commitment to our customers rests on six principles:

- Immediate parts response
- A specialist dealer service network
- Application and fleet management consultancy
- Technician and driver training
- No ifs, ands or buts guarantees
- A truck to suit your needs."

CONVENTION LOOKS TO THE FUTURE

S/Times 4/8/91

(332)

By DON ROBERTSON

AN IMPORTANT transport conference beginning at the CSIR in Pretoria tomorrow, could shape policy for a new Passenger Transport Bill which was recently shelved.

About 1400 delegates involved in all aspects of transport will attend the five-day Annual Transport Convention which is being held under the auspices of the Minister of Transport, Dr Piet Welgemoed.

Jackie Walters, director of the SA Bus Operators Association, says the conference could well shape policy direction for a future transport bill. Chairman of the ATC, Piet Jordaan, says the number of people attending the convention is a clear sign of the importance of the transport industry.

Forum

"Transport forms an integral part of the country's economy and is one of the most important stimulating factors of any country," he says.

Delegates attending will represent the organised freight transport industry, bus and taxi associations, research institutions, universities, the vehicle manufacturing industry, organised trade and industry, the road building industry and the government sector.

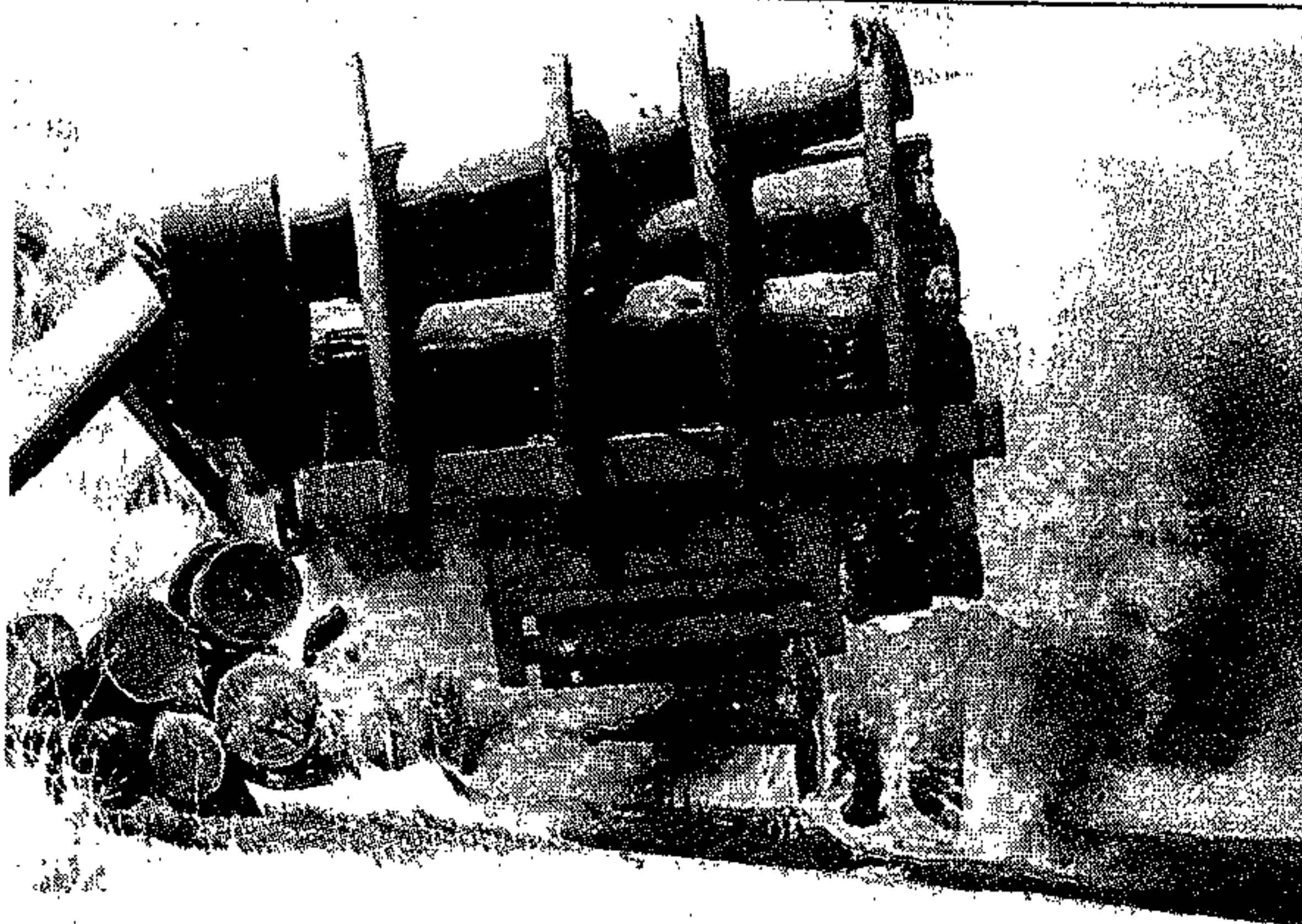
Overseas speakers will also address the meeting.

Professor Jordaan says the convention will serve as a forum for information exchange on all matters related to transportation.

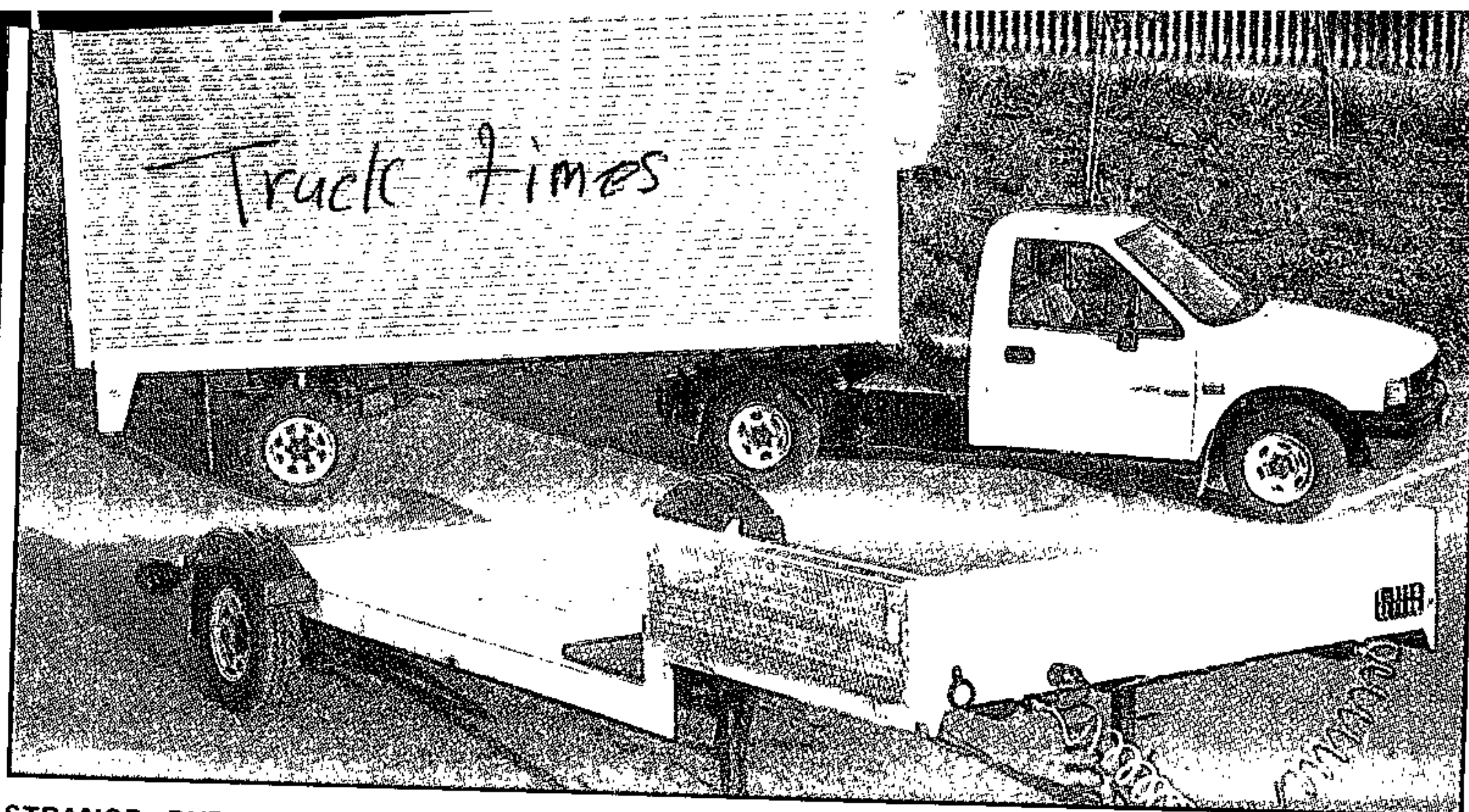
Ideas

"It offers opportunities for discussion and exchange of ideas on research, policy, management and training, economics and finance in the field of transport," he adds.

Items such as the sale of Putco, possibly to the International Development Corporation, the likely success of midi-buses and other bus-related matters will be discussed.



BURNING TO A HALT ... this dramatic incident near Boplaas, in the Eastern Transvaal, illustrates the disaster that results when service brakes stick and overheat. Says a spokesman for Voith: "This would not have happened had the truck been fitted with a retarder." He says retarders used in the Ciskei have shown that brake lining life can be extended past a million kilometres while at the same time extending tyre life.



STRANGE, BUT TRUE ... Delta Motor Corporation, in conjunction with Maritzburg-based LCM Engineering, has converted the Isuzu KB 250D bakkie into an articulated vehicle capable of hauling a wide variety of trailers. This, says Delta, is an efficient, cost-effective solution to transporting high volume, low mass goods.

Known as the Isuzu Artik, this popular one-ton bakkie can be easily converted from a conventional bakkie with a slide-on rigid body to a horse and trailer. "It is particularly suitable for retail outlets, such as furniture companies, which up to now have operated four- to eight-ton rigid trucks to get the space. The cap-

ital investment in these is high — and unnecessary — but companies have been forced to take this route because of the lack of other options," says Willie van Wyk, Delta's sales and marketing director. LCM marketing director Cecil Alberts says initial production is scheduled at 100 units a month.

Quick finance with Comfin

By DON ROBERTSON

BUSAF, one of the largest commercial vehicle body manufacturers, has teamed up with Investec Bank

to establish a specialist finance company.

Commercial Vehicle Finance will finance and insure the requirements of transport operators who buy Busaf buses and

coaches as well as its specialist range of commercial vehicle bodies.

Busaf, a member of the Dorbyl Transport Products group, is now able to offer a one-stop service to cus-

tomers. Previously, many road transport operators had to contend with financial institutions who did not always understand their requirements, says Comfin director, Michael O'Brien. Many were considered "high risk" customers and a large proportion were unable to raise funds under these circumstances.

Busaf, in this business for 10 years through Dorbyl's Dorfin division, is particularly able to assess a customer's ability to service his debt.

"Our services to the bus industry in particular, are going to become more popular if the latest trend towards fragmentation of major bus operations continues," says Mr O'Brien.

He adds that smaller companies will find it difficult to raise finance.

Comfin is able to offer a quick service and approve finance within 48 hours. It will also offer a flexible service and, should a small operator suffer cash flow problems because of a vehicle being inoperative, the repayment plan can be restructured. For school bus operators, repayments can be missed during holidays while, in some cases, a three-month moratorium on payments can be arranged to allow a customer to build up capital.

Ronnie Bass offers reconditioning

ALTHOUGH it is widely known for its passenger car service and workshops, Ronnie Bass, Edenvale, is now offering a reconditioning service for the heavy duty truck market.

Workshop manager Simon Ingram says Ronnie Bass is expanding into the commercial sector to "cater for the wide range of industries that need to prolong the life of their trucks". The recondition-

ing will be carried out by Schudel Swiss Engineering. "By using Schudel, a specialist in heavy duty engine reconditioning, we save on investing in the high-tech specialised equipment that is now necessary to provide a sound reconditioning service," he says. "At the same time, it enables us to concentrate on our own area of expertise leaving the specialist reconditioning to an expert."

Journalists' sub-committee

THE South African Guild of Motoring Journalists has formed a trucking sub-committee to promote a better appreciation of the many facets of the trucking industry among its members.

Chairman Deon Schoeman says: "The main activities of the SAGMJ are, by nature of its membership, car-oriented. However, our roads are shared by trucks and cars and the aim is to ultimately forge a better camaraderie be-

tween the two." A broad "education" programme is being drawn up to include activities such as truck driving, visits to truck and component manufacturers, industry briefings and presentations on the role of trucking in the economy.

The role of the truck driver in road safety will also be emphasised.

"We'll arrange for our members to ride as observers and experience the on-the-road problems facing

truck drivers — many of which are caused by inconsiderate motorists.

"By targeting our efforts at the motoring journalist, we hope they will give their readers a better understanding of the role and the challenges facing local truckers," says Mr Schoeman.

The sub-committee is headed by Patrick O'Leary, a writer for **TRUCK TIMES** and member of the SAGMJ executive committee.

VAT: freight forwarders 'must define their roles'

GILLIAN HAYNE

THE distinction between acting as an agent or as the principal in a transaction is central to the freight forwarding industry's handling of VAT, say tax experts.

Freight forwarders need to define their roles carefully, as the VAT treatment of their transactions will differ depending on the agent/principal definition.

Inland Revenue chief director Trevor van Heerden says agents, in terms of VAT legislation, simply act as conduits. The VAT charges will pass on to principals.

Agents acting for principals resident in SA are not entitled to claim input tax credits on costs incurred on the principal's behalf. They will also not charge VAT on sales.

However, if the principal is a non-resident the agent will be considered the principal, says Van Heerden.

For example, clearing and forwarding agents who pay for freight, harbour duties, surcharges and other charges on behalf of clients will not be allowed to charge VAT and claim credits on inputs in most cases.

They will, however, be able to levy VAT on fees charged for the preparation of import/export shipping documents and clearing of goods through customs.

The insurance on export goods in transit and the cost of arranging transport for those exports is zero-rated, meaning no VAT is charged but the company will still be allowed to claim back the tax paid on inputs.

Foreign

A further complication may arise when the agent charges interest on credit (that is, when the agent pays to have goods cleared up front and receives payment later). It is deemed to be a financial service and will be exempt.

Agents who charge an all-inclusive fee (for standard and exempt services) will have to apportion all inputs to ascertain which credits can be claimed, Van Heerden says.

Fees charged to foreign principals will be zero-rated as will freight charges related to international transport. However, the value for customs duty includes the freight charge which is subject to VAT.

Harbour fees, container handling charges and other related charges will be subject to VAT if they are supplied by the same individual who supplies the international transport.

Where the agent arranges for the transport of the goods from the harbour to the importer's premises, such transport will attract VAT, Van Heerden says.

Charges in respect of the loading and off-loading of goods by stevedores will also attract VAT.

"Ancillary transport services" are defined as stevedoring services, lashing and securing services, cargo inspection services, preparation of customs documentation, container handling services and storage of transported good or goods to be transported.

Deloitte Pim Goldby tax partner Doug Jolliffe says one concern is that VAT paid on imports will be based on the spot rate of exchange. If forward cover provides an exchange rate advantage for the importer, it will not be taken into account in the VAT payable calculation.

Mid-year doldrums for freight

THE SA freight market continues to drift along in the mid-year doldrums, with rates showing an easier tendency, Afromar reports.

However, there is still an optimistic feeling for the later positions and this is also being reflected in the Biffex index, which is indicating higher levels for the later positions.

Pointers which give owners more confidence seem to be grain-led, with Soviet purchases continuing. There has been an announcement that a further 500 000 tons of wheat will be moved during August/September, presumably mainly out of the American gulf, with a small amount out of South America.

The Soviets have already been taking tonnage on a quiet basis.

Following serious flooding in key grain-producing areas, the Chinese are now faced with having to import large quantities of grain. This is encouraging owners about the Pacific market, as presumably most of the imports will be from the US west coast, Canada or Australia.

Ironically the Chinese are experiencing a drought in the southern part of the country. In fact, there have been good harvests in

recent years. This means grain reserves are actually high, but storage facilities in China are not good and therefore the quality of the stored grain may be poor.

Notwithstanding these developments, conditions in the Atlantic are easing further as overall demand seems to be slackening and early tonnage appears in good supply.

Easier conditions are also being seen in the Pacific area for most sizes.

The SA market is continuing to project an easier tone but tending to resist further reductions.

The number of handy-sized vessels available in August looks to be less than expected, but demand is also down. At the same time there is perhaps less enquiry for vessels to load steel out of Brazil so the status quo is maintained.

There was an uncertain feeling in the coal trades, which has seen some confusing fixtures. For instance, a Cape-sized cargo was fixed from Richards Bay to Rotterdam at \$9 per ton, which seems slightly high, as against the previous fixture at \$8.50 which, by the same token, was considered a low level.

There were a number of handy-sized cargoes in the market, such as from Dur-

ban to Iskenderun in Turkey, for which charterers were indicating \$17 per ton, as was also the case for a Maputo cargo.

There was also interest in smaller-sized cargo to Britain, for which a rate of about \$3 was indicated for 6 000 tons from Maputo for loading in the second half of August. A 20 000 ton cargo was also being quoted from Durban to Brazil for August loading ~~at~~ 332.

Ore charterers were quoting a cargo of 52 000 tons of iron ore from Saldanha Bay to China for early September loading, and were looking for a rate in the region of \$13 a ton. A 40 000 ton cargo of manganese ore was quoted from Port Elizabeth to Dunkirk for an end-August position.

IN DAD

But is Gareth

Subscription hot

Logistics the key to cost-efficient delivery

Stew 6/8/91
Safcon is company ahead of its time. Established in 1974 the company heralded in the express parcels industry, which has only grown significantly during the late eighties.

The company devotes its efforts exclusively to the movement of domestic cargo by road and air throughout South Africa and is a division of the quoted Safcon group of which Curfin and AVI are the principal shareholders.

"During the current recession, express freight services have been critical to all businesses who wish to adopt a 'just in time' policy in terms of keeping inventories low and supplying

their customers on time," said Mr C Cox, managing director of Safcon.

"This need has been further exacerbated by high interest rates which again have a negative impact on companies that are overstocked," he added.

Safcon is a specialised express freight company providing a wide choice of door-to-door freight services. This ranges from documents through to stock transfers and urgent spares for plant breakdowns.

As a commitment to clients and to ensure that service standards are continuously maintained, Safcon has a simple policy. If the company does not deliver a consign-

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ment in accordance with published service schedule, then the full freight charge will be refunded. No questions asked.

Mr Cox believes that, "improving their logistics operation is the only way local companies can increase customer service and gain a competitive advantage.

"Most competitive companies have a very similar product. They can try to compete on price, but if one firm reduces its price, others will soon follow suit and no-one emerges the winner; plus, people are smart and they realise that low prices don't last.

"The only element that will make a significant difference is logistics.

The majority of what customers want is logistics driven-on-time deliveries, simple invoicing systems and so on. You can't satisfy customers unless you do logistics well."

Mr Cox explained that in the past, logistics were seen as a necessary evil but basically unimportant. The belief was that it took skill to sell a product but anyone could deliver it.

"Then we discovered that logistics were costing a lot of money. Firms were having trouble generating profits and needed to cut costs. They eventually realised that the logistics function had significant cost saving potential," said Mr Cox.

Value fleet offers the rig for all occasions

Star 6/8/91

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Ten years ago, Value Truck Rental started out with a single two ton truck, today, "we have 280 vehicles in our rental fleet and a clientele base of blue-chip companies," according to owner Steven Gottschalk.

The company offers a most comprehensive range of vehicles, from one ton bakkies to 23 ton-horse-and-trailers, as well as specialist vehicles like fridge-trucks.

During the ten years in business the company has seen major changes occur, "the most predominant being the development of monopolies among the truck rental companies," said Mr Gottschalk.

"There seems to be few new players entering the market, which they can't afford to get into at the rates being quoted at the moment.

"If I did not already

have a large and established fleet of vehicles and had to buy a fleet of vehicles to get into the market I wouldn't be in business," he said.

Value Truck Rental, being a privately owned company with hands-on management, has been able to maintain personalised service and to run a cost-effective operation.

"Our aim has always been to deal with corporate companies and therefore attract large distribution contracts and full maintenance leases," said Mr Gottschalk.

The company has found that there is currently an over-supply of trucks on the market, "which unfortunately has led to unrealistic prices being quoted," said Mr Gottschalk.

"However, the wheel will turn, whereby de-

mand will exceed supply and these prices will be jolted into reality," he added.

Although the country is in a depressed economy, Value Truck Rental has remained on an even keel, and Mr Gottschalk predicts that with foreign investment slowly coming back into the country, "business will expand likewise".

An important trend in the transport industry over the last few years has been "the privatisation of road transport, which has extended the transport business," claims Mr Gottschalk, "together with deregulation it has given the private sector opportunities and helped break-up monopolies".

Even the recession has an upside, believes Mr Gottschalk.

Better transport planning and management has come about as a result of the tighter economy.

"Transport has become a lot more specialised and transport management has become a more important function within most companies," he said.

Value Truck Rental vehicles have Goods All-Class permits and the company has depots in Pretoria, Johannesburg and Durban.

Taxi-war talks end in deadlock

EDWARD MOLOINYANE
Staff Reporter

A MEETING between the warring township taxi associations has ended in deadlock in spite of assurances last week that an end to the bloody feuding was in sight.

The Taxi Co-ordinating Committee (TCCC) and the parties failed to reach agreement yesterday, said Western Cape Black Taxi Association (WCBTA) chairman Mr James Mafuya.

He said the city council-convened meeting was attended by the mayor, Mr Gordon Oliver, his councillors, the Peace Committee, WCBTA, the Lagunya Taxi Association and the TCCC, which "came out in full force" although its members had not attended previous meetings.

The TCCC is said to represent the township residents while the Peace Committee is composed of delegates from the PAC, Azapo, ANC and other political groupings.

At the height of the conflict most members of the TCCC went into hiding and one, Mr Michael Mapongwana, was assassinated.

Mr Mafuya said "major problem areas" still remained and yesterday's meeting "took us back to square one".

The "problem areas" included calls for the disbanding of both taxi associations to pave the way for the formation of a single association.

"Our members feel our name should be left alone and feel the 'T sticker' the TCCC insists should be displayed on taxis is unacceptable because it has caused so much bloodshed."

The "T sticker" is the emblem that the TCCC wants for the amalgamated taxi organisation.

200 aviation applications are held up

ABOUT 200 aspirant airline operators had applied for registration since the domestic aviation industry was deregulated six weeks ago, aviation sources said yesterday.

But not one application for a scheduled or charter service had been approved as the Transport Ministry had not set up a facility to handle the applications.

The prospective airline operators had been told there was an administrative hold-up.

Directorate of Civil Aviation (DCA) chief director Japie Smit yesterday confirmed that applications

would not be considered until a new licensing board had been appointed by Transport Minister Piet Welgemoed.

Smit said he was aware of only one applicant and not 200.

Favouring

All licence applications submitted before the end of June had been processed, but after the introduction of deregulation legislation on July 1, applications had been held up, he said.

In terms of the new Air Service Licensing Act, all applications to begin scheduled or charter flight services have to be presented

LINDENBERG

to and evaluated by a five-member licensing board. The new board will replace the National Transport Commission which, under the old Act, was responsible for granting licences.

Smit denied allegations from sources close to the industry that DCA was "paying lip-service to deregulation" by favouring Trek Airlines and blocking other applicants.

The sources asked not to be identified as they feared that could prejudice their applications.

"We are experiencing an administrative hiccup with the processing of applica-

tions, but we hope to have that resolved within a few days," said Smit.

He added that nothing could be done until Welgemoed had formally appointed the five-man board. Smit said Trek Airlines, Cornair, Link Airways, Safair Freighters and Metavia were all granted their licences in terms of the old legislation.

In another development, Smit confirmed he was awaiting word from the UK's Civil Aviation Authority (CAA) on arranging negotiations for the liberalisation of the bilateral air services agreement between SA and the UK.

This follows the CAA's

decision to grant rights to UK-based discount airline Virgin, which has applied to begin scheduled flights to SA.

In terms of the current agreement, only SAA and British Airways may operate scheduled flights.

"An amendment will first have to be made to this bilateral before we (DCA) can consider granting additional carriers operating licences," said Smit.

DCA would consider the merits of Virgin's application, but would also view them in terms of SA's current international aviation policy.

Smit, who also chairs a steering committee investi-

gating the liberalisation of aviation policy, said a report was being formulated and he hoped to present it to Welgemoed by the end of the year.

He would not comment on the committee's findings reached so far.

COMPANIES

Tollgate Holdings sells off Gants

LINDA ENSOR

CAPE TOWN — Diversified industrial holdings group Tollgate Holdings this week sold its Gants subsidiary for R80m and is presently negotiating with the authorities for the sale of City Tramways, its public transport operation in the Western Cape.

The deciduous fruit processing, meat and vegetable divisions of Gants were sold at roughly equal prices, with Langeberg buying the fruit division and two separate buyers the other divisions.

City Tramways has 1 100 buses valued at R8 000 each, so the sale could bring in an estimated R88m. *31 day 7/8/91*

The Autolease subsidiary has been sold for between R10m-15m reducing the off-balance sheet exposure of Tollgate in a joint finance company with Senbank by R65m, chairman Julian Askin said at Tollgate's agm yesterday.

Askin also announced the group had returned to profitability in the six months to end-June and would be paying a dividend at the year-end. Last year Tollgate lost 119,8c a share on a turnover of R599m.

"Each subsidiary is trading profitably and we will see a turnaround in group profits," said Askin, who together with a consortium of Mervyn Key and Hugo Biermann bought a majority stake in Tollgate last March.

Askin said an announcement would be made in September about the purchase of a distribution and services company in Britain, which would be the first step in the development of the group as an interna-

tional industrial holding company with a considerable offshore base of earnings.

"We intend to build a group with about 50% of its earnings coming from non-rand currencies in about two to three years," Askin said. The first acquisition would be financed with facilities in Britain.

Askin said after City Tramways was removed from the group, hopefully within the next six months, Tollgate would have finished pruning off the loss-making and highly geared businesses and would be ready to launch other projects.

The Empangeni bus operation is also to be sold shortly.

The effect of the disposals will be to reduce gearing considerably. Borrowings at year-end stood at R204m, giving a gearing, excluding convertible debentures, of 215%. This was about half the debt owed when the consortium took over the group.

Askin said borrowings would shortly be reduced to a level required only to cover working capital needs. The year-end should also see a dramatic improvement in the liquidity position.

He said the Swaziland grapefruit and pineapple business had turned around and should be profitable this year.

Other disposals disclosed by Askin in the annual report for the year to end-December were the sale of the Transvaal and Port Elizabeth bus operations which were significant loss makers, as well as Norths and Arwa.

Tollgate in place for overseas expansion

(332) C71/8/91

By AUDREY D'ANGELO
Business Editor

TOLLGATE Holdings expects to announce the acquisition of a British services and distribution company next month — together with good interim results — executive chairman Julian Askin said after the annual general meeting yesterday.

He told journalists that the acquisition would be funded offshore. He was planning more overseas expansion — “I would like to see half the group’s assets overseas” — but would wait to see the first acquisition bedded down before making any further moves.

At the AGM Askin announced that he had sold most of the loss-making Gants operation for a total of R80m, about the same price Tollgate had paid to take out

the minority shareholders.

Tollgate had retained Gants’ Swaziland operation, Swazi Can, which was “fundamentally a good business” with good customers including British supermarket chains Tesco and Sainsbury.

Swazi Can had at one time achieved a profit of R8m. It had broken even this year and “hopefully in the next two or three years it will become worth something.”

The chairman of the Shareholders Association of SA, Issy Goldberg, forecast that Swazi Can could become worth R40m or R50m.

Askin, who has ruthlessly disposed of loss-making companies since taking over Tollgate Holdings last year, said he had not disposed of any quality assets.

Goldberg said he was sorry Askin had not disposed of City Tramways. He suggested that selling the company’s 1 100

buses would reduce Tollgate’s debts “to practically nothing.”

Askin said the buses were conservatively valued at R84m. He was already negotiating with “the authorities” and did not want to say more at this stage for fear of prejudicing the negotiations.

Tollgate was profitable but did not earn a rate of return he found acceptable.

In answer to questions from Goldberg, he said he thought the minibus taxi market had reached saturation point. And the taxi wars were causing people to return to travelling by bus.

Asked by Goldberg whether his consortium would have bought control of Tollgate last year if he had known “what you know now”, Askin replied: “Unequivocally, yes. Each subsidiary is now operating profitably. You will see a turnaround when the interim figures are published.”

Killing of ANC man: Taxi owner in court

LIBBY PEACOCK
Court Reporter Aug 9/89

A WYNBERG court room was packed with ANC members, some sitting on the floor for lack of space, when minibus taxi owner Mr Eric Mahlutshana appeared in connection with the death of ANC activist Mr Michael Mapongwana.

Mr Mahlutshana, 30, yesterday denied any knowledge of the assassination of Mr Michael Mapongwana on July 8 — but said he was scared of people in court.

Wynberg Magistrate's Court magistrate Mr P Engelbrecht postponed the lengthy bail application hearing late yesterday afternoon. He will give his verdict today.

People attending the hearing laughed and had to be silenced when Mr Mahlutshana admitted that he had been found by police hiding in a cupboard in a house in New Crossroads at 3 am on July 30.

Mr Mahlutshana, who testified that he had been a member of the Western Cape Black Taxi Association (WCBTA) since 1982, said he knew nothing about Mr Mapongwana's murder.

He said he was currently awaiting trial on three other matters — illegal possession of petrol bombs, illegal possession of a firearm and attempted murder.

Answering a question put by his defence counsel, Mr G de Kock, he said he was aware of threats that he would be killed should he be let out on bail.

He told the court he would stand trial should he be granted bail.

According to State prosecutor Mr J van Niekerk, three murder charges are currently being investigated against Mr Mahlutshana.

Mr Van Niekerk told the court the charges concerned the killings of Mr Mapongwana and taxi driver Mr Mtini Gebenga, 32 — who was shot dead while driving Mr Mapongwana down Lansdowne Road, Philippi — and the death of Mr Zola Chris Blaai, whose burned body was found dug up by police near Tafelsig, Mitchell's Plain, on July 17.

The site where Mr Blaai's body was found is a gathering place for WCBTA taxi drivers.

Prosecutor: "If you are released on bail today, don't you fear for your life?"

Mr Mahlutshana: "No, but I'm afraid of the people in court today."

Deregulated taxis now demand re-regulation

B1 Day 9/8/91

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THEO RAWANA

THE SA Black Taxi Association (Sabta) is demanding the reintroduction of regulation in the taxi industry — with a taxi control board that would have powers to withdraw permits and impound vehicles.

Sabta marketing MD Jabu Mabuza said yesterday his organisation had warned government that while deregulation could generally be a good thing, it might lead to anarchy if anyone owning a suitable vehicle was automatically given a permit.

Two years ago Sabta also warned that deregulation would lead to an invasion of the black taxi market by whites, which would lead to conflict in the industry.

"We asked government not to deregulate without our input. We asked them to take us on as partners.

"Now what we warned against is happening. Violence is gripping the industry because there are too many permits and very few ranking facilities.

"Only stricter regulation will bring sanity to the taxi industry," Mabuza said.

While local authorities had limited ranking facilities, the Transportation Board was "dishing out" permits and this resulted in cases where 400 taxis fought over 10 parking bays.

"Anyone who received R16 000 on retrenchment from a job could simply buy a vehicle, apply and get a permit without any consideration given to the state of the market," he said.

The way things were at present with

liaison committees existing only in municipal areas, offenders chased away from one area could go and operate in another area "and go on exposing people to danger without any hassles".

"We demand the establishment of a control board and the return of regulation", Mabuza said.

Meanwhile, the Johannesburg City Council took the first step yesterday in a R500m scheme to build six major taxi terminuses when it handed over the Jack Mincer parking garage to taxi organisations Sabta and Saldta.

The 660-bay garage in the Noord Street area was earning the municipality R230 000 a year, but would now be used free of charge by taxi operators until it was developed into a full terminus, said Paul Asherson, head of the council's transport and utilities committee. Building operations were likely to start soon.

Other terminuses, complete with restaurants, shops and toilets, will be built at the corner of Albert and Delvers Streets next to Westgate railway station, under the M2 in Faraday Street, on disused playing fields in Benrose/Denver and in the Karsene garage on the corner of Bree and Sauer Streets.

The project is intended to eliminate 30 "on street" taxi ranks currently being used in the city.

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Taxi killing: Bid for bail

Court Reporter CT 9/8/91

A WEBTA taxi driver arrested in connection with the assassination of civic leader Mr Michael Mapongwana told a Wynberg Regional Court yesterday that he would not fear for his life if released on bail — despite threats from township residents.

Mr Eric Malutshana, 30, of New Crossroads, Guguletu, applied for bail in a packed court, following his arrest last Tuesday in connection with the fatal shooting of Mr

Mapongwana, high-profile chairman of the Western Cape Civic Association, on July 8.

No charges have been put to Mr Malutshana and he has not been asked to plead.

Mr Malutshana admitted yesterday that he faced separate charges in Mitchells Plain Magistrate's Court of attempted murder and possession of petrol bombs.

He said he would return to court and stand trial if granted bail but needed to return to work as a taxi driver "as soon as possi-

ble" to support his family.

Detective-Sergeant Pieter Viljoen, who is investigating the death of Mr Mapongwana in Lansdowne Road a month ago, said he arrested Mr Malutshana hiding in a wardrobe in a house in New Crossroads after a tip-off from an informant.

He said he hoped to make two more arrests in connection with the Mapongwana assassination. He had reason to suspect that Mr Malutshana would flee to Transkei if released on bail.

(332) CT 9/8/91

Sabta demands taxi control board

Own Correspondent

JOHANNESBURG. — The SA Black Taxi Association (Sabta) is demanding the re-introduction of regulation in the taxi industry — with a taxi control board that would have powers to withdraw permits and impound vehicles.

Sabta marketing MD Jabu Mabuza said yesterday his organisation had warned the

government that while deregulation could generally be a good thing, it might lead to anarchy if anyone owning a suitable vehicle was automatically given a permit.

Two years ago Sabta also warned that deregulation would lead to an invasion of the black taxi market by whites, which would lead to conflict in the industry.

"Now what we warned against is happening. Violence is gripping the industry because there are too many permits and very few ranking facilities.

"Only stricter regulation will bring sanity to the taxi industry," Mabuza said.

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Transportation Board was "dishing out" permits and this resulted in cases where 400 taxis fought over 10 parking bays.

Meanwhile, the Johannesburg City Council took the first step yesterday in a R500m scheme to build six major taxi terminuses when it handed over a parking garage to taxi organisations Sabta and Saldta.

Mapongwana: Bail refused

Court Reporter **ARLT**

A MINIBUS taxi owner, arrested in connection with the killing of ANC activist Mr Michael Mapongwana, has been refused bail. (322) 10/8/91

Mr Eric Mahlutshana, 30, a member of the Western Cape Black-Taxi Association (Webta) is also being held in connection with two other deaths.

Taxi-driver Mr Mtini Gebenga, 32, was also killed in the attack on Mr Mapongwana on July 8. The burnt body of Mr Zola Chris Blaai was dug up at a taxi-gathering place for Webta taxi drivers near Tafelsig, Mitchell's Plain on July 17.

Mr Mahlutshana applied for bail in a Wynberg Magistrate's Court room packed with ANC supporters.

Bail refused in Mapongwana case

332 210
CT 10/8/91

Court Reporter

A WEBTA taxi driver arrested in connection with the assassination of civic leader Mr Michael Mapongwana was yesterday refused bail in Wynberg Regional Court on the grounds that he would flee and escape trial.

Regional magistrate Mr P Engelbrecht found that Mr Eric Malutshana, 30, of New Crossroads, owned no assets in South Africa and his bail was to have been paid by Webta. He therefore had "nothing to lose" by fleeing to the Transkei where he owns a minibus taxi.

Mr Engelbrecht said two eye-wit-

nesses who had gone into hiding in the homeland "out of fear", had linked Mr Malutshana with the fatal shooting of high-profile civic leader Mr Mapongwana on July 8. Mr Malutshana was arrested on Tuesday.

He said Mr Malutshana was likely to face three charges of murder in the present matter and faced separate charges of attempted murder, possession of petrol bombs and unlicensed possession of a firearm in Mitchells Plain Regional Court.

The hearing was postponed to August 30 in Wynberg Regional Court.

The prosecutor was Mr J P van Niekerk. Mr G P C De Kock appeared for Mr Malutshana.

Property sales should help stem Putco's losses for 1991

STABLE commuter levels and capital gains from the sale of two properties are expected to stem Putco's losses for the year to June 1991.

The company is expected to announce final results in October.

Earlier this year Putco MD Jack Visser expected full-year losses to be in the region of R16m, but he now expects losses to be substantially less.

Visser said yesterday that unrest had adversely affected results in the first part of the year, but stable commuter patterns had allowed the group to experience growth in some areas.

Another key development for Putco was the completion of the lengthy investigation into the group by the Industrial Development Corporation (IDC). The IDC has been investigating the group since May with a view to buying it.

Visser said the IDC had put forward certain recommendations.

Subsidy cuts from government and competition from minibuses forced Putco to put its routes and assets up for sale in April after a R14m interim loss in the six months to December 1990.

The IDC's motivation for buying Putco is still not clear. The IDC's aim, according to its annual report, is to promote the financing of new industries, especially those in the manufacturing sector.

MARC HASENFUSS

Putco shares have been climbing steadily on the back of a possible IDC buyout and peaked at 300c recently. However, the share dipped to 250c last week amid speculation that the IDC deal had fallen through.

The share recovered to 280c yesterday, which is still at a substantial discount to the estimated net asset value of close to 375c. Putco's assets are valued at more than R100m.

Transport analysts warned that the buyer would face the difficult task of turning around a problematic transport organisation functioning with a relatively old fleet.

Putco's precarious financial position prevents large scale fleet replacement and older buses are cannibalised for spares to keep newer vehicles operational.

RAU Transport lecturer Vaughn Mostert said the eventual buyer would succeed in returning Putco to profitability only if the group's operating philosophy was changed to incorporate a wider regional network and a steady expansion into white markets.

Analysts said that, despite the hefty losses and no clear indications of a buyout, Putco would remain in business for the short term without any radical changes to its structure.

Call to ease burden of bus subsidies

B/day
PRETORIA — The subsidy burden on taxpayers would have to be reduced to a minimum, Department of State Expenditure chief director Piet Rademan said this week.

Addressing a commuter transport convention at the CSIR, he recommended a wider application of the "user pays" principle.

Ever-growing demands for social funding left the exchequer little scope for increases in subsidies or for providing new subsidies, said Rademan.

Some unpopular decisions would have to be taken as government's burden had to be reduced or carried by more shoulders.

"It is clear that increases in the quantum of subsidies cannot simply continue as in the past."

He warned the magnitude of commuter subsidies would have to decline on a national level in line with

the devolution of functions to lower authorities.

Bus subsidies increased from 0,58% to 0,85% of the national budget in 10 years, which amounted to more than 40% of the transport budget.

Cabinet had ruled that responsibility for transport subsidies should be allocated on a localised basis.

Mechanisms and procedures had to be finalised so that regional services councils could start taking over a portion of the subsidy burden from July next year.

Rademan warned, however, that shifting the burden from general taxpayers to local taxpayers did not mean the burden would disappear.

However, another speaker at the convention, SA Bus Operators Association MD Prof J Walters, argued that continued regulation and subsidisation was vital.

Bus subsidies made up

less than 1% of the national budget of R84bn.

In that overall context the subsidy payments were insignificant, but reducing them had resulted in huge fare increases and hardship.

Commuters had little alternative when voicing anger but to boycott services, stone and burn buses, and organise protests.

He warned that the demand for subsidies would increase due to the massive scale of urbanisation and poverty.

GERALD REILLY

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Taxis drive up hopes for peace

VUSI KAMA
Staff Reporter

332
Aug 16/8/91

HOPES of ending the three-month-old bloody taxi war soared as the two factions resumed services in the townships.

Yesterday members of Lagunya Taxi Association operated without incident alongside their rivals, the Western Cape Black Taxi Association (WCBTA), at the Nyanga and Langa taxi ranks.

Lagunya taxis were plying their normal routes and there were indications that ranks closed as a result of the war were to be re-opened.

Before yesterday, only a few WCBTA taxis were operating in the townships.

Commuters filled the Lagunya combi taxis, which had not been operating for months.

In the past three weeks, four people have been shot dead by gunmen randomly opening fire at the Nyanga taxi rank.

Township taxis back to normal again

Staff Reporter

TOWNSHIP taxis seem to be running normally again in spite of peace proposals by the Peace Committee and the Tax-is Crisis Co-ordinating Committee not being implemented.

The plan, devised in May, includes uniting the two feuding organisations, the Western Cape Black Taxi Association and Lagunya.

Yesterday scores of commuters returned to the Nyanga taxi rank.

Since last Friday WCBTA and Lagunya taxis have been operating side by side.

Taxis were running from Langa on the Mowbray, Mutual and Cape Town routes and scores of taxis queued at the Site C rank in Khayelitsha.

Taxis were also operating from Guguletu.

Buses facing evaluation for safety and efficiency

STANDING room only is a thing of the past for the local bus industry.

Changing commuter patterns are forcing local bus manufacturers to re-examine traditional product ranges, and emphasis is being placed on passenger comfort and safety.

Industry sources said the advent of the minibus, high fuel prices and the need for an efficient bus system had turned the bus industry's attention to the 24-seater midibus. They said the midibus was less cumbersome than the traditional 66-seater bus, more fuel efficient and also suited to long- and short-distance routes.

Econometrix's motor industry analyst Tony Twine said that the midibus was primed to assume the role of the traditional 66-seater bus which was being transformed into a dinosaur by economic pressures.

Mercedes-Benz (MBSA) commercial vehicle field operations manager Stan Bromley said there were signs in the market place of a growing demand for the group's Speedliner midibus as a commuter transport vehicle for the future.

The bus industry has shown a downturn in recent years due to the economic slump, and total sales last year

dwindled to 499 units. The total bus industry sales projection for 1991 is a slightly bullish 540 units.

The decline in bus sales is in line with the decline in bus passenger numbers, especially the dramatic drop in black commuter levels.

Bromley said MBSA was "very positive" with regard to future prospects in the bus market across its range.

Dorbyl's bus manufacturing subsidiary Busaf, which has been pursuing export markets to offset the decline in local bus sales, was recently awarded a R10m export order for semi-trailers from a Zairean company.

Dorbyl Transport products MD Rob Duff said Busaf had to reduce and consolidate its range of buses and coaches and provide only quality vehicles.

Medium- to long-term opportunities were also becoming evident north of SA's borders. Further infrastructural development in southern African countries could boost the demand for public transport and provide lucrative business opportunities to SA's bus makers.

Bromley said there had been interest in MBSA's bus products from various African countries.

MARC HASENFUSS

New domestic airline offers hefty discounts

by 21/8/91. LINDEN BIRNS

FLITESTAR, SA's new domestic airline, is to offer discounts of up to 30% on fares at off-peak times, as well as corporate incentive schemes to businesses making frequent use of its flights.

This was announced yesterday by Flitestar MD Jan Blake at the official launch of the airline, which is owned by Trek Airways.

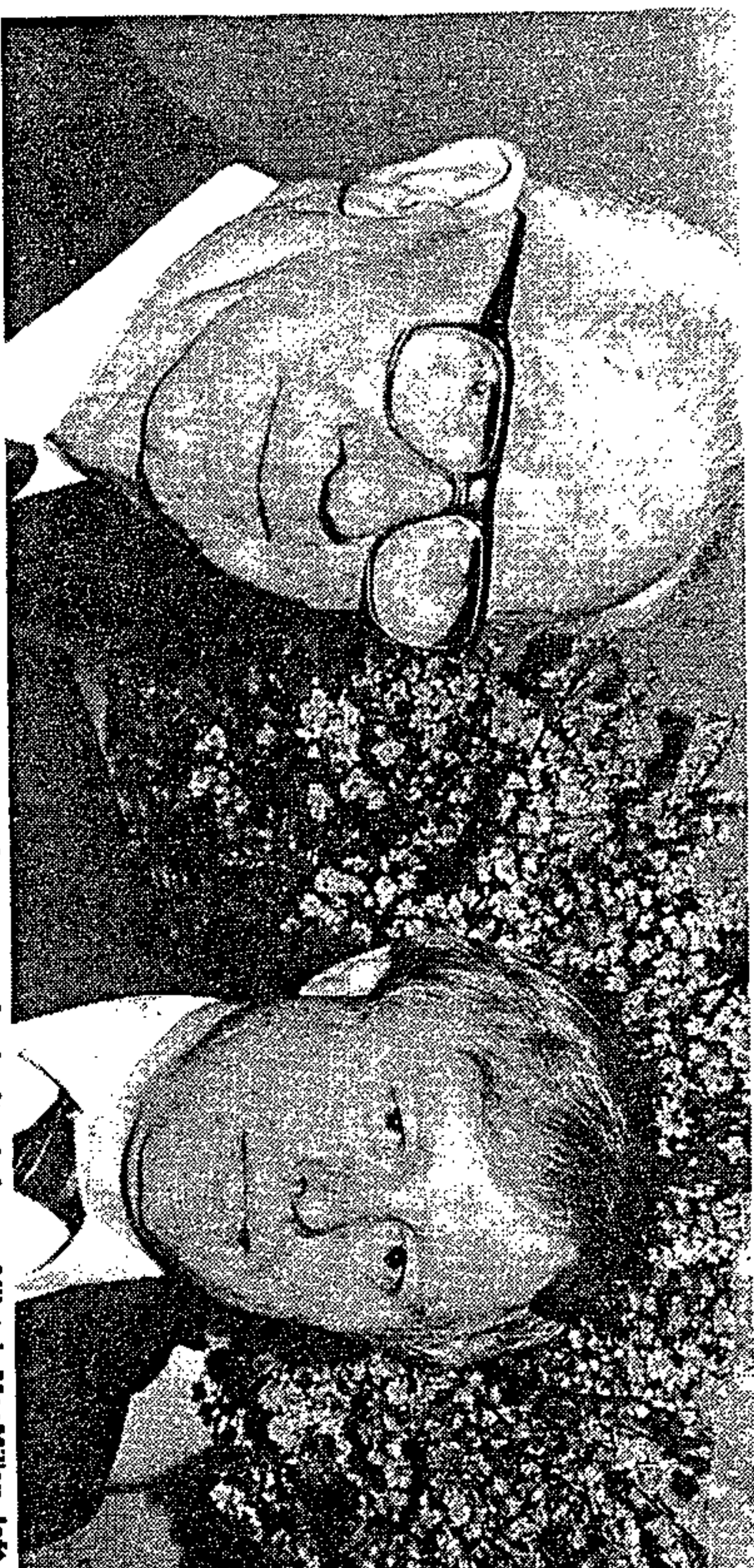
Blake said Flitestar would begin flights on October 16, with two 125-seater Airbus aircraft operating five daily return flights between Johannesburg and Cape Town. From October 30, two daily return flights between Johannesburg and Durban, and one between Johannesburg and Port Elizabeth would be introduced.

Discount fares of 15% will be offered to business class travellers and discounts of between 10% and 30% on economy class tickets during off-peak hours — between 9am and 3pm, and after 6pm. A peak time business class ticket between Johannesburg and Cape Town will be R542, while the discount fare will be R460.

The airline's 36 pilots are being trained at the British Caledonian (a British Airways subsidiary) flight training centre at Crawley in the UK, although British Airways instructor pilots and SAA's Airbus A320 simulator will be used for refresher courses.

SAA's check-in facilities will be utilised temporarily until Flitestar acquires its own counters at Jan Smuts, Louis Botha, D F Malan and H F Verwoerd airports.

SAA CE Gert van der Veer said the entry of Flitestar into an already depressed market posed a definite threat to SAA, but that it would force SAA to sharpen its performance and service. He warned that the public may have to pay for the improvements. "You don't get anything for nothing," he remarked.



Flitestar, SA's new domestic airline, was launched in Johannesburg yesterday by its chairman Allistair MacMillan, left, and MD Jan Blake.

Picture: ROBERT BOTHA

Tollgate gearing up for UK acquisition?

Business Staff

(332) AUG 21/8/91

IN what could be a prelude to the announcement of an offshore acquisition, Tollgate Holdings has warned shareholders to exercise caution in share dealings.

Earlier this month chairman Julian Askin confirmed the finishing touches were being put to the acquisition of a UK-based services and distribution company.

Today's cautionary notice indicates a further announcement will be made mid-September.

Mr Askin was not available for comment today but he has previously stated it is his intention to have half the group's assets offshore.

The UK acquisition will not involve the export of money from this country and will be funded overseas.

Mr Askin has also stated negotiations were advanced for the disposal of City Tramways which he said did not offer a satisfactory return on capital invested.

The sale of the transport arm would virtually wipe out the group's debt burden.

Tollgate's interim results for the six months to June are expected early next month and these are likely to reflect a healthy turnaround putting the group firmly back in the black.

This turnaround has been achieved by a relentless disposal of loss-making and under-performing assets.

Fuel-price hike angers blacks

BLACK organisations have expressed anger at the Government's decision to increase the price of petrol by 13c today.

The Southern Africa Black Taxi Association, the National Federated Transport Organisation and the National Black Consumer Union, said the price hike was particularly unwelcome as VAT was going to hit blacks hard.

Sabta's marketing manager said in order to meet the demands of the two vicious decisions, the taxi industry would seriously have to look into a fare increase. Nafco's president said the increase was regrettable in

By JOSHUA RABOROKO

that it came at a time when the Government was about to introduce a new tax system.

NBCU's spokesman said representations would have to be made to the Government about the hikes.

Distribution costs

A spokesman for the Soweto Motorist Protection Club said it was a camouflage that was intended to take away much from the poor.

He said to regard cars as luxury items was the height

of hypocrisy - cars were a necessity.

The managing director of OK Bazaars, Mr Gordon Hood, expressed concern that the fuel increase would lead to higher transport and distribution costs.

"We appeal to suppliers to absorb these additional costs which are inflationary and, if placed on the consumer, could negate the positive impact of the reduction of VAT."

Pick 'n Pay's chief executive, Mr Raymond Ackerman, said the majority of service stations owned by his company would remain open until midnight so consumers could fill up.

She was addressing a by the International

Estimates drawn up

Grincor keeps head above water

Finance Staff

(332)

Shipping and transport group Grindrod Unicorn (Grincor) showed a modest seven percent rise in attributable earnings to R6,35 million (R5,94 million) in the first half of the year.

Chairman Murray

Grindrod says recessionary conditions will lead to a drop in full-year earnings below the 73,3c per share achieved in financial 1990.

In the interim period turnover rose 14 percent to R259,6 million (R228,16 million), while

the interim dividend has been maintained at 10c a share.

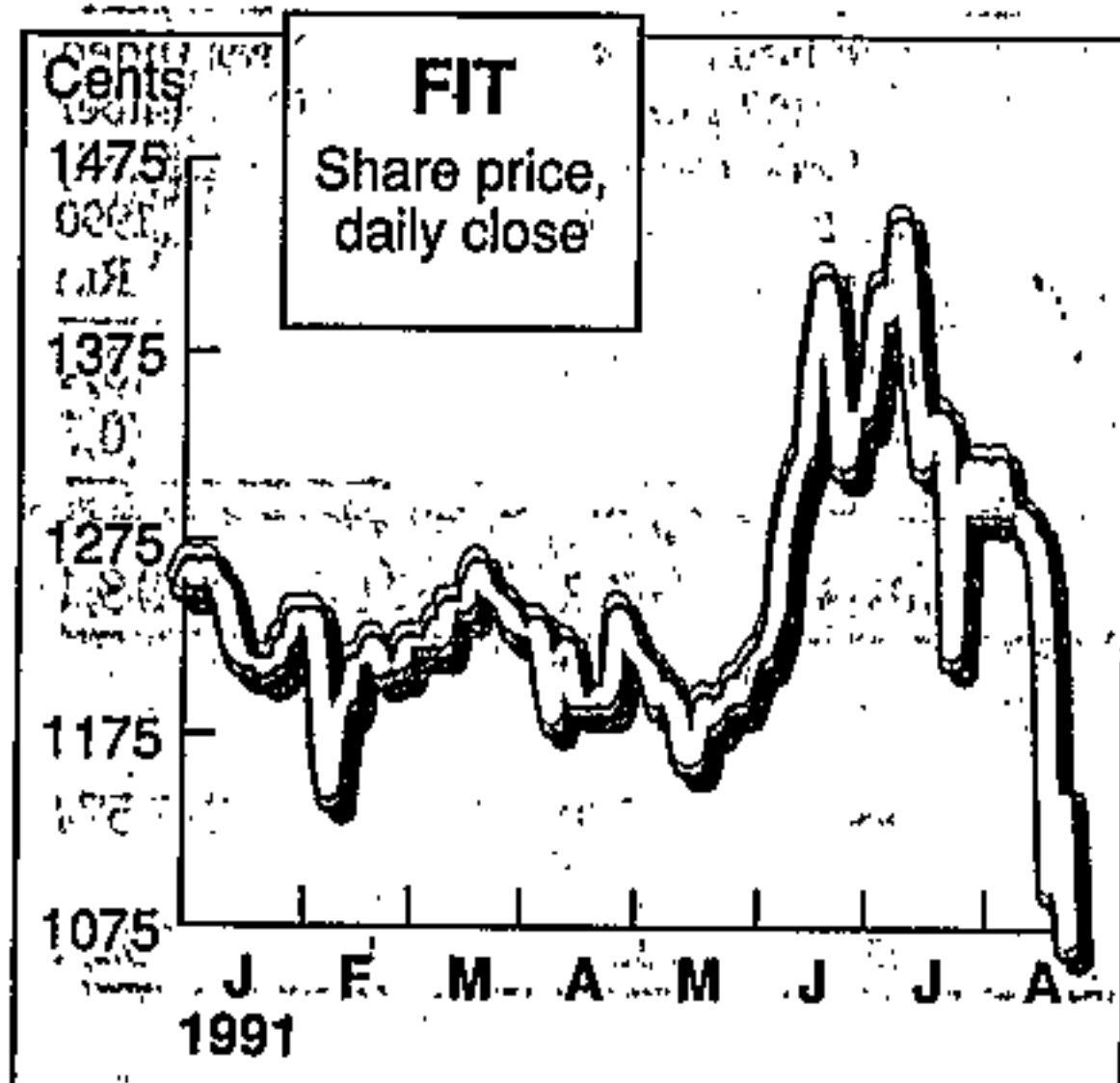
Mr Grindrod says that the group has made major acquisitions over the period, totalling R28 million, which should substantially expand its international op-

erations, but which pushed up interest-bearing debt from R90,8 million to R132,7 million.

The acquisitions include an 80 percent interest in a European container shipping line and forward payments on two ships, due for delivery in 1993.

FIT comes to market for R375m

LIZ ROUSE



Graphic: FIONA KRISCH Source: I-NET

LIBERTY's offshore arm, First International Trust (FIT), is planning a R375m rights issue to repay debt, to strengthen its balance sheet and in expectation of a recovery in Britain's beleaguered property market.

At the same time, property developer Capital & Counties is to raise £102m to finance new developments.

Capital & Counties is 73.5% owned by TransAtlantic, which is 53% owned by FIT. FIT's earnings slipped slightly to 19c a share in the six months to June (20.3c at the 1990 half-year). Although the company has maintained its interim dividend at 7c, it is

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FIT

Blay
23/8/91

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not cheerful about profit prospects in the near term.

Nonetheless, the board believes it is time to prepare for a lift in the UK property market.

FIT's proposed rights offer will be on the basis of 30-for-100 at a price of 900c a share. The cash raised will be used in part to repay Liberty Life's share of the £52.5m FIT borrowed in May to acquire 15-million TransAtlantic shares from Richemont.

Apart from improving FIT's debt-equity ratio, the issue will also provide a limited amount of additional working capital.

Liberty Life, which owns 42.4% of FIT and controls 50.3% of the voting rights, will subscribe for its entitlement in the FIT rights issue. Liberty will underwrite the rights issue, free of consideration.

TransAtlantic (which has preserved its liquidity position and has a 27.7% holding in a growing Sun Life) will take up its entitlement, amounting to £77m in the 30-for-100 Capital & Counties rights issue. It will also underwrite, without underwriting commission, the balance of this issue.

The board believes that the exceptional

location and quality of the Thurrock, Bromley and Watford shopping centres, endorsed by their anchor stores, will ensure their long-term success.

But with UK retailers under pressure, the resulting reduction and deferral of income from the three centres will adversely affect the profitability of the group not only in the second half of 1991, but more particularly in 1992 and possibly beyond.

FIT's directors expect the profitability of the company in the second half of 1991 is likely to be modest because of the UK's economic problems.

FIT's drop in attributable profits to R26.3m (R28.2m) in the six months to June was due to higher interest and tax charges as pre-interest and pre-tax profit was static at R56.4m. The company's interest in TransAtlantic has not been consolidated at this stage.

These results and the board's warning of lower profits in the offing could depress the share price. The counter fell 75c (6.5%) yesterday to a year's low of R10.75.

● See Page 8

Putco makes last-ditch attempt to stay alive

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B Day 23/8/91

MARC HASENFUSS

TROUBLED bus group Putco is to make all its bus routes available for tender in a last-ditch attempt to stay in business.

Putco directors said in a statement yesterday that the proposed sale of Putco's six strategic business units was abandoned because of the risk of further operating losses and disruption of services through time-consuming negotiations.

After discussions with the Department of Transport, the Industrial Development Corporation and trade unions, Putco decided the closure of its operations would not be in the interest of shareholders, employees, commuters or government.

Directors said that, in agreement with the Department of Transport, the group's bus services would be available for tender during the next two years.

Putco's announcement is in line with the White Paper on National Transport Policy which recommends that bus services be placed out on tender.

Tenders would operate on the basis that the successful tenderer would collect fares from passengers and be paid a compensation by the department based on the ten-

dered price, Putco directors said.

Transport analyst Paul Browning said the government had successfully called Putco's bluff.

"The company hoped that its threat to withdraw services by the end of the year would force a buy-out by one or other arm of the government." This did not happen and the effect of Putco's announcement was that it would continue to operate services for at least the next two years.

Putco had indicated earlier this year that if a buyer was not found, the group would be forced to close down.

Browning said Putco would make tender bids for the services it currently operated, but it obviously risked losing at least some routes. Tenders are due to be opened today at the department's offices in Pretoria.

Putco's share was untraded at 290c yesterday, just below its 300c peak. Spectacular gains in the share price have been fuelled by rumours of buy-outs by SABTA and, more recently, the IDC.

Fuel hike shocks transporters

6/10/91 23/9/91
GERALD KELLY

PRETORIA — The steep rise in fuel prices from today will dump the bus and taxi commuter industries into a crisis unless government agrees to raise subsidies substantially, say industry spokesmen.

Southern African Bus Operators Association manager Eric Cornelius said yesterday there was no way the bus industry could absorb the 8% increase in the price of diesel.

Many companies had recently raised their fares and if a further hike was to be imposed there would be an angry reaction and possible protest action from bus users.

Most companies were

working on thin margins and only a handful would survive without increased subsidies.

Finance Minister Barend du Plessis had referred vaguely to appropriate subsidy adjustments. However, he should urgently spell out in detail what he meant.

Meanwhile, SA Black Taxi Association (Sabta) adviser James Chapman said the taxi industry used about 8-billion litres of petrol a year.

The 13c/l increase would add tens of millions of rands to costs, and inevitably the entire increase

would be passed on to commuters.

"We are devastated by the increase."

"There is already grave discontent because of the level of bus and taxi fares and this new fuel price hike will aggravate an already worrying situation," Chapman added.

DP transport spokesman Wessel Nel said yesterday the added burden to the motorist, without any compensation, was "totally unacceptable".

CP commerce and industry spokesman Daan Nolte said yesterday Du Plessis's statement was a capitulation in the face of ANC pressure.

Putco reverses sale decision

JOHANNESBURG. — Putco Limited has called off the sale or closure of its operational activities following intense negotiations with the Department of Transport, staff and trade unions culminating in financial commitments to secure employment — and offering its services to tender.

The latest decision reverses an earlier statement to shareholders on April 25. (332) CT 23/8/91

Putco said it had agreed with the Department of Transport to make its bus services available for tender over the next two years. — Sapa

Putco turn-about on sale of operations

Star 23/8/91

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Putco Limited has called off the sale or closure of its operational activities following intense negotiations with the Department of Transport, staff and trade unions, culminating in financial commitments to secure employment — and offering its services to tender.

The company said it had been decided that the closure of its operations would not be in the interest of the shareholders; employees; the communities requiring public transport; nor

central Government, whose concern was the retention of essential bus services.

The decision reverses an earlier statement on April 25.

The company said the sale of its six strategic business enterprises had been considered. However, due to the time it would take to conclude individual negotiations in this regard, added to the risk of further operational losses and disruptions to services, the plan had been scrapped. — Sapa.

Flitestar in black a year after lift-off

By DAVID CARTE

FLITESTAR, SA's new domestic airline, hopes to break even in its second year.

Managing director Jan Blake says losses are inevitable in the first year.

"We are incurring personnel and other expenses. Without disclosing any figures, we are budgeting to be in the red. But we'll break even in year two.

"We should be comfortably profitable by year three, but the airline will never be a gold mine."

Mr Blake's projections are based on a stable rand and unchanged fuel prices. Operations start on October 16.

Airbus

The four Airbus A320 aircraft have been leased on attractive terms, which include much of the cost of training crews.

Mr Blake will not be drawn on the terms of the lease, but Airbus's "sticker price" is \$40-million, suggesting a capital value of at least R450-million for the four aircraft. Spares are likely to lift assets employed to nearly R500-million.

Flitestar's normal peak-period fares will be much the same as those of SAA. But Mr Blake says the four Airbuses will be more spacious and comfortable than those of his rival. His aircraft will have 125 seats instead of the maximum 170 for the Airbus 320.

They will offer more business-class seats.

Discounts of up to 30% will be offered on off-peak flights between 09h15 and 15h30.

The Airbuses will burn 10% less fuel than SAA's "old-technology" Boeing 737s. Flitestar hopes that by avoiding small centres with low volumes it will be able to avoid the losses reported recently by SAA.

Two aircraft arrive on October 12. Initially Flitestar will employ 200. When all four aircraft and all the company's regional offices are open, employee numbers will rise to 350.

The airline, known formerly as Trek, is owned by Safren (37.5%), Rentmeester (47%), and Muelkin (16%), a company owned by the De Meulenaere family of Pretoria.

Safren is the blue-chip partner and the only one likely to be able to come up with enough equity to bring aircraft on the balance sheet. It is thought likely to insist on control.

Interesting times for the freight shipping market

THE freight market has been going through one of its more interesting times recently, Afromar reports.

Events in the Soviet Union caused some confusion, albeit for a short while. The first reaction seemed to be that with the US withdrawing credit, shipment of grain to the Soviet Union was suspended. This brought out a bearish view of the market which had seen grain shipments as a major leader.

However perceptions changed with the reversal of the coup and optimism crept back, although the very early positions are still weaker and there is a good supply of tonnage available in most areas.

In the SA market early positions are still lacking strength, however the general feeling seems to be that there is potential for an upward movement.

In the coal sector owners seem prepared for discount rates for early positions, but feel rates will move up during the northern hemisphere autumn.

Another pointer to firmer conditions is the fact that a number of charterers have been looking to take the larger vessels of panamax size on timecharter for periods of 12 to 24 months, which supports the view of a firmer market over the next year.

Meanwhile the rate for a cape-sized vessel from Richards Bay to Rotterdam is just under \$9 and for a panamax vessel around \$10,50.

There has been some activity for handy-sized cargoes out of SA to Turkey with slightly easier rates of about \$15/\$15,75 depending on rate of discharge.

Handy-sized rates have stayed fairly steady although there has been more interest this week, especially for timecharter trips to the Far East.

Putco loses Mamelodi route to Newtra

BOPHUTHATSWANA Transport Holdings (BTH) subsidiary Newtra is set to take over Putco's Mamelodi bus services, say industry sources.

BTH outbid Putco and the East Rand Touring Company at the Transport Department's offices where tenders for Putco's bus routes were opened on Friday.

Putco announced last week that, in agreement with the department, its bus services would be available for tender over the next two years.

A BTH spokesman confirmed that a bid had been made for the Pretoria township's route but said it could take up to a month to finalise the deal.

MARC HASENFUSS

The total tender amounts to R14,2m for four years and, according to industry estimates, each passenger would be subsidised by a hefty R1 000 a year or R20 a week.

A source said: "Government will be committed to paying this amount — adjusted upward for inflation — even if the number of passengers continues to fall. The subsidy per passenger could therefore easily double."

Department spokesmen were not available for comment yesterday.

□ To Page 2

Putco

Government has indicated that bus subsidies would not be increased and that responsibility for the subsidies would be shifted from central government to the regional services councils.

The cutting of subsidies has left bus groups unable to profit from dwindling passenger numbers in adverse economic conditions. Putco recently increased bus fares by 18% which led to boycott threats.

The SA Black Taxi Association (Sabta) dismissed the complex tender system as favouring the established bus companies.

Joint MD Jabu Mabuza said recently that established bus companies had lawyers, accountants and operations experts acquired with the support of government subsidy. A typical taxi association could not compete for one of these contracts unless the playing field was levelled.

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Patchwork is a very interesting and fascinating hobby,

Increased rail tariffs unlikely to boost road transport analysts

B1 Day 27/8/91

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MARC HASENFUSS

INCREASED trade with the rest of Africa and recent rail tariff hikes will give the struggling road transport sector additional business, but the recession will still keep the brakes on real growth, analysts say.

Investors seem indecisive about the potential of listed transport groups.

Analysts said investor interest in this sector was premature as recessionary conditions would continue to slow transport activity for the next nine to 12 months.

Cargo Carriers peaked at 270c a year ago, but slumped to 150c in March after poor year-end results. The share recovered to 190c in April, dropped to 160c, then made a dramatic recovery to 240c in May.

The share is now holding steady at 200c and analysts attribute its recovery to a better performance in the current year after the group won major contracts.

In the year to end-February 1991, Cargo slipped into the red after having to delay closure of two loss-making businesses because of contractual commitments.

Laser was at a 200c high in September but crashed to 100c in June. The share made small gains on the news of expansion into Africa, the opening of a European office in Rotterdam and the winning of the Foden truck franchise.

Poor interim results pushed the share price back to its low and it currently stands at 110c.

Analysts said Laser was largely dependent on emigration and immigration levels and that any significant turn in SA's delicate political situation could mean increased business levels for the group.

Tightly held Unitrans has climbed steadily on the back of satisfactory results and on Murray & Roberts taking a substantial stake in the group after British holding company BET relinquished its share-

holding.

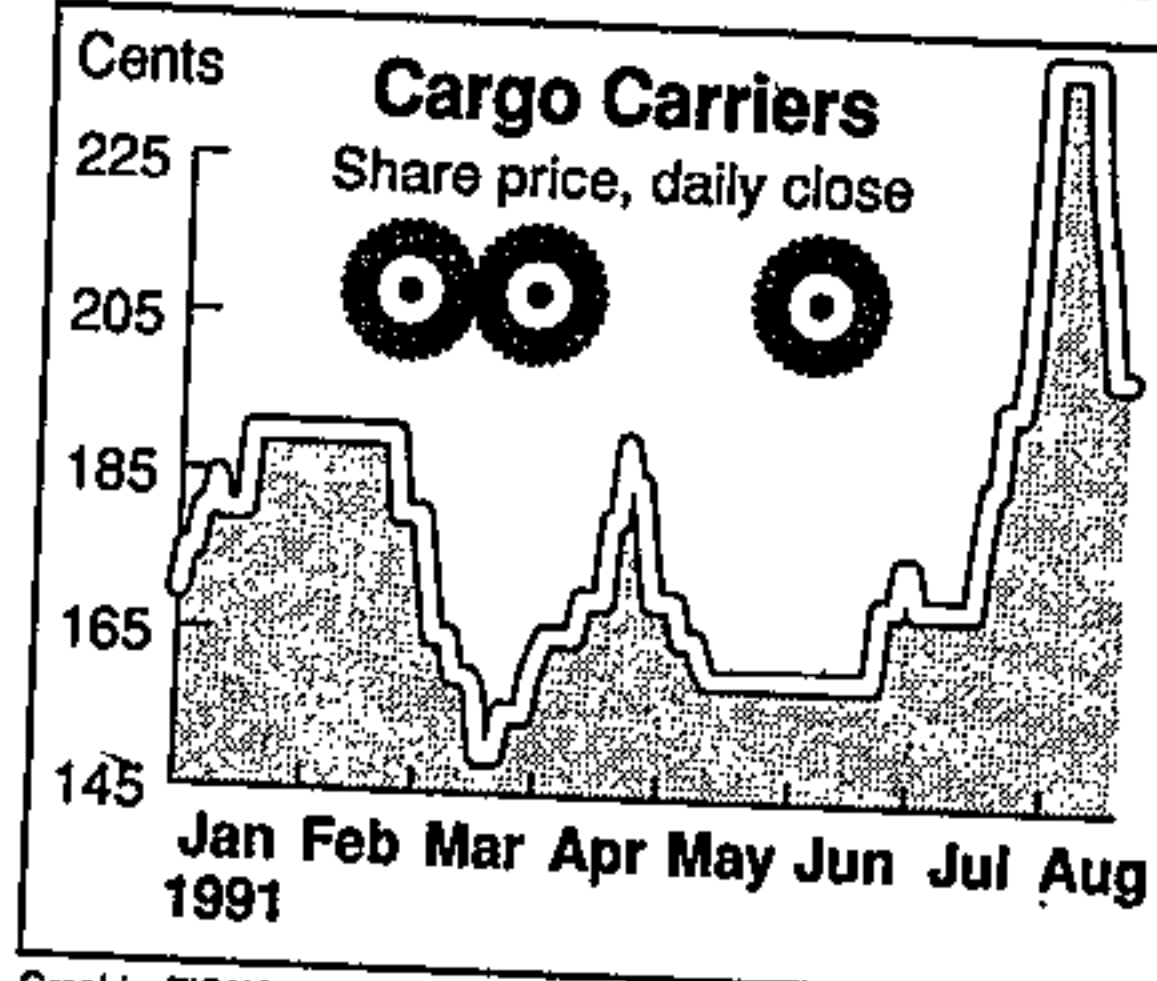
Market expectations are that the group will resume its strong growth under stable economic conditions and also benefit from its routes into Africa.

Analysts said the recent 50% increase in rail tariffs could have triggered off small price gains, with investors expecting to see additional business flow to road freight groups.

Industry sources said that while Spoor-net's tariff increase could prompt some businesses to use road transport again, rail tariffs for bulk containers were still competitively placed against road transport rates.

Analysts warned that ventures into countries north of SA's borders should be viewed cautiously. There was potential for growth in the African sub-continent, but the damage to operating margins through excessive start-up costs, increased vehicle maintenance due to underdeveloped infrastructure, political instability and theft outweighed the potential gains in turnover.

The transport index at 18 613 has almost doubled since last year. The index has been dominated by strong performing Trencor, which has interests in tyres, containers and trailers and no longer represents a core transport group.



Graphic: FIONA KRISCH Source: I-NET

Five injured in fresh taxi feud

FIVE taxi drivers were injured and at least 25 minibuses damaged when fresh fighting erupted between two rival taxi associations in Springs yesterday.

Mr Simon Mokotong, vice-secretary of the Springs Taxi Association, said all the injured were members of his organisation.

A police spokesman for the Witwatersrand, Captain Pieter van Deventer, confirmed there was "trouble at the Springs taxi rank".

He, however, gave the number of damaged minibuses as 10. Damage was estimated at R20 000.

Many commuters were reported to have been stranded in Springs last night as a result of the fighting.

Mokotong said STA members

By NKOPANE MAKOBANE
and Sapa

had decided not to operate because they feared for their lives.

The conflict is said to be between members of the STA and Sinamuwa, a long-distance taxi organisation.

Police say the taxi dispute appears to be escalating.

Shots were fired at a taxi by unknown attackers at 6.35am, police said.

On August 14 the Springs Town Council closed a section of the taxi rank which was intended solely for the use of buses - but had been occupied by Sinamuwa operators.

The council impounded 94 taxis belonging to Sinamuwa members.

Last Thursday Sinamuwa ob-

tained a temporary court order that the impounded minibuses be returned to it.

On Friday at 5am, near the Springs railway station, a group fired shots from Sinamuwa taxis on STA minibuses.

At 9am the same day, STA operators from the taxi rank claimed Sinamuwa members were "stealing" their passengers.

At 10am about 30 STA members armed with handguns and pieces of iron attacked their rivals' vehicles at the rank, breaking the windows of about 24 taxis and damaging the bodywork.

Damage caused to the vehicles was estimated at R65 000.

Police, members of the South African Defence Force and traffic officers moved in to separate the groups.

Exports boost Trencor's profit above R100-m level

Finance Staff

Buoyed by a successful year in exports and overseas operations, Trencor has maintained its growth record with a 29 percent increase in earnings to 735c (572c) a share for the 12 months to June 30.

The advance in earnings was achieved on a six percent rise in turnover to R829 million (R784,6 million) by the group's interests in manufacturing trailers, tankers and containers, and in transport, trading, exporting and tyres.

Income after taxation was 25 percent better at R109,6 million (R87,7 million). Attributable income totalled R105,2 million (R81,8 million) after outside shareholders' interest of R4,5 million (R5,9 million).

This is the first time Trencor's attributable income has exceeded R100 million. The year's performance means compound growth in earnings

since 1984 has been 40 percent.

A final dividend of 125c (100c) a share brought the total payout for the year to 160c (130c).

Executive chairman Neil Jowell says domestic operations performed satisfactorily in the recession, although in some cases they did not fare as well as in 1990.

"By contrast, our overseas operations and exports have had a successful year's trading and

have again made a significant and increased contribution to group earnings."

Mr Jowell says turnover for the year is not comparable with 1990 because of the significant change in the mix of manufacturing and retail trading arising from the merger of Tycon (previously Goodyear) and Tredcor to form Contred.

He adds that, as forecast, conditions in the international container market are tightening.

Sabta 'will hit back' at Putco

11/06/2018 11:33
THEO RAWANA 332

TAXI organisation Sabta has vowed to grab a greater share of the passenger transport market in retaliation for the Putco bus company's decision to abandon the sale of six of its business units.

Putco said last week it had decided, after discussions with the Department of Transport, the Industrial Development Corporation and trade unions, that the proposed closure of its operations would not be in the interests of shareholders, employees, commuters and government.

The 55 000-member Sabta was reported in June to have set up a committee to investigate the viability of buying Putco.

The bus company said, that, in agreement with the Department of Transport, its bus services would instead be put out to tender.

Sabta public affairs director Mike Ntlatleng said in a statement yesterday the agreement between Putco and government was "an attempt to retain the status quo for as long as possible".

Ntlatleng said that earlier this year Sabta had held back on negotiations which might have led to the taxi industry becoming involved in Putco's existing bus operations, at the request of the Transport Ministry.

He said the effect of putting Putco services out to tender would be that "public funds ... will be used for the support of bus services which the majority of commuters have shown they do not want".

Concern at overloading

MARC HASENFUSS

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INDUSTRY is showing scant regard for taxpayers' money and safety by illegally overloading road transport vehicles, Tolcon CE Ron McLennan said yesterday.

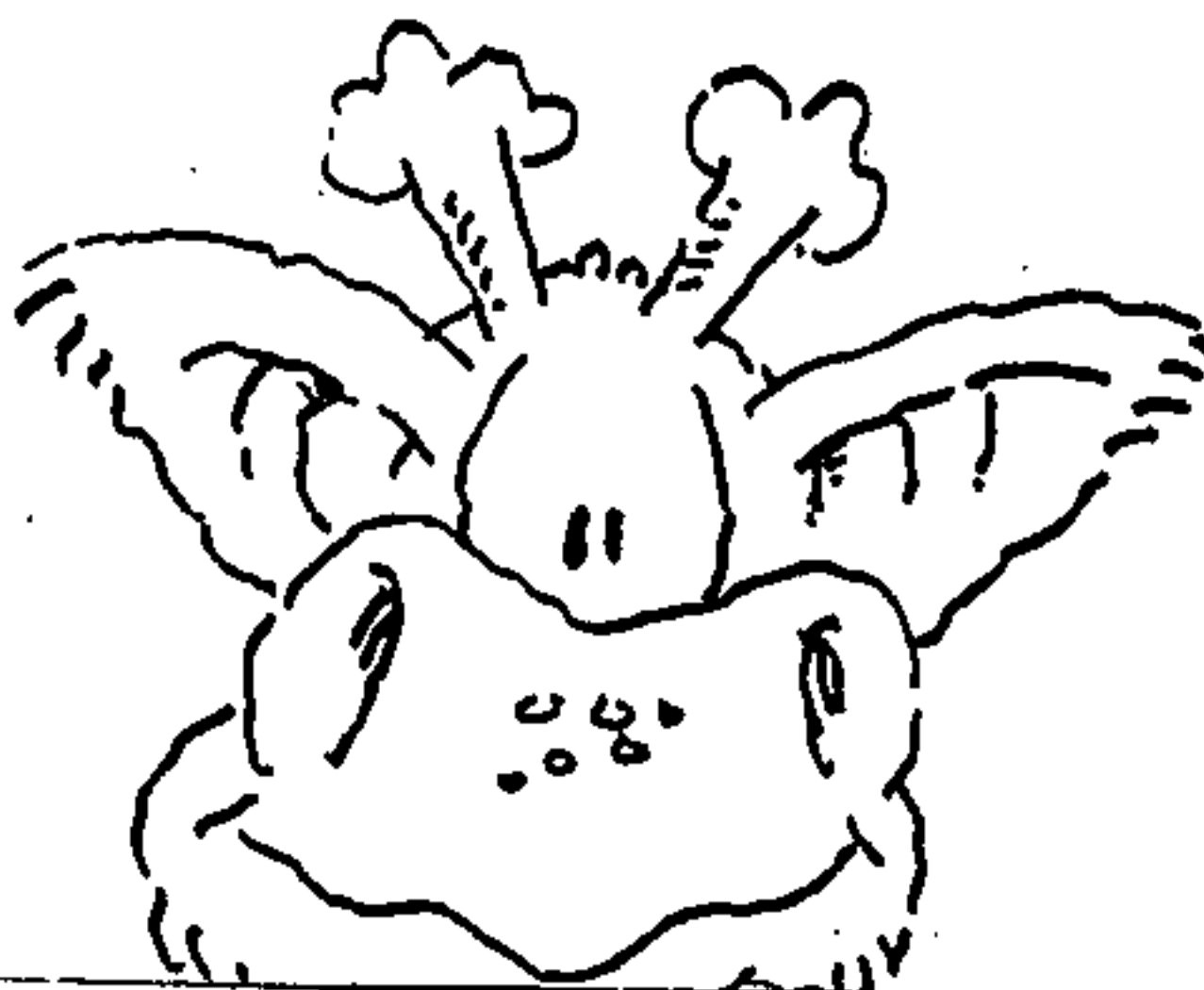
"Overloaded vehicles are not only the single biggest cause of damage to roads, but are also a major safety threat," he said.

CSIR estimates show that overloading causes damage valued at more than R250m a year to SA's roads.

A transport industry source said while industry was not solely responsible for overloading, it could help restrict the practice by using in-house training.

McLennan said a heavily overloaded truck caused the same wear to a road surface as 75 000 light vehicles each carrying four passengers and luggage.

Stretch
your business
options in
Africa.



Picking off the plums

With the Industrial Development Corp and other potential buyers bowing out of the picture, Putco is putting all of its bus routes up for tender and will no doubt tender for the most profitable ones itself.

The Department of Transport (DoT) is overseeing the tendering process and there will be nothing to stop anyone or any organisation with enough capital to buy and operate a vehicle from tendering for a route. Most of Putco's routes are subsidised, so DoT will be looking to cut its cost by awarding the routes to the lowest tenders. The tenders will be based on the estimated cost of operating the route plus the profit the operator wants to make.

This latest development will allow black taxi owners to take over Putco routes, and DoT says it is eager to support those who band together to tender. And the SA Bus Operators' Association says it's prepared to help them put together tenders.

But Jabu Mabuza, CE of the Southern African Black Taxi Association (Sabta), says the organisation is looking at Putco on an all-or-nothing basis. He says he was not aware of Putco's routes coming up for tender, nor is he enthusiastic about the potential that this holds for black taxi operators.

"My reaction would be cynical and negative," Mabuza says. "Sabta is much more organised and would be in a much better position to tender than our members, who lack the skills. They will need help. Bus companies that have bookkeepers and skills acquired through subsidies will have an advantage over them."

DoT takes the opposite view. "We want to draw up contracts for each region and then put the contracts out to tender," says deputy director-general Malcolm Mitchell. "We would like the regional services councils to take responsibility for mass passenger transport. But we also would like groups of black taxi operators to band to-

gether and tender for routes.

"There's nothing to stop them from forming groups and operating small bus companies. It is being done very successfully by groups of Indians. We are trying to act as a facilitator. It's an obvious route for blacks who want to break into big business."

Jackie Walters, executive director of the bus operators' association, isn't surprised there were no bidders for Putco in its entirety. Who, he asks, would be interested in buying a company whose assets are used for only three to four hours a day?

Like Mitchell, he believes black entrepreneurs should tender for Putco's routes. "We'll help taxi owners cost their services and prepare their tenders and tell them how to lodge them," Walters says. "Anyone can tender. There are no limitations, except the imaginations of the people tendering. There is nothing to say they have to use 100-seat buses. They can use mini-buses, midi-buses or even luxury buses, if that's what they think is needed for a route."

He urges black taxi owners to get good advice before they tender. He says they could be misled by reports that suggest subsidies will remain constant even if patronage drops off; in other words, that the subsidy per passenger will double if the number of passengers carried halves.

"That's not so," Walters says. "The contracts are flexible."

FM 30/8/91

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TRENCOR FM 30/8/91

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Beating forecasts

19/18

At a time when both the national economy and world trade have softened, it could be expected that a local organisation with a foot in both camps would report a fall-off in demand and profit growth. Not so Trenchor. Once again, chairman Neil Jowell has demonstrated his operation's resilience and ability to turn adversity to advantage.

In the past 11 years, despite a hiccup in 1983 when EPS fell to 52c from the previous 74c, EPS has grown by a remarkable compound rate of 64,9% a year. Over the past seven years, from a much larger base, the figure is reduced to 39%. But it would have been too much to expect that this could be maintained in the current environment.

Traditionally conservative, at half-time Jowell indicated that earnings growth would top inflation by about 5%, to amount to 20% (Fox February 22). Hence 28,5% EPS growth shown in preliminary results for the year ended June 30, from after-tax earnings above R100m for the first time, outstrips even the most optimistic analysts' forecasts, ranged between 20%-23%.

Turnover grew by just 5,6% because of a change in sales mix after Treadcor's tyre interests were merged with Goodyear to form Contread.

Jowell says 1991 was again highly successful for both the locally based container export operation and foreign trading enterprises. With the dollar/rand ratio more or less steady for most of the year, little contribution came from a declining currency.

As usual, Jowell won't disclose the nature of foreign-based operations, but is more forthcoming about local trade. Transport, which now accounts for under 10% of pre-tax income, improved only marginally. Growth did not keep pace with inflation. Nor for that matter did the motor trade division, which nevertheless is still profitable, says Jowell. On the tyre side, he says, pre-tax income in rand terms was similar to the previous year.

Evidently, the profit contribution from domestic activities, static in rand terms, is declining in percentage terms, while that from foreign operations more than compensates. Jowell also reports that the balance sheet (not yet published) indicates that the company is more liquid but with no dramatic year-on-year differences.

For the year ahead Jowell expects that operating profits from foreign operations will continue to improve and that a weakening rand will help this trend. He sees the contribution of domestic operations falling until the economy recovers.

A final dividend of 125c (100c) brings the

total for the year to 160c and places the share on an historical yield of 1,9% at a price of R84. The p/e ratio falls to 11,4 from 13,6 before the results were released.

Some commentators feel the market is overpriced; that, at best, it will tread water for some time, but is more likely to weaken. But with Trenchor continuing to produce results as it has for so long, it is difficult to see many shareholders selling if they are long-term investors, especially since a p/e under 12 is not high for a counter of this quality.

Unless unforeseen matters change growth prospects materially, Trenchor must remain one of the most attractive investments on the market. Any weakness in share price should thus be used as a buying opportunity.

Mobile, which holds 48% of Trenchor and 74% of Mobile Acceptances, has declared EPS of 180,8c (141,3c). A final dividend of 32,4c (26c) brings the total for the year to 40,6c (33c).

Gerald Hirshon

set to continue.

In financial 1991, turnover rose 15,2% and an improvement in the operating margin saw trading income jump by a third. These gains reflect the better performance of transportation contract carrier, Hendlers.

MD Allan Jacobson says the costly additions to Hendlers fleet over the past two years were directly related to additional contracts and resulted in the higher turnover. A reduction in the age of the fleet is not a primary aim, since he believes running costs can be controlled with an effective maintenance programme. Cost control, the rationalisation of the household removal division and improved fleet usage all helped in boosting margins.

This lifted Hendlers' share of group operating income to 81% (63%), while a static turnover performance and cost pressures at Diesel City caused its contribution to fall to 19% (37%).

Jacobson says deregulation of the transport industry has been, and will continue to be, of benefit to Hendlers. Competition is fierce, but service is now a major determinant of success and this is the company's strong point.

The run-up in debt and interest resulting from capex on new vehicles levelled off. With a healthier cash flow and the effect of increasing dividend cover to 3,8 in financial 1990, interest-bearing debt fell to R9,8m (R13,8m) and gearing met the group's target of less than 0,50.

However, the interest bill has yet to reflect Racy's improving liquidity, and the R2,3m interest charge limited earnings and dividend growth to 25%. Jacobson expects borrowings and interest charges to fall again this year, despite planned capex of about R2,1m.

Both the performance of Hendlers and Diesel City are closely tied to general economic activity — their customers are not concentrated in any particular industry and no customer is responsible for more than a tenth of turnover. Jacobson admits trading conditions are tight, especially at Diesel City, but he says the group's budgets have not been changed. These reflect a 15% turnover rise, a further improvement in the operating margin — moving towards a target of 18% — and earnings growth ahead of inflation.

Where deregulation of the transport industry has left other transport operators struggling, Racy has benefited. If it can maintain this edge and limit its interest burden, a market price closer to its NAV seems likely.

Pam Baskind

RACY FM 30/8/91 332 Deregulation benefits

Activities: Transportation contract carrier with diesel engine workshop facilities.

Control: Directors 55%.

Chairman: I J Jacobson; **MD:** A C Jacobson.

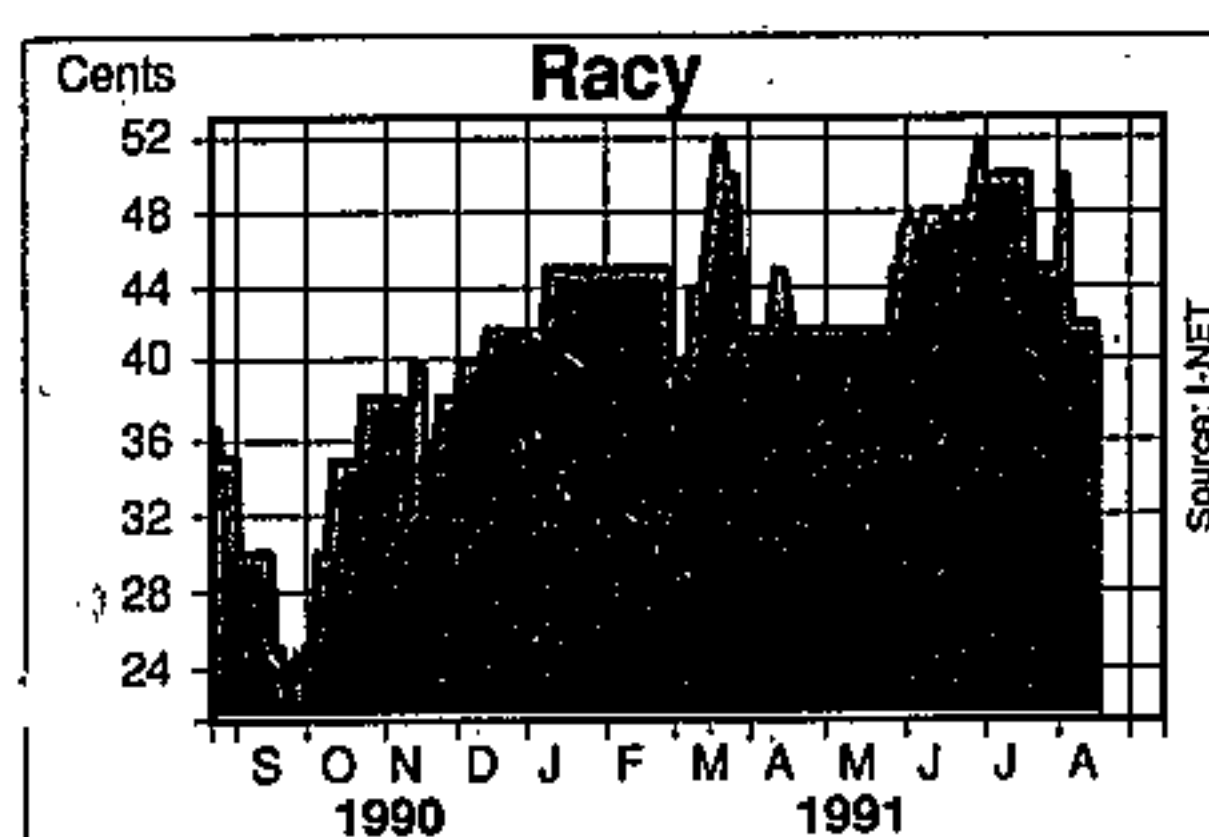
Capital structure: 25,7m ord. Market capitalisation: R10,3m.

Share market: Price: 40c. Yields: 6,3% on dividend; 23,5% on earnings; p:e ratio, 4,3; cover, 3,8. 12-month high, 52c; low, 22c.

Trading volume last quarter, 418 000 shares.

Year to March	'88	'89	'90	'91
ST debt (Rm)	1,9	5,1	6,8	5,5
LT debt (Rm)	0,7	5,2	6,2	4,3
Debt:equity ratio	0,18	0,59	0,84	0,46
Shareholders' interest	0,54	0,48	0,43	0,47
Int & leasing cover ..	24,9	10,2	3,6	3,1
Return on cap (%) ..	14,1	17,4	12,6	17,0
Turnover (Rm)	32,2	46,2	55,9	64,4
Pre-int profit (Rm) ...	3,8	6,1	5,4	7,1
Pre-int margin (%) ..	11,7	13,3	9,6	11,1
Earnings (c)	11,5	14,2	7,5	9,4
Dividends (c)	5,5	6,5	2,0	2,5
Net worth (c)	58,0	65,9	71,5	77,1

Last year, Racy moved towards restoring levels of profitability achieved before financial 1990, when market share was gained at the expense of margins. And this trend looks



TRUCK MERGER LOOMING

BATELEUR Transport Holdings (formerly McCarthy Transport Holdings) looks set to merge with Nissan Truck Rental as part of a major rationalisation programme, industry sources say.

MARC HASENFUSS

Nissan and Bateleur directors were not available for comment yesterday, but sources said severe economic pressures warranted the amalgamation.

Indications are that the financially stronger Nissan Truck Rental will take Bateleur under its wing. Sources believe the merger would give both groups a more inter-related management structure.

After yielding unsatisfactory returns, McCarthy's truck and hire interests were sold to Nedfin Bank and vehicle rental

Stability

entrepreneur John Pearce for R19m earlier this year. Nissan has a fleet of 1 450 and about 25% of these are on long-term rental with the balance on daily rental. Nedfin has a 50% stake in both Nissan Truck Rental and Bateleur.

Rent-a-Bakkie MD Don Dick said a shakeout had been looming in the truck rental industry for some time as overfleeing, overtrading, high gearing and other problems played havoc with operators' margins. "Accordingly there is a major rationalisation taking place."

He said this should be welcomed by the industry as it would bring greater stability to the market, trim fleets, improve margins and lead to a more professional customer service.

Imperial Truck Systems executive director Stuart Reeves said the truck rental industry was worst affected in the "casual hire" sector which had seen a dramatic downturn in the last 18 months.

Established rental firms have subsequently found themselves grossly overfleeted, he said.

This was exacerbated by the depressed new truck market which had seen resale prices for used trucks plunge to unacceptable levels.

Dick said the Rennie-owned Rent-a-Bakkie had resisted overfleeing in good economic times which helped the group to boost profit in the year to June. Reeves said Imperial Truck Systems was less exposed to the casual hire sector and the group's business from dedicated transport contracts and full maintenance leasing would buoy it through tough times.

NUM launches drive to tackle effects of noise

VERA VON LIERES

THE NUM has embarked on a drive to tackle the serious effects of noise on miners' health.

The union said in a statement last week noise was a big health problem for members on gold and coal mines. Most underground and surface miners were exposed to noisy environments and machinery.

In a 1986 survey — the results of which were still applicable today — it was found that 39% of drillers and drillers' assistants on gold mines suffered from permanent hearing loss of varying degrees.

This deteriorated rapidly if workers continued to be exposed to noisy conditions, the union said.

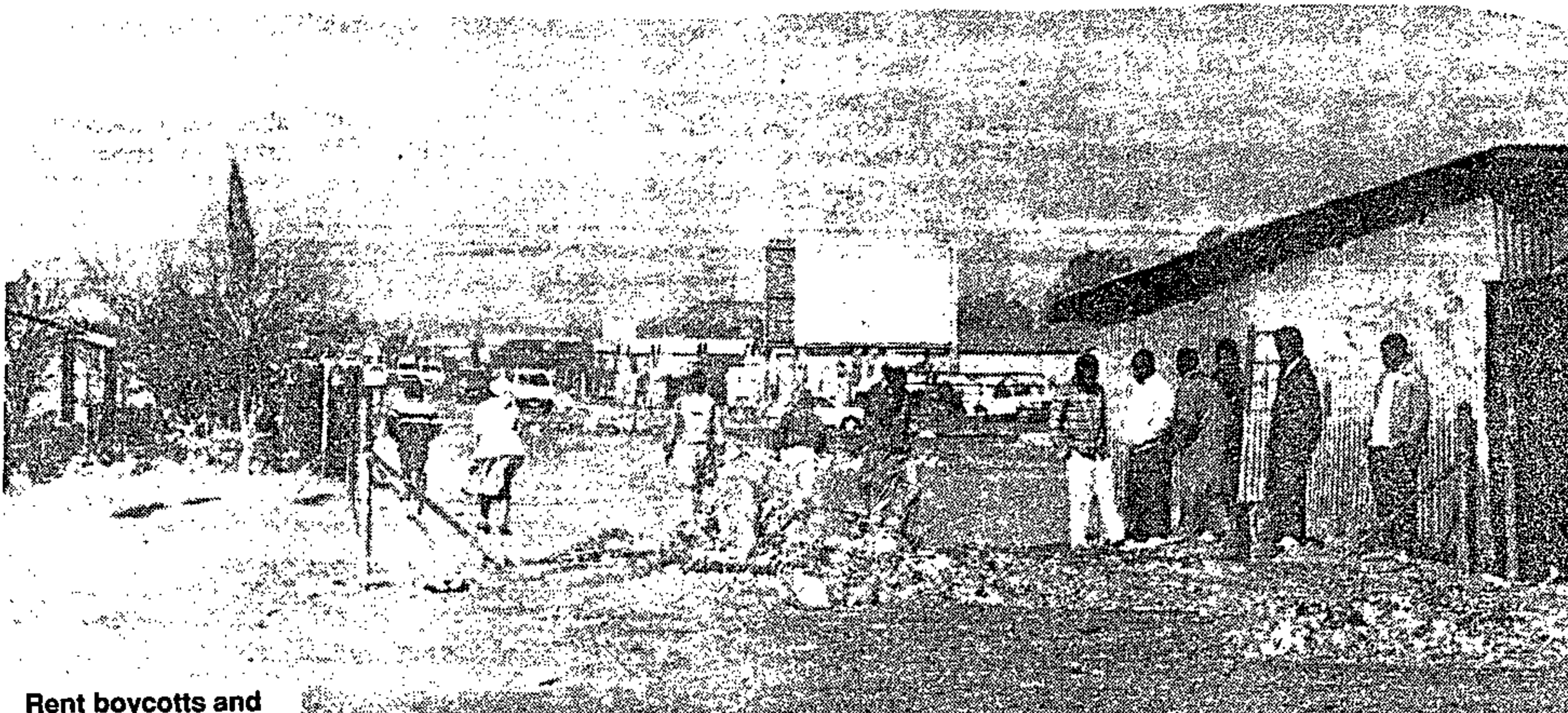
"It has been traditional for mine management on SA mines to consider safety their prerogative without considering the feelings and opinions of workers that face the hazards on a day to day basis."

The NUM said it was imperative that workers be involved and consulted in safety matters.

On Friday, the NUM's Compensation, Health and Safety department launched its "Noise Manual" which would be used as a basis to educate members on the dangers of working in noisy environments.

A NUM health and safety department spokesman said the union was pushing for hearing tests for gold and coal miners every six months. The present testing takes place between nine months and a year.

Miners had to be more than 25% deaf to receive compensation, the spokesman said.



Rent boycotts and violence continue to plague the Vaal townships.

R35-m boost for Vereeniging

By JOSHUA RABOROKO

STEPS are already in progress for a R35-million development to be built over three blocks on Union Street in Vereeniging.

Called Taxido Junction, the development will serve as a long awaited marshalling point for buses and minibusses in the town's centre.

The chairman of the Vereeniging Management

Committee, Alderman Mario Milani, said that this development secured the town's place as the shopping giant of the southern Transvaal.

It would be located opposite the large shopping complex, Markpark, and would provide an injection of rates.

After 50 years it will become the property of the council, when all proceeds will accrue to the council.

"Now, when the Vaal Triangle's economy is so stagnant, this development comes as joyous news, and building has already started in some parts," he added.

The project was the se-

quel to two years of negotiations and hundreds of hours of meetings between technical committees of the council and the South African Transport Service.

The cost to the council was R1 a year, and benefits include R3-million accruing to the council over 20 years and a rates income of R90 000 annually.

New Jo'burg 'taxi town'

a breath of fresh air

Star 31/8/91

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TRISH BEAVER

THE minibus taxi business has been driven underground — but the drivers are happy.

For South Africa's version of the New York cab now has its own subterranean home beneath the pavements of Johannesburg.

And that's a breath of fresh air for the beleaguered taxi operators who for years have been plagued by minibus traffic jams and parking tickets.

The new garage provides row upon row of parking bays, an orderly dispatch system and more fairness is business.

"Taxi town" — housed in the two-storey Jack Mincer garage — now runs to the rhythm of the road.

Belching thick exhaust smoke, engines roar above the sound of turned-up stereos as the vehicles drive in and out in a constant stream.

Phosphorescent lights gleam dully in the pale-green interior, but they are enough to illuminate taxis galore.

Each driver is engaged in his own activity, passing the time until it is his turn to go.

Some sleep, exhausted, catching up after their pre-dawn awakening; others busy themselves with repairs.

Many taxi drivers gather in groups to chat, exchange tales of the

road or share a joke.

Food and cool-drink vendors weave their way through the lines, offering their wares.

Meanwhile, marshals regulate the taxi flow, jotting down the registration numbers of the new arrivals.

Johannesburg City Council created this beneath-the-streets motor-ing subculture several weeks ago when it donated the garage to the taxi industry to reduce ground-level minibus chaos.

Divided

Situated at the junction of Klein and Twist, the enormous garage is divided into sections.

On the first floor are members of the Southern African Black Taxi Association, organised from left to right in rows.

Here, on the far left, are the "Bara taxis", slang for those that do the Baragwanath to Johannesburg trip. There are more than 50 in this section. Next is the Vosloorus section, also numbering more than 50, and on the far right is the Pretoria section. In between are the lesser routes: Dobsonville, West Rand and Meadowlands.

On the second floor are members of the South

African Long Distance Taxi Association. Here stand the minibuses for Alexandra and the rest of the outlying regions.

Said first-floor marshal Wilson Mayaba: "Problems are few and the drivers have more time to relax this way."

"There is music, friendship, and of course we all talk about the same thing. In this system there is no cheating. When you arrive you go to the back of the queue and wait your turn."

Said taxi driver Alfred Mbatha: "It's great because we don't spend half our lives avoiding parking tickets, and fighting, because of traffic jams."

Driver Josephine Makhubela also applauded the new scheme. "I drive from here to Giyani in the northern Transvaal once a week. When I am in Jo'burg I do the Jo'burg to Vosloorus trip. I'm glad I don't have to fight for passengers any more."

Josephine, a divorcee, drives a taxi for her brother, who owns four minibuses. "Being a woman has its advantages, but the trick is just to be patient."

"I can change a tyre and tune the radio, but if there are men passengers they are only too willing to lend a hand. Now, in this garage I can get the other drivers to help me with repairs."

As for the taxis themselves, each of their decorations — inside and out — offers something different.

One has a rosary attached to the rearview mirror ... perhaps a silent prayer for an accident-free week.

Others have velvet seat covers and head-rests. Some sport chrome-plated mag wheels. Most of the minibuses have a "takkie" sticker on their rears.

Sabta marketing manager Knox Matjila said: "The donation of the garage is a great step forward. Traffic congestion has been alleviated and everyone is happy. We would like to encourage other councils to take part in this type of action."

In Johannesburg alone, Sabta has 4 000 members.

Johannesburg City Council transport committee chairman Paul Asherson said: "The parking garage has been a great success. It was almost a political miracle in that rival factions joined together for a common cause."

"Initially we did experience problems in that the taxi drivers felt we were just trying to get rid of them by pushing them underground. But after the opening it has been a blueprint for success."

Broker: air crash total exceeds official figure

6/Day 2/9/91
OFFICIAL civil aviation accident and incident figures were far lower than the actual number of occurrences, a top aviation insurance broker said at the weekend.

According to the Directorate of Civil Aviation, 107 accidents in which 27 people were killed were reported between January and August this year.

During the corresponding period in 1990 20 people died in 103 accidents.

MIB Insurance Brokers divisional MD Henry Tours said many accidents in which people were not injured were not reported to the directorate, which was unable to take sufficient action against aircraft own-

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LINDEN BIRNS

ers and operators who were found to be negligent.

The directorate was understaffed, did not have the "teeth" to take effective punitive action and was being financially strangled by government, although it was doing the best it could under the circumstances.

A major problem was pilot and aircraft owner negligence, Tours said.

"The loss ratio in SA is appalling. The prime cause is almost certainly pilot stupidity — we don't even call it pilot error any more," he said.

Most mechanical failures were attributable to poor pre-flight inspections.

SA needed a directorate with the power to remove licences or impose sanc-

tions against operators found not to be up to standard.

Although there were some reputable flight academies, Tours said there were too many which simply "pushed their pilots through the mill without caring whether they were releasing irresponsible pilots onto an unsuspecting public".

High aircraft maintenance and service costs often forced smaller operators to cut corners, keeping non-airworthy aircraft in regular use.

Those who stood to lose the most financially were the dependants of passengers killed in accidents where no conclusive proof of the cause of the accident was found, said Tours.

The onus was on the passenger or his dependant to prove pilot or operator negligence before insurance payouts could be made.

Passengers were also placed at risk by the lack of sophisticated detection equipment at domestic air terminals, he said.

Pilots often flew under conditions for which they were not qualified, he said.

"I don't mind if a pilot wants to kill himself, but I take the strongest objection to him killing the passengers flying with him," he added.



BANKORP
HOLDINGS LIMITED
(Formerly Bank Holding Corporation of South Africa Limited)
(Registration number 59/00358 (N))

Corrective announcement
to shareholders

BONUS SHARES AND DIVIDEND

C

TTA deal
opens door
in Africa

ROBERT GENTLE

WEST and central Africa have moved a step closer to SA exporters thanks to a key move by the French company Delmas, one of Europe's largest shipping and freight forwarding organisations.

Delmas, which generates 43% of its turnover in Africa, has signed an exclusive agency agreement with SA freight forwarding company TTA.

TTA MD Georges Kriemadis said in an interview on Friday that airfreight and seafreight forwarding was now possible to almost any country in west and central Africa.

TTA, which was now a full subsidiary of Delmas after a takeover of the parent company in France this year, could provide SA clients with a comprehensive service, Kriemadis said.

Safto GM Ann Moore said,

"We welcome any move that strengthens transport links with Africa. This agreement complements our own work done in this area."

Turnaround for Natrawl

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Star 3/9/91
DURBAN — In a R3,79 million turnaround since year-end, Natal Ocean Trawling (Natrawl) produced attributable profit of R1,10 million for the six months to June.

Earnings a share were 5,56c, compared with last year's interim attributable loss of 3,29c.

While turnover was down from R5,48 million to R5,37 million, gross income from fishing more than doubled from R708 000 to R1,81 million.

The crustacean trawling enterprise's joint venture with the state-owned Mozambican Fishery is proving of benefit.

Since March, Natrawl (Mozambique) has contributed R192 000 to earnings.

A rights issue in June raised R5 million in additional capital which, says chairman Jack Walsh, will reduce the cost of borrowing in the second half but dilute earnings.

The interest bill fell to R366 000 from R1,37 million for the first half of 1990. — Sapa.

Taxi war flares anew on the Flats

Staff Reporter

RENEWED violence in Khayelitsha since Sunday meant the conflict between rival taxi associations had started again, police spokesman Major Gys Boonzaaier said yesterday.

"It's definitely the taxi war," he said yesterday when giving details of the past week's violence.

Khayelitsha civic leader Mr Julian Ntsholo said yesterday that Webta taxi drivers had beaten commuters at Ephumeleni on Monday morning and forced them to take taxis instead of buses.

Major Boonzaaier said that about 11pm on Sunday there had been a shootout at DM Block in which one man was slightly wounded. Police later found the body of an unidentified man at the corner of Zola Budd Drive and Bonga Drive.

About 5.50am on Monday, a taxi

driver was wounded by shotgun fire after an altercation with another driver.

Another taxi driver, Mr Michael Makalima, escaped injury when his vehicle was shot at by unknown gunmen at the corner of Zola Budd Drive and Spine Road.

The occupant of a truck was forced out of the vehicle by unknown gunmen in Zola Budd Drive about 8.45am on Monday, and wounded in the head.

Another truck driver, Mr Amos Bulawa of Khayelitsha, was lightly wounded in the hand and face early on Monday when a man with an R4 assault rifle fired at him in Zola Budd Drive.

At 1.25am yesterday three armed men attacked and set alight a taxi in Khayelitsha. The driver and passengers fled.

Tollgate surges back into the black

CAPE TOWN — Industrial holdings group Tollgate Holdings (TGH), which suffered a R21,9m attributable loss in the year to end-December 1990 is back in the black and has declared an interim dividend of 3c.

Chairman Julian Askin said the dividend reflected the board of directors' "confidence in the group's continuing recovery and prospects".

Earnings a share of 4,1c (loss of 55,6c) were posted in the six months to end-June. This was on a substantial increase of almost 10-million in the weighted average number of shares in issue brought about by the restructuring of the group earlier this year when minorities were taken out.

TGH has interests in the leisure industry through Enterco, owns Motorvia, Budget Rent-A-Car, Swaziland pineapple processing company Swazican, properties and bus com-

panies, and has a 24,6% stake in Hosken Consolidated Investments.

The disposal of loss-making operations and improved asset management were apparent in the growth in the operating margin to 6,9% (2,9%) which converted the 11,4% drop in turnover to R252,5m (R285m) into a 109% increase in operating profit to R17,3m (R8,3m).

However the interest bill at R14,5m continued to ravage profits despite the reduction in borrowings to R180m from R390m 18 months ago. A tax credit of R1,7m and improved contribution from associated companies assisted in bolstering the bottom-line. At its December year-end Tollgate had accumulated tax losses of R39m. Attributable earnings after servicing the interest on the compul-

sorily convertible debentures came in at R1,2m (R10m loss).

A R4m extraordinary loss generated by Gant's Holdings, sold for R18,6m, is noted in the interim figures. About R61m more will accrue to the group from the sale of stocks and fixed properties and from realisations from debtors.

TGH is in the process of deciding the future of City Tramways, its commuter bus interests in the Western Cape. Negotiations for the sale of the Empangeni bus operation are in the process of being finalised.

At TGH's general meeting recently Askin said the group was involved in the purchase of a UK distribution and services company. He said it was planned for about 50% of earnings to come from non-rand currencies in about two to three years.

He said details of the deal would be announced this month.

B/day 4/9/91.
LINDA ENSOR

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Meeting over Putco fares

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Sowetan 4/9/91

By ISAAC MOLEDI

THE Vaal Commuters Committee and Soweto Daily Passengers are to meet Putco management tomorrow to discuss the 14 and 16 percent fare increases which began yesterday in Soweto and the Vaal respectively.

Putco earlier announced fare increases of 14 percent; this was rejected by commuter organisations which were prepared to pay only 10 percent.

However, while a 14 percent increase was introduced in Soweto yesterday, people in the Vaal Triangle complained they were paying an increase of 16,06 percent.

Vaal Commuters Committee chairman Mr David Tshabalala said his organisation, together with Soweto Daily Passengers, had decided to discuss the difference with Putco management tomorrow.

"Putco does not treat us like people. We also want to be treated as people. Why should we differ from commuters in Soweto?" Tshabalala asked.

Planned *Soweto* bus fare hike is ³³² ^{5/9/91} lowered

By ALINAH
DUBE

THE KwaNdebele-Moutse Transport Committee has successfully negotiated the reduction of bus fare increases by Putco between the areas and Pretoria.

A planned 18 percent increase is now only 12 percent following an increase in subsidies.

A spokesman for the committee, Mr Freddie Pilane, said the decision to lower the proposed increases by 12 percent was reached after consultation with the Department of Transport and Putco.

Putco's initial application was for an 18 percent fare increase in the PWV area and Pilane's committee challenged this move on the basis that the Government had to raise its subsidy for the workers.

They argued that commuters in the KwaNdebele-Moutse route travelled more than 80km a single trip each day and that their case deserved special attention.

"After a series of meetings and consultations were held with all concerned parties, the Government agreed to increase its subsidy on weekly and monthly tickets with effect from September 1," he said.

New bank aimed at black sector

Star 5/9/91
By Jabulani Sikhakhane

The Registrar of Deposit-Taking Institutions has authorised the formation of Future Bank, a joint venture between Fabcos (Foundation for African Business and Consumer Services) and First National Bank subsidiary Wesbank.

The Registrar said an application had been granted in terms of section 12 of the Deposit-Taking Institutions Act 1990.

But the Registrar added that the bank had not yet been provisionally registered.

Fabcos officials are keeping mum on the details until the launch in November. Spokesman Fanyana Shiburi would only say this week that Neville Watchurst, Wesbank's senior general manager, has been appointed the bank's managing director.

According to sources Wesbank will have 49 percent of the equity, Fabcos 44 percent, SA Taxi Marketing 5 percent and the Pretoria-based Get Ahead Foundation two percent.

Get Ahead was brought in because of a prohibition on non-financial institutions and their associates holding more than 49 percent in a deposit-taking institution. Fabcos and its associate, SA Taxi Marketing, together hold 49 percent.

It is understood that Fabcos initially approached the Zion Christian Church (ZCC) to take up the stake.

Future Bank will be capitalised at R18 million — R2 million ordinary shares of 100c each and R16 million redeemable preference shares of 100c each.

Wesbank will subscribe for all

the redeemable preference shares and the other shareholders will proportionally take up the ordinary shares.

Fabcos and Wesbank have signed a 10-year management agreement, during which period black staff will be trained, sources said.

Over the 10-year period, Fabcos, SA Taxi Marketing and Get Ahead will use dividends and commissions earned to buy the preference shares from Wesbank. The preference shares will then be converted into ordinary shares.

It is understood that part of the agreement is for Wesbank to transfer its minibus taxi book, estimated at over R50 million, to Future Bank. Also the R84 million Sabta Foundation funds held in trust by Wesbank will be transferred to Future Bank.

The bank will initially open in the PWV region, then gradually expand to the rest of the country. Its head office will be in Braamfontein.

Future Bank is the continuation of the joint venture between Fabcos and Wesbank formed last year to cater primarily for the financial needs of the informal black business sector and private consumers.

In 1987 Wesbank together with the SA Black Taxi Association (Sabta) launched an innovative scheme using the peer pressure system of stokvels to finance the purchase of minibus taxis.

Fabcos claims over one million members from its affiliated business organisations and the National Black Consumer Union (NBCU).

Taxis to increase fares

THE outgoing chairman of the Transvaal Taxi Association, Mr Paradise Mahlangu, says due to the recent increase in the petrol price and the introduction of VAT later this month, his association will be compelled to increase fares.

Addressing his association's AGM on Wednesday, he said the proposed increases would first have to be discussed with commuter and civic organisations before implementation.

Mahlangu said his association would form a crisis committee which would look into highjacking, theft and the involvement of taxis in accidents.

Three nabbed in shootout

THREE men suspected of being involved in two separate shooting incidents in Vereeniging were arrested on Wednesday and two firearms were confiscated, police report.

Police liaison officer Captain Ida van Zweel on Wednesday said the three had been arrested after a shootout at the Morning-side Taxi Rank in Union Street, about 10.45am, in which a taxi was damaged.

Van Zweel said Mr Joseph Mashaile (35) of Sebokeng was repairing his taxi at the rank when he saw two groups of people. A shot was fired, hitting his vehicle. Mashaile was not injured.

Constable

In a separate incident a municipal constable from Parys left the toilets at the taxi rank about 2.30pm on Wednesday when he noticed three men behind

him, one armed with a firearm.

They called the constable as he ran off and then fired four shots at him. Three more shots were fired at him as the three men followed after him. The constable escaped uninjured.

The CID unit arrested the three men and confiscated a 9mm pistol and a 0.38 special revolver. Sapa.

PAC wants Malefo back

Own Correspondent

THE Mamelodi branch of the Pan Africanist Congress is calling for the immediate reinstatement of the publicity secretary of the Mamelodi Civic Association, Pasty Malefo.

It urged the MCA to either reinstate Malefo, who was sacked two weeks ago, or the MCA executive committee should resign en bloc.

Malefo, who had his electricity switched off and his property attached by council attorneys, was fired by the MCA at a public meeting on August 25 for having paid rent to release his property.

The statement said the reason for his dismissal was unacceptable to the PAC.

SAFMARINE FM 6/9/91 332

Belgian partner

When 49% of a company with assets exceeding US\$530m can be bought for just \$25m, the immediate impression is that its earnings capacity is suspect or, perhaps, that it is heavily geared. Why then has Safmarine bought into CMB Transport (CMBT), the largest shipping container line in Belgium, at this price?

Safmarine MD Tony Farr explains that the purchase decision was motivated primarily for strategic rather than financial reasons at this stage. *Compagnie Maritime Belge* (CMB) was recently bought out by the Saverys family in Belgium, whose major business is in bulk shipping. CMBT — a CMB subsidiary — controls 24 liners and moves about 400 000 containers a year. CMBT suffered a substantial reduction in earnings last year because of problems with its liner shipping activities.

Farr says that these arose out of some poor strategic decisions taken over the past three years. He says the company expanded by acquisition and in the process became overgeared. He adds that it adopted aggressive positions in certain markets and made incorrect investment decisions to introduce additional capacity.

This led the Saverys family to look for a partner to bring the liner shipping operation back to profitability. Safmarine was approached, partly because of its internationally respected professionalism, but also because it posed no threat to the continued existence of CMBT's Belgian identity. In addition, Safmarine and CMBT have two basic factors in common: both are important participants in world trade terms in niche markets and both are north-south operators.

Farr sees the purchase as both an offensive and a defensive strategy. CMBT is an important operator on the East and West African coasts and has a significant forwarding, shipping and distribution agency network, AMI, in Africa.

Moreover, says Farr, it will enhance the status of Safmarine in Europe, helping Safmarine to develop a foothold there after 1992. It should also help to facilitate the

Continued

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negotiations now being held with Southern Africa Europe Container Service.

Another reason why Safmarine was enthusiastic about the purchase is the rationalisation now taking place among world shipping lines. The recent P & OCL takeover of Cunard Ellerman is an example of this trend which, reckons Farr, will have a positive effect on liner shipping over time as unrealistic competition is eliminated.

Safmarine is to have equal input with CMBT on all management matters. This will begin with the appointment of Safmarine's director responsible for its liner division, Graham Peirce, as the new CE of CMBT. He is to move to Belgium in October.

The \$25m payment for 49% of CMBT was made through the financial rand, making the value of the transaction about R80m. There will be no short-term contribution to the earnings of Safmarine as a result of the deal.

Gerald Hirschon

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Gerald Hirshon

Taxis should 'feed' passengers to buses

MINIBUSES ought to be used to "feed" passengers into bus routes Canadian public transport expert Mr Wayne Bowes said yesterday. (S32)

At a transport planning seminar in the Civic Centre, Mr Bowes said minibuses were an appropriate mode of intra-city transport in South Africa, which needed labour-intensive methods.

The role of a public authority was to ensure that they were safe. It could do this through vehicle licence control.

Mr Bowes was taken up over Cape Town in a helicopter yesterday morning and saw the immediate aftermath of an accident on the N7 in Philadelphia in which a full minibus rolled several times.

The challenge for planners was "to co-ordinate everything to get what we want without duplicating and wasting", Mr Bowes said.

If planners did not "get things right", somebody was going to suffer economically as well.

Minibuses: More cops are needed

382 CT 10/9/91

Municipal Reporter

CAPE TOWN's traffic chief is pleading for an extra 15 traffic officers to help manage the minibus taxi situation in the city.

Mr Wouter Smit made his plea in a recent report to the utilities and works committee.

He said resolutions had been taken six months ago that a firm enforcement programme should be "commenced without delay" to address dangers created on the roads; and that traffic officers should be seconded to the taxi section on an interim basis.

"However, due to financial restraints the 15 traffic officers for this task were not approved," he added.

Mr Smit said the recent conflict between taxi associations "and the undertaking given that the city would develop a management system to control minibus taxis operating in the municipal area" had highlighted the need for more traffic officers.

The introduction of a taxi rank on

the Cape Town station deck and undertakings given to improve control of taxis at Mowbray, Claremont and Athlone would also have an impact on manpower.

In a separate report, the city planner's department has identified a need for a R5,5-million transport interchange near Wynberg station. This would include bus and minibus ranks and commuter parking facilities.

The project would include enlarging the present bus terminus in Ottery Road and providing minibus facilities for 92 taxis in three separate locations.

During afternoon peak hours, more than 5 500 minibus passengers left from the station, the report said, "up from 1 500 in 1986". More than 4 000 bus passengers left the station at the same time, about double as many as in 1986.

Both matters — the extra traffic policemen and the extra facilities — have yet to go to the full city council for decisions.

□ STOKVELS

Taxis set profitable example

Sfr 11/9/91.

332

The Sabta Foundation Scheme, started in 1986 by the Southern African Black Taxi Association (Sabta) and Wesbank, a subsidiary of First National Bank, is one successful example of how to bridge the gap between informal and formal financial institutions.

The big problem facing aspiring taxi-owners has been the lack of funding from formal financial institutions. The majority of taxi owners have no credit record, no security of tenure on his home and always fail the basic test applied by institutions on applicants.

So Sabta Marketing negotiated with Wesbank, and the Sabta Foundation Scheme was started in 1986.

The advantage of the scheme is that the applicant's creditworthiness is not determined using the conventional credit granting procedures. It only insists on a clean credit record and a membership of Sabta. Estimates are that the Sabta Foundation trust account at Wesbank has accumulated some R84 million.

Through the scheme deposits have also been lowered. It is estimated that up to 80 percent of the people who have received finance through this scheme would not have qualified for finance through the normal credit channels.

The taxi owner is not faced with prohibitive deposit, and the cash which accumulates in

the Sabta Foundation Scheme account is used to bolster the Fund and underwrite any bad debts. There have been some bad debt experiences on the scheme, but these have been covered out of accumulated interest.

The scheme requires comprehensive insurance, but with the underwriters having spread the risk, annual premiums have been reduced.

At the end of the repayment period, the original deposit is paid back to the owner, plus interest. Together with the residual value of the vehicle, the owner is thus enabled to replace his vehicle.

Collateral

Business Challenge, started by Phil Khumalo in 1986, is another example which uses the stokvel concept. Within four years, Business Challenge, which operates through Allied Bank, had created a collateral fund worth more than R1,25 million.

Since Inception Business Challenge has set up over 100-plus businesses ranging in size from a food vendor to a supermarket.

Members pay a subscription of R75 and then a minimum of R50 each month which cannot be accessed for three years. Initially loans ranging between R2 000 and R5 000 were given to

test the effectiveness of the scheme.

The Urban Foundation's Group Credit Company gives small loans of up to R5 000, which can be used for the purchase of serviced sites, building materials, the hire of sub-contractors, a deposit on a house or to meet legal fees.

Armed with a capital base of R1,5 million, which was borrowed from the Development Bank of Southern Africa, the scheme has been running for the past two years.

The company charges interest rates high enough to offer commercial returns to the providers of capital.

The Scheme targets households which would normally not qualify for loan finance from the conventional financial institutions.

These households are encouraged to organise into stokvel groups, credit unions and other forms of informal savings institutions acting as "building societies" to their members.

The Credit Company loans the money to the "building societies" who then administer the loans to their members. The whole group is then held responsible for the repayment of the loan funds.

Since the products which can be bought using loan finance from the scheme are not "mortgageable", it relies on the "peer pressure system" - which is a central feature of the informal

savings institutions. Further credit extensions to the group will depend on the group's repayment record.

The Pretoria-based community organisation Get Ahead Foundation also uses the stokvel concept to provide small loans.

Get Ahead believes that "we are pace setters in the country, showing banks and lending institutions that they can lend money to backyard operators who play an important part in our economy".

Foundation

"Unlike the banks, Get Ahead does not call for collateral when advancing loans to these business people. We rely on peer pressure and character references."

● Out of the Sabta/Wesbank scheme has emerged a new bank, Future Bank, which is a joint venture between Wesbank and the Foundation for African Business and Consumer Services (Fabcos).

Fabcos was formed in 1988 as an umbrella body of 12 associations, including Sabta, which boasts over one million members.

Future Bank will be owned 49 percent by Wesbank, Fabcos (44 percent) SA Taxi Marketing (5 percent) and Get Ahead Foundation holding the other two percent. It will be launched formally in November.



Stokvels
money power
to the people

Just where does the stokvel fit in?

Paid cards herald new era for taxis

JOHANNESBURG. — Black business organisation Fabcos yesterday launched a smart card — a pre-paid value card system which will introduce cash-free travelling to its affiliate Sabta's 55 000 taxis.

The scheme, in which FNB provided anchor sponsorship, was born of a consortium which includes Fabcos, FNB, smart card supplier International Resource Technology and E G Chapman.

Fabcos public affairs manager Mr Fanyana Shiburi said the consortium formed a company called Payment Solutions, which specialises in smart card-based systems. The system would be expanded to include payment for electricity and telephone accounts.

Mr Ashley Mabegoane, marketing director of Fabcos Marketing, said the venture was the culmination of three years of research and development, and would have cost R30 million by the time the pilot stage got under way in mid-October.

"An important aspect of the system is its ability to monitor the performance of the drivers and the profitability of the taxis."



IN A JAM
... Mini-bus taxis can clearly be seen blocking off three lanes of traffic in Strand Street when this picture was taken at peak hour this week.

Taxi rank plans nearing fruition

332 ET 12/9/91

By RAMOTENA MABOTE

THE long-awaited and debated establishment of a taxi rank on the area above Cape Town station seems imminent.

This was disclosed yesterday when Cape Town City Council announced that it had made available R350 000 for the establishment of such a rank.

Deputy City Administrator Mr Alan Dolby said the money would be allocated for the demarcation of parking bays and traffic signs.

Mr Dolby said his department was "soon" going to meet the owners of the premises, the SA Rail Commuter Co-operation, to negotiate the terms of the plan.

He said the council had leased the premises specifically for parking purposes.

Spoornet's spokesperson, Mrs Yvette Olwage, confirmed that there were negotiations going on with the concerned parties, but did not know when the meeting would be held.

Meanwhile, the traffic problems caused by taxi drivers and their commuters at the rank in Strand Street continue undiminished. Many people are still phoning the Cape Times complaining about the situation.

Assistant Traffic Manager Mr Nick Rheeder said yesterday that his office was aware of the offences committed by taxi drivers.

Mr Rheeder said that double-parking, particularly during peak hours in the morning and afternoon, was a major problem.

A taxi driver, Mr Lawrence Nkala, said taxi drivers had always asked for the top of the station to be used as their rank, and the sooner it was done the better for "all of us".

He said taxi drivers did not double-park because they ignored the law, but because the space was "too small" for all the taxis to use.

Neither the Western Cape Black Taxi Association nor the SA Black Taxi Association could not be reached for comment.

NESS

in...
MOTORING
every Thursday

Kersaf, Safmarine boost for Safren 332

By Jabulani Sikhakhane

12/9/91

A strong performance by Kersaf and Safmarine helped Safren lift earnings by 16,2 percent to 565,5c in the 12 months to June.

Dividends are up 13,1 percent to 237,5c.

Safmarine and Kersaf were the major contributors, accounting for 86,4 percent of the group's attributable earnings of R302,4 million.

The directors say Safmarine, whose major activity is the containerised liner trade, experienced reduced cargo volumes and increased vessel and fuel costs.

However, this was offset by a weakening rand against the dollar in the latter part of the year.

Safmarine's contribution to group attributable earnings increased 21,9 percent to R137,1 million, equal to 45 percent of Safren's earnings.

Kersaf and its subsidiaries performed well and its contribution to Safren earnings rose 17,8 percent to R125,3 million, or 41,4 percent of the total.

Rennies' bulk terminals also did well, but reduced volumes impacted on the results of the forwarding, transport and cargo divisions.

Despite the Gulf war setbacks in the second half of the year, the travel division did well.

Income from associates was boosted by the inclusion of the group's share of profits on sale of assets.

Safren's turnover rose 9,2 percent to R4,37 billion, but the biggest growth was in profit from operations, which rose 16,5 percent to R921,5 million (R790,7 million).

A major factor here would have been Kersaf, which operates on very high margins.

After dividend income of R73,2 million, finance lease

charges of R2,2 million and a sharply increased depreciation charge of R243 (R150,7 million), operating profit increased 8,5 percent to R749,5 million.

The directors say: "Additional depreciation was provided on certain assets to write down the net book values to the amounts that can be recovered by charges against operations and ultimate scrap value".

Interest payments rose 10 percent to R87,5 million, but this was offset largely by interest received of R90,4 million, leaving net interest received of R2,9 million.

The group also benefited on the tax front thanks to reduced corporate tax and its effects on deferred tax balances and capital expenditure allowances.

Tax payments fell R34,3 million to R196,3 million.

A tax equalisation policy has been adopted to bring the current effective tax rate into line

with the expected medium average rate.

Boosted by the lower tax rate, taxed profits rose 19,6 percent to R556,1 million.

After accounting for outside shareholders in subsidiaries and preference dividends, attributable earnings were up 16,7 percent to R302,4 million.

Despite a heavy capital expenditure of R911 million (R379,1 million), Safren closed the year with cash balances of R654,8 million — down R55,9 million on the previous year.

Long-term borrowings were up R33,3 million to R821,8 million and interest cover was marginally down at 9,6 times (9,8).

The share price closed unchanged at R85 yesterday after the recent strong run.

On these results, Safren shares yield 2,8 percent on dividends and trade on a P/E ratio of 15.

129
109
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REC 12/14/91

332

Four killed in taxi rank

The Argus Correspondent

JOHANNESBURG. — Four people were shot dead and four were wounded when a gunman opened fire on a crowded minibus at a taxi rank in the heart of Vosloorus on the East Rand today.

According to witnesses, the gunman boarded a minibus at the major rank in the township to be told by the driver that the vehicle was already full. The man refused to get off and, as the driver pulled away, the gunman turned and opened fire into the crowded bus with an AK 47 rifle.

Meanwhile Colonel Frans Malherbe, liaison officer for the Witwatersrand, said that three people were thrown from a train along the railway line between Germiston and Johannesburg.

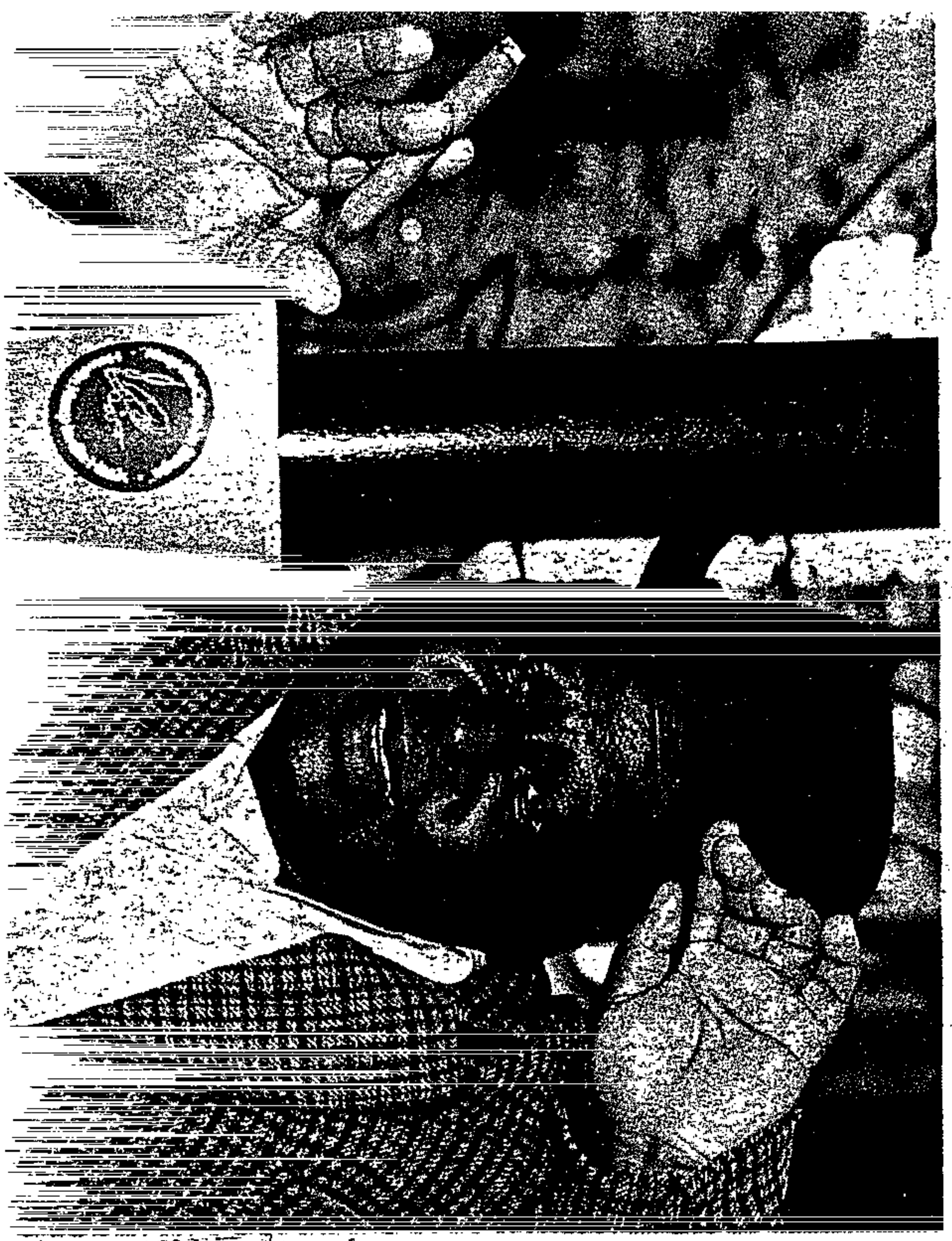
He said that a commuter was shot and seriously wounded at the Cleveland station and one was found shot and wounded at the Johannesburg station after having been attacked on the way.

As a continuing orgy of killing sweeps across the Reef, the ANC has warned that the country is plunging into war. The Commissioner of Police has called on Reef township residents to help stop the slaughter.

ANC general-secretary Mr Cyril Ramaphosa said that if the violence was not stopped immediately, it would "set in motion cycles of violence that would be uncontrollable".

"South Africa stands at the edge of an abyss. These events threaten to push the whole country over the edge, plunging us into a war of immense proportions."

He said the "seemingly random violence against the communities" showed a consistent pattern of attack and



on Saturday.

"One goes on and on condemning this barbarity and offering one's condolences to the bereaved families. This carnage has become overwhelming," Mrs Vos said.

Last night the Commissioner of Police, General Johan van der Merwe, appealed to the public to help bring the violence under control.

General Van der Merwe said: "The whole situation is unnecessary and uncalled for, particularly in view of the spirit of negotiation which exists at present. People should realise that the spiral of violence must now come to an end."

"To take the law into your own hands does not achieve anything and is counter-productive to the welfare of the community."

"The police reacted immediately by sending reinforcements to the affected areas on the Reef. We will not allow anarchy and chaos in our country."

In a strongly worded statement, the Congress of South African Trade Unions said last night that the violence "bore all the hallmarks of State and vigilante violence which have become familiar since August last year".

"Heavily armed vigilantes appear to be able to move about freely from one area to the next, spreading terror against unarmed civilians, without fear of being apprehended by the security forces. The whole way in which the violence has spread should leave little doubt that it is orchestrated by special units trained to carry out these acts."

Cosatu said it had made it clear that if the State failed to act decisively to stop the violence against workers, it would have no option but to embark on protracted national industrial action.

The ANC's PWV regional executive said yesterday that the situation in Tokoza had been deteriorating since Monday.

● An explosion rocked a fish and chips shop in White City, Jabavu, last night. A member of the SADF was cordoning off an area near the shop when he was shot minutes before the explosion, police said. He is in a critical condition in hospital. Three women who were sleeping in a shop next door were also injured, one seriously.

● The woman killed in yesterday's attack on a police car on the outskirts of Tokoza on the East Rand has been named as Maureen Minnaar, 52. She was a passenger in the car.

She was killed and Warrant-Officer Willem Grobler, 36, and his wife Terry, 36, were wounded when the policeman stopped to help a robbery victim.

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Customer Benef

Quote by phone
Insure by phone
Claim by phone
Low rates?
Policy book:
short & simple?

- If you are not insured with Auto & Co
- For the final step in this test, ring A

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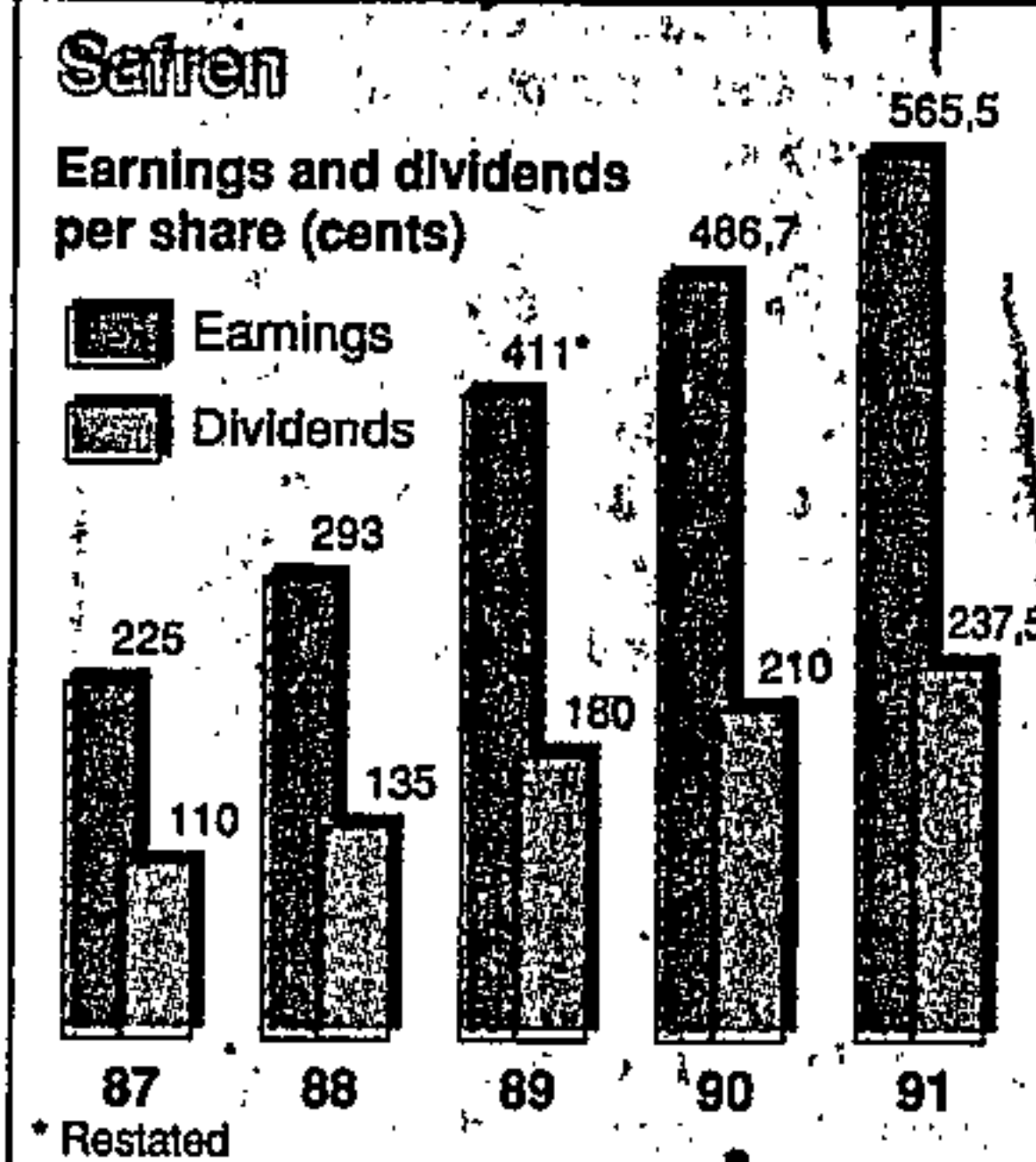
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Mixed fortunes at Safren



Graphic: FIONA KRISCH Source: SAFREN

LINDA ENSOR

CAPE TOWN — Safren's results for the year to end-June showed a strong growth in operating profit boosted by a lower tax rate but these factors were offset by the pedestrian performance at turnover level and the sharp increase in depreciation costs.

Slightly better than expected, attributable profit rose 16,7% to R302,4m (R259,1m), translating into earnings a share of 565,5c (486,7c). A final dividend of 177,5c brought the total to 237,5c (210c) a share for the group which consists of subsidiaries Safmarine (100% owned), Kersaf (76%), Rennies (75%).

Depreciation of Safmarine's ships to bring them into line with their earning

To Page 2

Safren

capabilities saw depreciation rise to R243m (R150,7m). CE Buddy Hawton said that without this cost, attributable profit growth would have been about 26,4%.

"In the circumstances and bearing in mind the difficulties, the attributable earnings increase together with the dividend increase should be looked at as satisfactory," Hawton said.

Turnover rose 9,2% to R4,4bn (R4bn) which was low due to disposals and discontinued operations in Interleisure, reduced cargo volumes by Safmarine's liner services, and reduced freight activities by Rennies due to lower imports.

Hawton said Safmarine's liner services suffered increased vessel and fuel costs but the weakening of the rand towards the end of the year was beneficial. Its bulk trades were adversely affected by the Gulf war.

Rennies' bulk terminals and travel division performed well while Kersaf's results, up 18%, were satisfactory, in the light of lower room occupancies. Willis Faber Enthoven, 60% held, suffered a R4,4m decline in profits due to the disposal of certain operations but improved earnings.

Profit from operations rose 16,5% but after depreciation and other expenses was

reduced to an increase of 8,5% to R749,5m (R690,6m).

The tax rate was lower at 26% (33%) due to the lower rate of company tax and the impact of this on deferred tax, the sale of assets in a tax efficient manner and allowances for expansions at Sun City and Babelegi. Sun Bop has introduced a tax equalisation policy to bring its current effective tax rate into line with the average rate anticipated in the medium term.

Safmarine's bottom line showed a 21,9% growth to R137,1m, (R112,5m), Rennies' a 12,1% rise to R39m (R34,8m) and Kersaf's a 17,8% increase to R125,3m (R106,4m). Their contributions to attributable profit were: Safmarine 45,3% (43,4%), Kersaf 41,4% (41,1%) and Rennies 12,9% (13,4%).

The balance sheet has strengthened in terms of shareholders' funds, improved gearing and cash resources of R654,8m.

Hawton said most of the cash resources are held locally but some are offshore in Royale Resorts. Group capex was R911m last year and will this year total R1,5bn, to be devoted to expansions at Sun City and Babelegi and the purchase of new ships.

Hawton said conditions would remain extremely difficult this year.

POLICE RUSHED TO CAPE TO QUELL BLOODY TAXI WAR

Battle against township

332 AUG 13/91

VUYO BAVUMA and SHARKEY ISACS
Staff Reporters

MORE than 100 police reinforcements from as far afield as Oudtshoorn, Beaufort West and Springbok have arrived in Cape Town to help quell exploding violence which is turning the city's townships into a war zone.

Hundreds of people, many carrying children, fled in their nightclothes after the torching of 200 shacks in Green Point, Khayelitsha, early today in a renewed flare-up of the simmering taxi war. Several combi taxis were also set on fire.

A taxi driver in his 50s, a member of the United Taxi Association, was hacked to death with pangas in Mkhaya Section, Khayelitsha, about 5.30pm yesterday, and his taxi was set on fire.

About 11pm two other men were killed in Khayelitsha. A 38-year-old man was stabbed in the chest, and 10 minutes later a 32-year-old man was shot in the head in Site B.

Earlier a patrol van and a fire tender in Zola Budd Drive, Khayelitsha, were forced to roar off in reverse after gunmen in a taxi opened fire on the vehicles.

A police vehicle with detectives who arrived soon afterwards found about seven men armed with rifles standing on the pavement near four taxis. A police spokesman said the men fired at the policemen, who sped away.

He said policemen had been shot at seven times in 48 hours.

A taxi driver was abducted after a group of taxi drivers forced his vehicle off the road in Chris Hani Drive. They attacked him with sticks and pangas before setting his taxi alight. The man is still missing.

Yesterday the airport-bound carriageway of Settlers Way opposite Langa was closed during the evening rush hour after a driver was hauled out of his vehicle and the taxi set alight. The driver and passengers fled.

Later, roving bands of men, armed with axes, pangas and guns, cut a path of destruction in the sprawling township.

At least four other taxis were destroyed in petrol bomb attacks in the township. Burnt out shells of vehicles were strewn across the street.



DEATH AND DESTRUCTION: A minibus taxi burns fiercely minutes after its driver was hacked with pangas by men believed to be members of the Western Cape Black Taxi Association in Makhaya, Khayelitsha.

Police in arms search on Reef

AUG 13/91

JOHANNESBURG. — Police supported by Defence Force units have sealed off Phola Park, near Thokoza township east of here, in an attempt to stop the violence in the township.

Witwatersrand police liaison officer Captain Eugene Opperman said this morning that the operation, involving 1 200 policemen, began at Phola Park squatter camp, where shacks were being searched for firearms, ammunition and explosives.

He said it was obvious residents were "fed-up" with the senseless violence of the past week.

It was the duty of the police to protect citizens, and he appealed to residents of affected areas to co-operate and give information on killers and other "trouble-makers".

Information could be passed to the police anonymously.

Last night gunmen shot dead two municipal policemen in Tsakane and two people in a restaurant in Vosloorus in the latest outrages on the East Rand.

The death toll in the region since Sunday has risen to least 78, with 115 injured, said police spokesman Colonel Frans Malherbe. — Sapa.

See page 2.

SAFCOR FM 13/9/91
Holding cash (332)

Activities: Freight forwarding, clearing, road transport and associated services.

Control: Currie Finance 51,5%.

Chairman: M Brodie; **MD:** J P Desilla.

Capital structure: 22,5m ords. Market capitalisation: R158m.

Share market: Price: 700c. Yields: 5,3% on dividend; 10,5% on earnings; p/e ratio, 9,5; cover, 2,0. 12-month high, 750c; low, 245c.

Trading volume last quarter, 194 000 shares.

Year to June	'88	'89	'90	'91
ST debt (Rm)	0,4	0,9	1,2	n/a
LT debt (Rm)	1,1	2,4	2,1	n/a
Debt:equity ratio	n/a	n/a	n/a	n/a
Shareholders' interest	0,31	0,27	0,31	0,38
Int & leasing cover ..	46,3	18,2	52,2	77,3
Return on cap (%) ..	17,2	19,3	21,4	24,2
Turnover (Rm)	583	824	961	918
Pre-int profit (Rm) ...	14,5	23,2	27,2	31,0
Pre-int margin (%) ..	2,5	2,8	2,8	3,4
Earnings (c)	33,9	49,3	61,7	73,5
Dividends (c)	16	25	30	37
Net worth (c)	116	140	172	213

Despite a reduction in turnover in financial 1991, Safcor succeeded in boosting attributable earnings by more than 20%. The group has sold off its less profitable heavy haulage operations, and is in the enviable position of having cash available to finance its customers' VAT commitments. Overall, another year of real earnings growth seems assured.

Safcor's core activity remains that of clearing and forwarding. Import and export

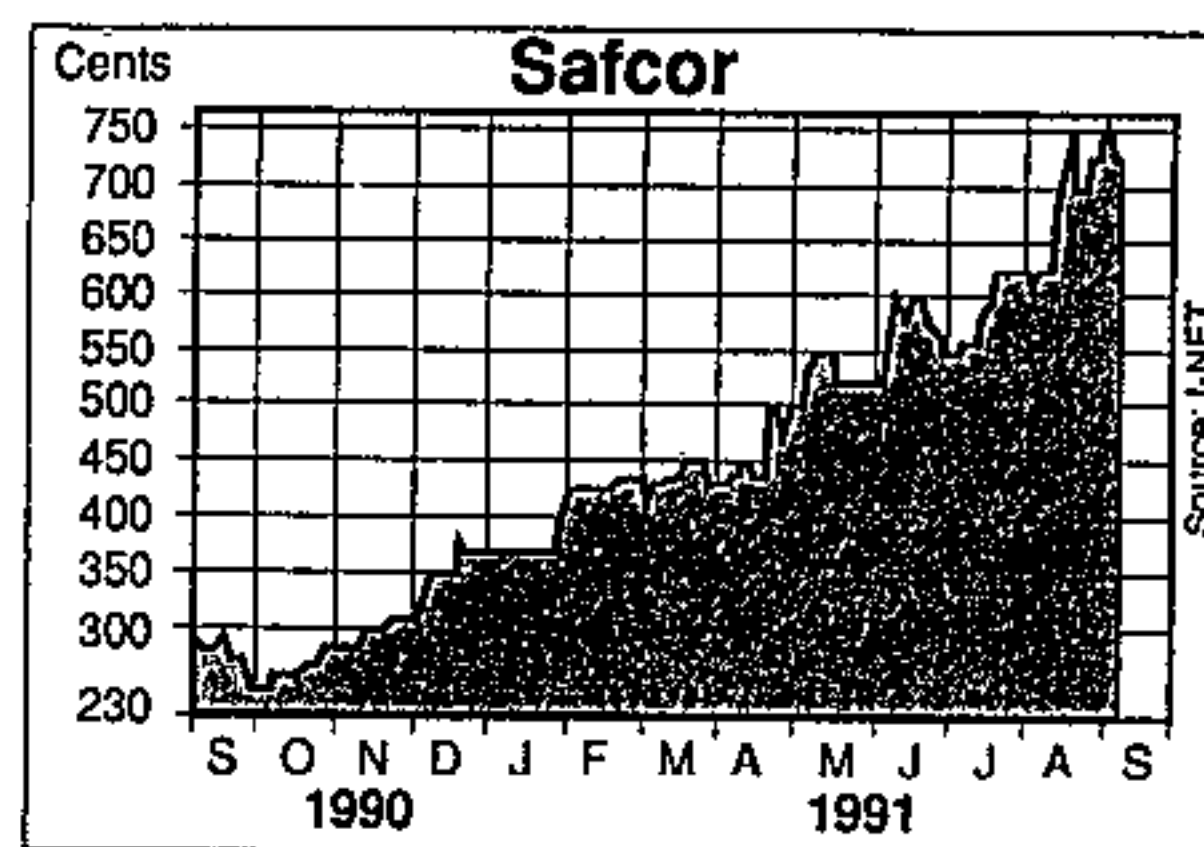
Continue

FM 13/9/91 (332)

volumes remained almost constant last year compared to financial 1990, but tighter control of expenditure and asset management allowed for higher profits from these activities.

Transport operations have been rationalised. MD Peter Desilla explains that limited volumes in the heavy haulage market and fierce competition, worsened by deregulation, shaved margins. And the high cost of capital equipment could not be justified on the basis of these returns. Alex Carriers was sold last year, generating a R1,2m capital profit and Safcor's 50% interest in Storm & Co was sold this year, producing a R1,3m capital profit.

The transportation activities will now be focused on the small parcel "overnight delivery" market. Turnover and the profitability



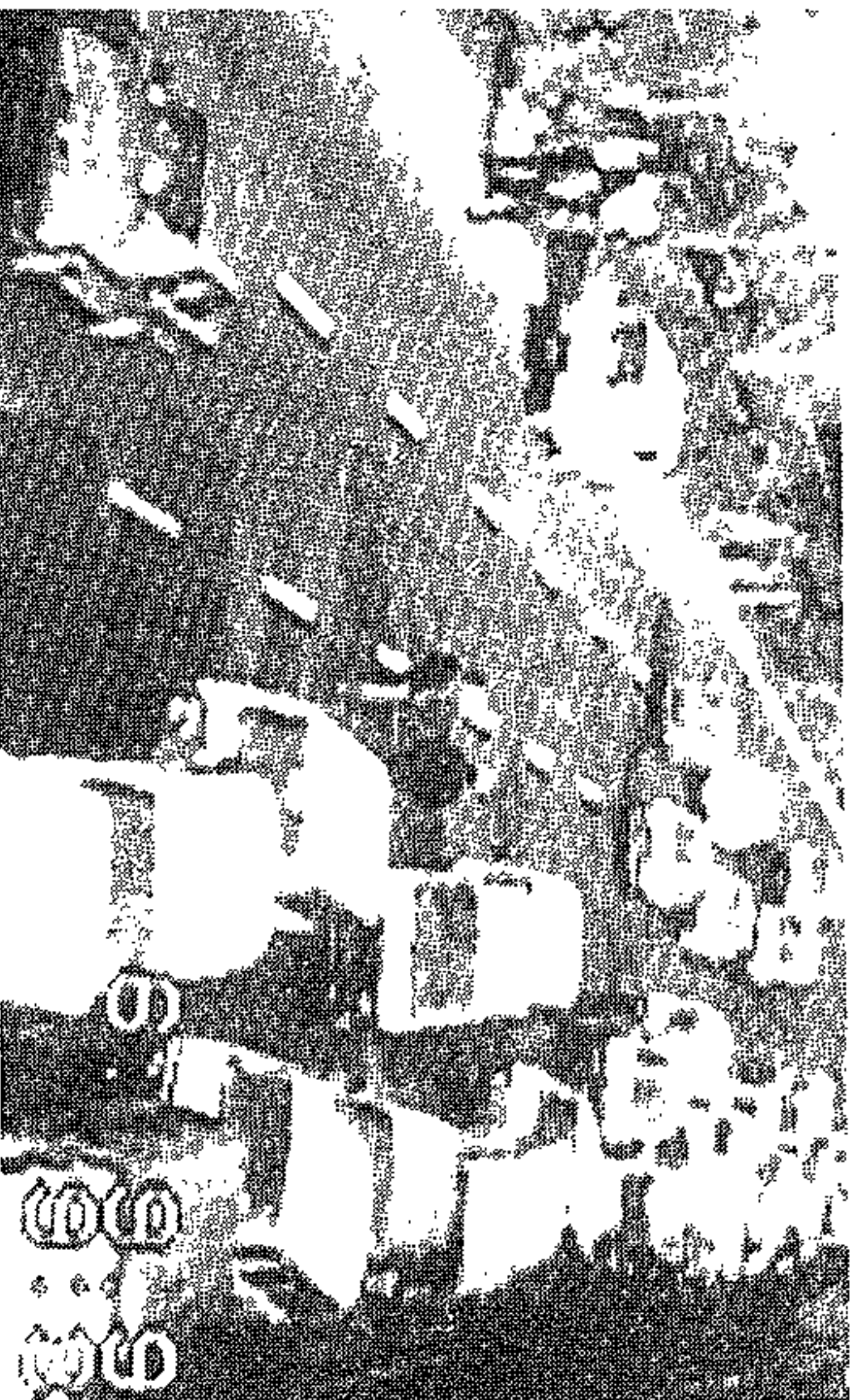
of these operations improved last year and Desilla says there is opportunity for further growth. Difficult trading conditions have forced most businesses to maintain their inventories at relatively low levels and the resulting need for frequent and fast stock deliveries, which Safcor offers, is growing.

Desilla does not expect the international trading situation to improve before the end of calendar 1991. But he hopes the group's turnover will be boosted by an improvement in its market share in both core operations.

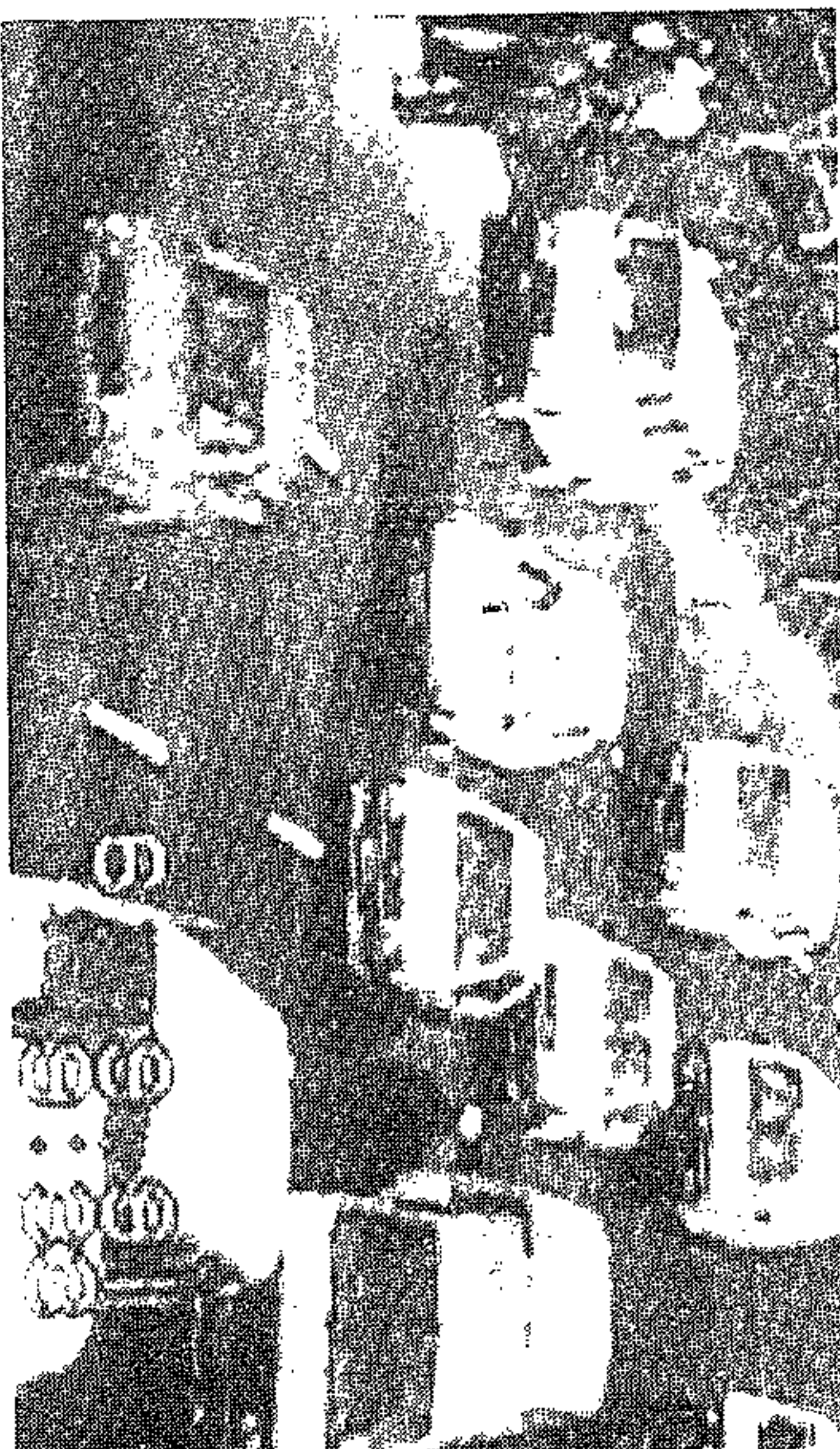
Safcor's R46m cash pile gives it a distinct advantage over many other clearing and forwarding operators. It will be able to help its customers in financing their VAT commitments on imports — and at an industry level these commitments will be substantial.

Chairman Mackie Brodie and Desilla expect to maintain the track record of real earnings growth in financial 1992. And it seems that investors are betting on strong earnings growth — the share price has trebled in the past 12 months, though it is now trading 50c off its high.

Pam Baskind



ROADSIDE CHAT . . . A minibus taxi-driver stops in the right lane of Strand Street and talks to friends — an incident shown on the traffic department's video.



BOTTLENECK . . . A bottleneck starts to develop as the minibus taxis double and triple park and the driver still holds a conversation on the pavement.



TRIPLE PARKING . . . Minibus taxis occupy three lanes at the Strand Street taxi rank this week, causing a bottleneck.

(332) CT 14/9/91

Pictures: HAROLD WMS

Strand Street minibus taxi chaos highlighted on video

By RAMOTENA MABOTE

THE City Traffic Department yesterday showed the Cape Times a video tape which graphically showed the chaos caused by minibus taxis along the Strand Street taxi rank. The offences, most of which occurred every day over the past week, were committed dur-

ing peak and non-peak hours.

Deputy Traffic Manager Mr Nick Rheeder said the video was not taken "necessarily" to charge drivers, but to see what kind of problems his department had to deal with.

One scene showed a taxi stop in the right-hand lane and its driver began talking to a

group of colleagues in the road.

The event lasted for about five minutes — until a traffic officer intervened.

Another showed a fully laden City Tramways bus waiting for nearly 10 minutes to move off from a bus stop after minibuses blocked its way.

Some of the most serious incidents, which

Mr Rheeder said highlighted the urgent need for a centralised taxi rank in Cape Town, included:

- Reversing at high speed for more than 100m into the path of oncoming traffic.
- Off-loading passengers illegally, such as at a stop street or in a no-stopping area, often blocking pedestrian walkways.

● Double parking (the most prevalent offence), especially during non-peak hours when there were many taxis at the rank. Sometimes up to four lanes would be blocked, bringing traffic to a standstill.

● Taxi owners/managers giving instructions to drivers parked in the middle of the road.

Black taxi industry needs a board of control, says MEC

SUN CITY — Taxi organisation Sabta should demand the establishment of a taxi control board to oversee the industry, Transvaal MEC Ahmed Arbee said yesterday.

He told the Sabta AGM: "It must be stated that the present road transport permit system does not work, will not work and is unenforceable. A totally new system (of regulating the industry) is required".

He said the growth of the taxi industry had given rise to an increase in illegal operators. Traditional law enforcement methods had made it impossible to control pirate taxis.

A taxi control board should be established, which all operators would have to join. They would have to comply with a code of ethics prescribed by the board.

"If the board suspends or revokes membership, the

THEO RAWANA

authorities should suspend or revoke the offender's professional driver's permit."

Arbee said the authorities would still issue driver's permits, enforce the Road Traffic Act and register offences.

Attack

He said the current safety regulations demanded only that the operator should see that the vehicle was roadworthy and the driver fit to drive.

Arbee attacked the subsidisation of bus companies and urged Sabta to demand subsidies for commuters.

Regarding charges imposed by local authorities for ranks, Arbee said it was a disgrace that some had raised fees from R50 to R400 a month.

Sabta president James Ngcoya said the scrapping

of restrictive legislation, while allowing blacks to operate in areas previously reserved for whites, also meant that whites could enter into black areas.

"While this may not be fair, the truth of the matter is that black business will now be expected to prove itself. Lacking capital and experience as it does, this will not be an easy task.

"Soon big business, with its vast financial resources, sophisticated management and technical skills and powerful high-level influence, both here and abroad, will enter our traditional market. This will pose a great threat."

But Ngcoya said the industry had in its favour enormous experience in the business.

"Would-be rivals must be made to realise that massive capital and resources are not enough to invade this field successfully."

opens
10 000
a site
NE ROSS

and its wholly owned subsidiaries

Foreign firms queue to fund tram network

TANIA LEVY

332

THREE foreign financial institutions are keen to fund Johannesburg's proposed tram network.

City council planning director Ian Symon said yesterday the council had been approached by Italian, Belgian and French financial institutions, as well as some of SA's "big institutions" interested in backing the proposed R1,5bn light rail system.

Plans are based on the findings of the Masstran Consortium, private consultants appointed by the Transport Department, who recently completed a four-year study into a mass transport system for Greater Johannesburg.

Symon declined to name the interested parties.

He said the foreign institutions had proposed mixtures of loans and investments in the form of capital and rolling stock.

He said detailed planning of a R500m starter tramline could start in July if the finance was found and the general plans were approved by the public and council.

Construction would start in 1993 and the line would come into operation in 1995.

Symon said the starter line could be built on two existing lanes of Louis Botha Avenue, running from Alexandra to the CBD. Rails would run at ground level for most of the route but would have to be above ground where the land was too steep, such as at Louis Botha's "death bend" in Orange Grove.

Symon said the R500m needed over five years to put the line into operation should be seen in perspective. Local authorities and other government bodies spent R1bn a year on transportation in the Johannesburg metropolitan area.

He believed he would be able to come up with a "menu" of fundraisers for the council to choose from.

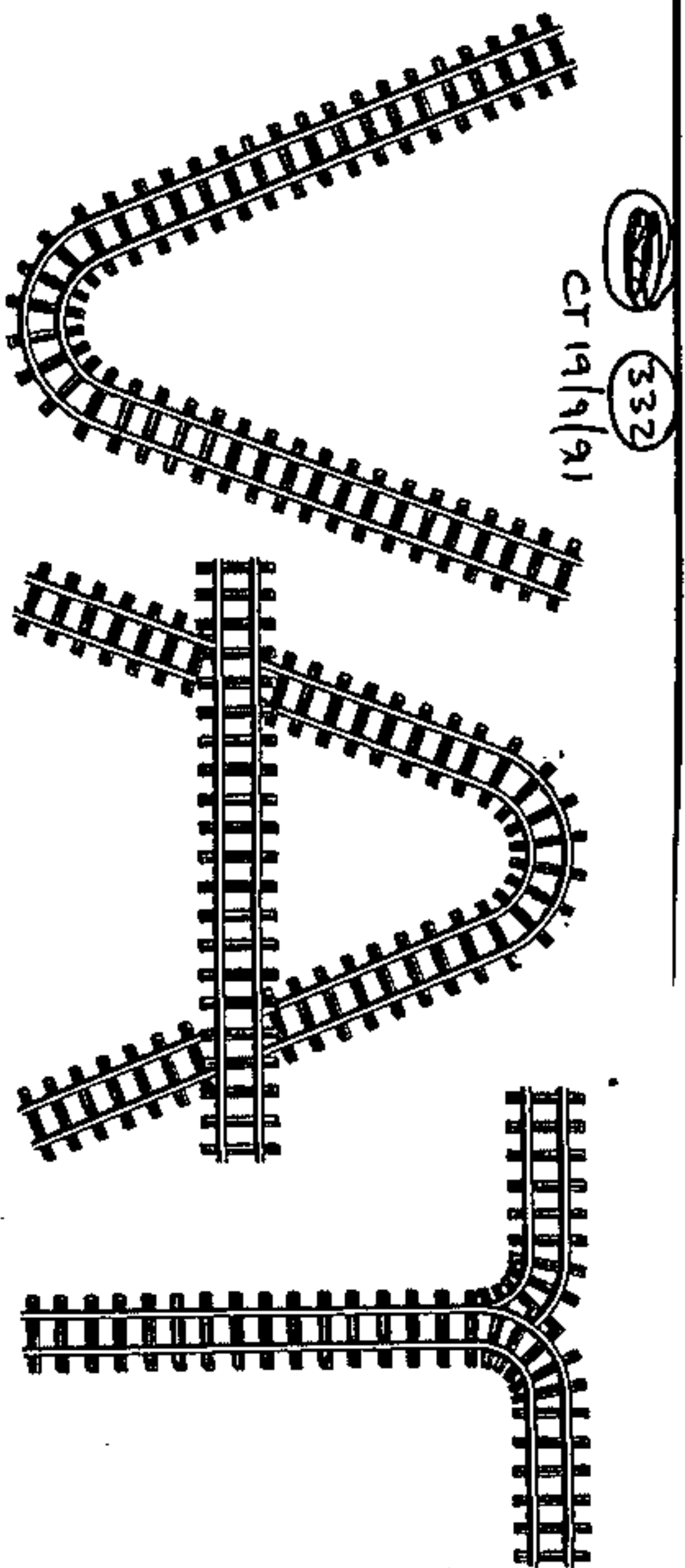
The list could include loans or investments by financial institutions; government funding; a redirection of some of the council's transport budget; a metropolitan licencing fee added to existing road taxes and/or surcharges on either businesses in the area of the new transport corridor which benefited or on developers adjacent to the tram line.



Picture: OBED ZILWA, The Argus.

ARG 17/9/91
ALTERNATIVE TRANSPORT: Since the already sporadic minibus taxi service was disrupted by fighting between the two taxi associations at the weekend, hundreds of workers have had to resort to buses and trains for transport. This was the scene at Nyanga terminus yesterday and today there was still no sign of minibuses.

(33) (288)



A FEW GUIDELINES TO BRING YOU ON-LINE AS QUICKLY AS POSSIBLE.

Every single one of us is affected by the new Value Added Tax (VAT) as from Monday, 30 September 1991. It will also be Spoonnet's responsibility to recover this tax. The good news is that Spoonnet has managed a saving of 1% on rates of container traffic (CX) and truck loads (TX). This will be passed on to you.

You probably have some queries about VAT and how it concerns you as our client. So we'd like to answer as many of these questions as possible.

WHO MUST PAY VAT?

All clients that use our goods, pipeline and road transport services will have to pay Value Added Tax. This includes government departments. Remember, even if you dispatch goods that are exempted from VAT, you still have to pay VAT on the transport service that is rendered.

ON WHAT SPOONNET SERVICES MUST VAT BE PAID?

All the services of Spoonnet: CX (Container Traffic), PX (Package Express), TX (Truckloads), Autonet (Road Transport) and Petronet (Pipeline) are affected. The only exception is Passenger Services.

WHEN WILL VAT BE CHARGED?

Whenever a transport service is rendered, VAT will be charged on the transport charges. However, this is only applicable to domestic transportation.

In other words, all services to Zimbabwe, Zambia, Mozambique and other countries across our borders, are zero rated on the total rail charge. For example, if imported goods are consigned from Durban to Bulawayo, a zero rate is maintained. The same applies when products are freighted from stations in those countries to destinations in South Africa.

A zero rate is also applicable on the total rail charge on services to and from destinations in Namibia.

Services rendered under contract conditions are liable to VAT.

It's important to remember that VAT must be paid on the total rail charges for services to and from the TBVC countries.

Import and export traffic that moves through a harbour is liable to VAT in respect of the local transport services.

HOW WILL VAT BE CONTROLLED AND ACCOUNTED FOR?

As you probably know, the new law stipulates that a tax invoice must be issued whenever VAT is collected from a client. However, Spoonnet is an exception to this rule and will go about it as follows:

- *Railage paid in cash*

For those clients who operate on a cash basis and do not have a credit account with Spoonnet, we will issue a receipt as well as a tax invoice with full particulars. Tax invoices will only be issued in respect of amounts of R20 and more.

For example, where railage is R18 and VAT R1,80, a cash receipt for R19,80 will be issued but no tax invoice.

Where railage is R20 and VAT R2,00, a cash receipt for R22,00 will be issued as well as a tax invoice for R2,00.

- *Railage debited against a credit account*

The credit account statement will be amended to make provision for the category VAT, i.e. Z = Zero Rated or N = Non-viable; the registration number; and the amount of VAT raised per transaction.

This means that no tax invoices will be issued for the different transactions. All required information will be reflected on the credit account statement. See example.

WHAT ABOUT CLAIMS?

When you want to submit a claim for lost or damaged goods, Spoonnet will handle it as in the past. The only difference is that a refund of VAT charged on railage can also be included. You will only receive this refund if you have paid the freight costs. The claim payment will of course include VAT in future.

WHAT ABOUT ADJUSTMENTS?

Occasionally it may be necessary to make an adjustment on your credit account. An overcharge/undercharge may occur on one of the transactions and as in the past, the necessary credit/debit will be passed by means of an adjustment document. However, since VAT was charged on the original rail charges, that amount must also be adjusted by means of an additional credit/debit.

ON WHICH RAIL CHARGES MUST VAT BE PAID?

All rail charges including miscellaneous charges are subject to VAT. When you approach Spoonnet for a tariff quotation, it will include VAT as from 30 September 1991. It is therefore extremely important to remember the date of dispatch of the consignment. The VAT amount will be reflected separately on your credit account statements.

This arrangement has been approved by the Department of Inland Revenue but we at Spoonnet are thoroughly aware of the impact Value Added Tax will have on your business and wish to give you all possible support. Should you require more information, please do not hesitate to contact your nearest station or Marketing Office.

THE ACCOUNTANT										SPOONNET										BESTUURDER/MANAGER									
M. J. VAN DER MERWE										Weekly Statement and Tax Invoice										PO BOX 373									
P.O. BOX 59										Credit Account 5549										REINVENTE 7915									
WOODSTOCK										VAT Registration Certificate Number 3456789012										TEL (021) 946-2025									
7915										For week 6 October 1991 to 12 October 1991																			
										MUS BROUGHT FORWARD 104112										BALANCE BROUGHT FORWARD 103447									
INVOICES/																				OVERSIGHT									
DATE																				AMOUNT									
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Market goes mad for Trencor

MARC HASENFUSS

SPECTACULAR gains in diversified transport group Trencor were indicative of continuing market interest in the pale blue share, analysts said yesterday.

The share moved up R2 to a new high of R100 yesterday on a small deal worth R50 000.

This follows a R7 gain on Tuesday in another small deal where 300 shares traded.

Market observers said price was no longer the question and buyers were becoming desperate to build up a stake in the group.

Trencor, helped by exports and a strong performance from offshore operations, increased earnings by 28,5% to 735c (572c) a share in the year to June 1991. The group has

seen a compound growth of 40% since 1984.

Analysts believed Trencor would continue its strong performance in the year ahead.

Although Trencor is listed in the transport sector, its main operating activities include the manufacture of containers, tyres through Contred, Henred-Fruehauf, a 50% stake in the Indian Ocean Export Group and various transport groups.

The transport sector index, heavily weighted by Trencor and holding company Mobile, stands at 20 201, almost double the 11 100 at the same time last year.

credentials:

Star 19/9/91 (332)

Taxis hard hit

Lack of foreign investment has severely affected the taxi industry and the economy as a whole, according to president of the Southern African Black Taxi Association (Sabta) James Ngcoya.

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PEACE MEETING . . . Khayelitsha mayor Mr Mali Hoza addresses members of the warring taxi organisations Lagunya and Webta at a meeting held yesterday in the township. More than 200 taxi drivers attended.

(332) CT 20/9/91

Picture: HAROLD KING

Taxi solution sought

By RAMOTENA MABOTE

TWO meetings were held yesterday to break the stalemate in the taxi war, which has claimed several lives since it began in July.

At a meeting in the city, mayor Mr Frank van der Velde, Mr A Dolby of the city council and District Commissioner of Police Major-General Nic Acker promised to seek solutions to the ongoing violence.

But a peace meeting at the Khayelitsha Community Hall, between 200 members of the warring taxi factions, was characterised by mud-slinging.

Organised by the Lingeletu West Town Council, together with the Western Cape United Civics Association (Weucsa), the meeting saw members of Lagunya and the Western Cape Black Taxi Organisation (Webta) levelling blame at each other.

No solution

Khayelitsha mayor Mr Mali Hoza said the meeting was given the green light by the ANC. Although the two bodies could not come to a solution, there was

Webta chairman released on bail

Court Reporter

WESTERN Cape Black Taxi Association chairman Mr James Mafuya and Webta member Mr Japan Roro have been released on bail of R500 each, following a brief appearance in Mitchell's Plain Magistrate's Court in connection with allegations of intimidation. The men were not asked to plead at Wednesday's appearance, as no charges had been put to them. They were warned to report daily to the Mitchell's Plain police, until their next court appearance on October 3.

The men were arrested earlier this week in connection with allegations of intimidation relating to the taxi war between Webta and the Lagunya organisation.

a strong feeling by both that their jobs should be resumed, with all drivers following the routes they had been using before the war broke out three months ago.

Both sides also expressed their willingness to allow the other side to transport people anywhere they chose to, and at any time.

After the meeting, residents of the Trevor Vilakazi section of the township met at a neighbouring soccer field and reaffirmed their stance against Webta.

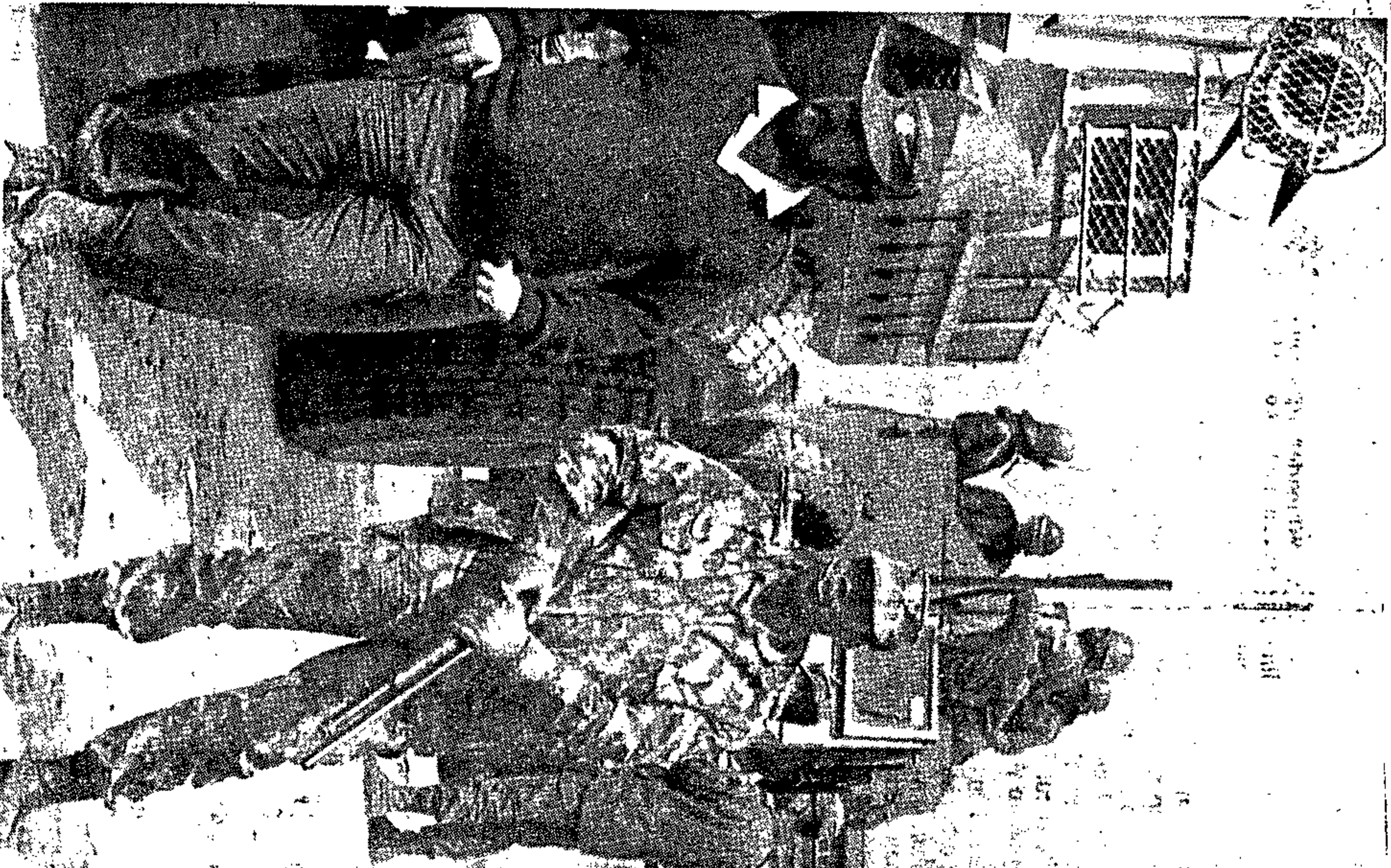
ANC denial

The residents said they would not allow "the same Webta that killed us" to come into the township. They also warned that anyone who boarded a Webta taxi would be endangering themselves.

Meanwhile, ANC regional president Mr Christmas Tinto denied that his organisation had given the go-ahead for the meeting. He said there was no consultation between the ANC and Lingeletu West Town Council.

He speculated that a committee working on the taxi war might have granted Mr Hoza permission to hold the meeting.

Mr Bulelani Ngcuka, an ANC member of the committee, was not available for comment.



STANDING GUARD . . . Policemen stand guard yesterday outside Khayelitsha Community Hall where members of rival taxi organisations met in an attempt to resolve the ongoing taxi war.

Picture: AP

Cape taxi talks hit logo pothole

u/wesey 20/9-26/9/91

Talks about uniting Cape Town's warring taxi bodies have come a long way — but agreement on a logo is proving an obstacle. By **TONY KARRON** and **GAYE DAVIS**

WE have been transporting people for more than eight years with that diamond. Not killing them. The 'T' is not even six months old, and now people are dying."

This is the explanation by Western Cape Black Taxi Association (Webta) head James Mafuya of the iconographic clash which symbolises the issues at stake in Cape Town's bloody taxi war.

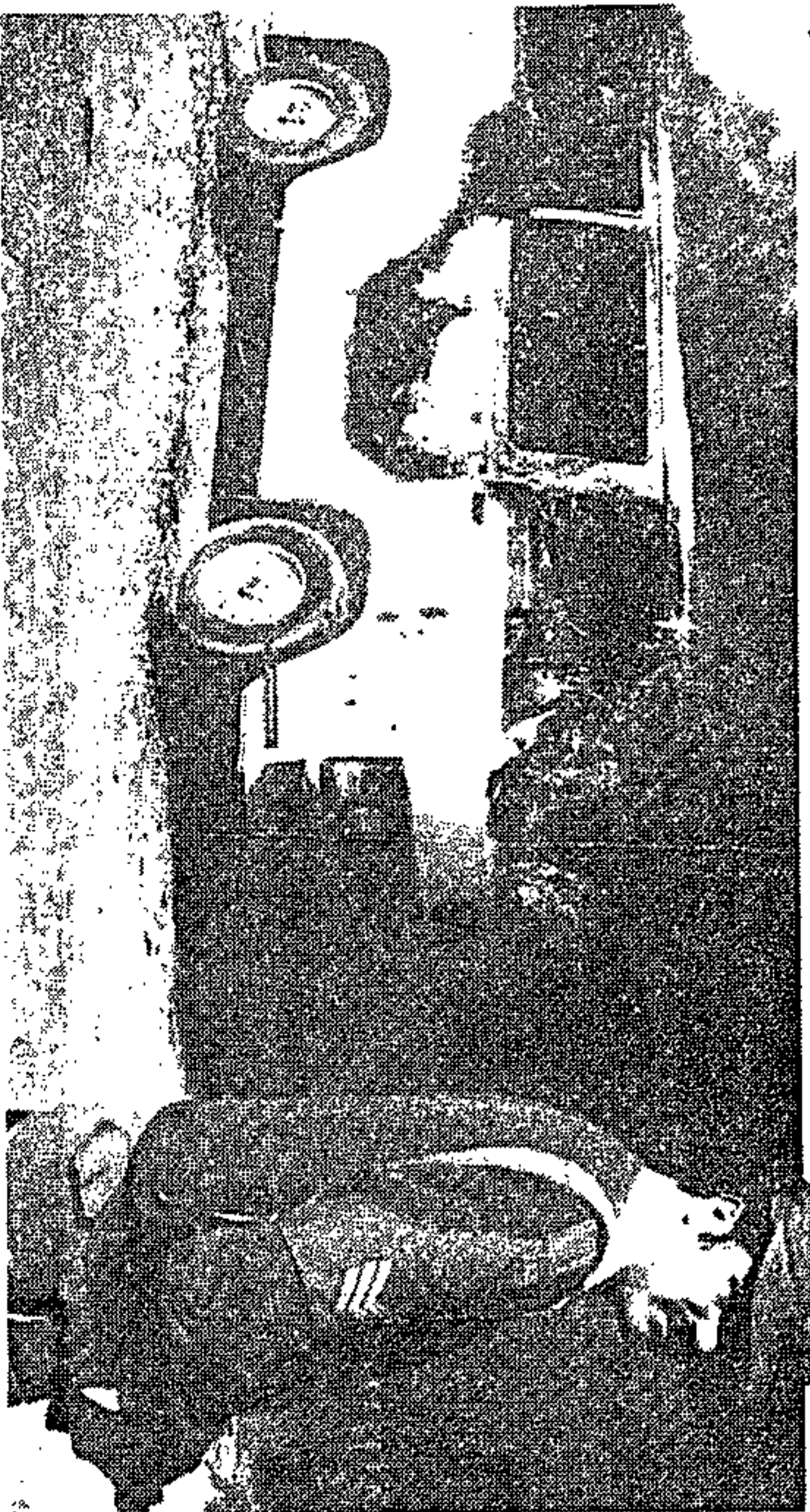
Initially a straightforward battle for lucrative routes, the long-running feud between Webta and rival taxi body, the Laguna Taxi Association, has now assumed a dynamic of its own.

Getting the two sides to agree on a single logo — the symbol of a unity negotiators hope to forge between the two associations — is proving a major sticking-point in peace talks made all the more urgent by a renewed upsurge of violence in recent weeks.

Wary of being caught in the cross-fire of sporadic taxi battles, township residents launched a successful month-long boycott of both associations earlier this year to force them to agree to forging a single body subject to some degree of regulation by communities themselves.

Agreement was reached, but Webta reneged on the deal soon afterwards, claiming it was biased in favour of Laguna. In response, township residents launched a selective boycott of Webta taxis — identifiable by their diamond logo.

Youths enforcing the boycott stoned and



'Red rag to a bull' ... A Webta taxi goes up in flames

Photo: Justin Sholk

torched Webta taxis. In turn, Webta launched attacks on Laguna drivers and the violence escalated. Marking it were repeated allegations by Laguna drivers that police were siding with Webta and claims that a large number of Webta taxis were owned by whites. Minibus taxis disappeared from township streets.

During this period, Western Cape Civic Association chairman Michael Mapongwana — a prime mover behind the boycott — was assassinated. Before his death he claimed a third force was fuelling the war, in a bid to undermine township civic organisations.

After weeks off the streets, both Laguna (since renamed the Unified Taxi Organisation) and Webta tentatively resumed operations. But when

Webta dared to re-enter Khayelisha, a stronghold of the civic and Mapongwana's former home, violence flared anew.

Since the start of this month at least six people have died and many more have been injured. Taxis have been torched and shacks razed in raids allegedly conducted by Webta members searching for African National Congress members they believe to be behind the boycott.

According to ANC regional executive member Butlelani Ngcuka, the sight of the Webta logo in Khayelisha "was like a red rag to a bull".

Western Cape Civic Association secretary Roseberry Sono agreed: "The violence restarted when Webta went back to Khayelisha without standing by the agreement."

In terms of the agreement, both bodies agreed to work towards a merger and in the interim to drop their logos and names and carry a "T" emblem to symbolise their commitment to unity.

"We made commitments to a process," said Sono. "If the taxi industry undermines agreements, they are trying to make fools of the community. If we back down and say they don't have to stick to agreements, the community is going to be messed around by the taxis."

Efforts by an ANC-initiated peace committee and the Cape Town City Council have ironed out a number of problems about routes and permits. But agreement has yet to be reached on a logo. Webta insists that its logo remain; community organisations maintain this is unacceptable.

"We cannot resolve this situation until Webta compromises with the community," said Michael Kupiso of Laguna Taxi Association (since renamed the Unified Taxi Organisation).

"The UTO has no problem with either Webta or the community. But people see the Webta logo and start stoning and burning vehicles. Webta retaliates by attacking our vehicles. We don't want this fight but the community carries on attacking Webta. The community has nothing to lose — they're not paying instalments."

For community organisations, Webta's logo symbolises the violence of recent months and the slaying of Mapongwana. For Webta, the "T" logo symbolises an icy Cape winter spent encamped in a laager at a cemetery on the edge of Khayelisha, doing no business. For both, it seems, compromise is impossible.

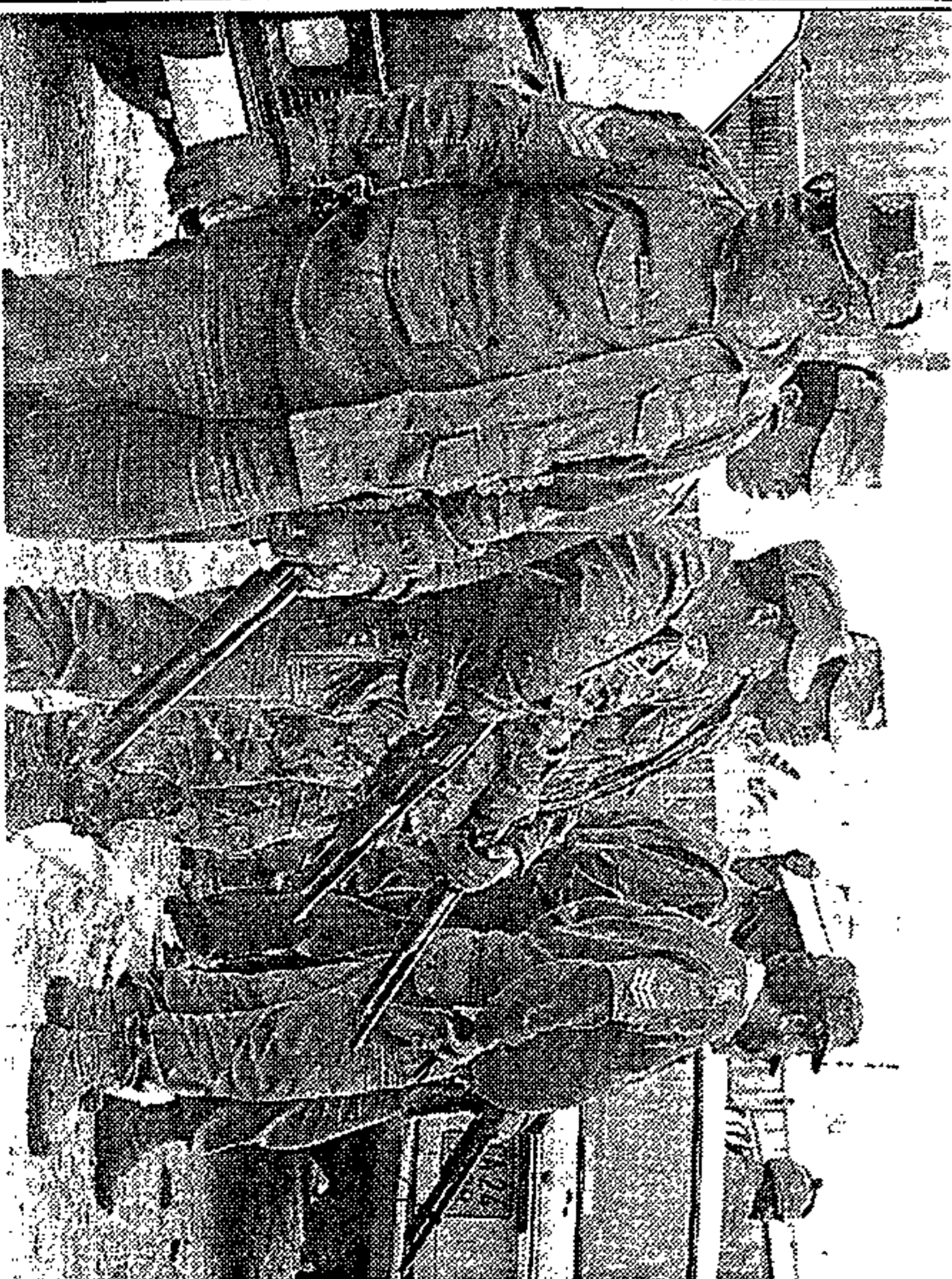
Webta chairman James Mafuya and his lieutenant, Japan Roro, were arrested and released on R500 bail each this week pending an October 3 court appearance on charges of intimidation.

Dash to save... | Niewoudt denies Ciskei

SUPERB VEHICLES BACKED BY A SUPREME TEAM!



Furious residents reject taxi peace pact



Pictures: OBED ZILWA, The Argus.

WATCHFUL: Police keep a close watch during a meeting between two warring township taxi associations at the Lingeletu Town Council offices in Site B, Khayelitsha.

VUSI KAMA, Staff Reporter
RESIDENTS of Site B, Khayelitsha, have rejected a peace pact between the warring factions in the taxi conflict.

The pact was brokered by the Lingeletu West Town Council and the Western Cape United Squatters' Association to end clashes between the Western Cape Black Taxi Association (Webta) and Lagunya.

A meeting resolved that "all taxis should ply their normal routes without disturbance".

The violence, which has caused about R500 000 damage and left

many dead, broke out after disagreement over routes and ranks.

Minutes after yesterday's peace meeting angry residents rejected the decision, claiming that "the hands of Webta members are still stained with blood from last week's killings".

They vowed to continue using their "underground structures" to "eliminate" Webta taxis.

Earlier the meeting decided "go back to the old order" and let all taxis ply their normal routes.

The Site C rank was established by Lagunya to carry passengers to the central business districts.

Although the "old order" resolution met some opposition from a section of the meeting, it was passed.

During the meeting Khayelitsha Mayor Mali Hoza called for peace and unity within the taxi fraternity.

"You must all protect each others' taxis. We don't want to see any burning of taxis here," he said. "Peace depends on you. If you want peace, there will be peace in this area."

Town Clerk Graham Lawrence said the council was keen to see an end to the conflict. There was enough money for more taxi ranks if there was a need.

Sabta aims for more gas

THEO RAWANA

SUN CITY — The SA Black Taxi Association's (Sabta) 12 service stations nationally were pumping 3-million litres of petrol every month with a monthly turnover of R3,7m, Sabta president James Ngcoya said at Sun City yesterday. (332)

Ngcoya, who was re-elected president at the organisation's seventh AGM, said Sabta should aim for 10-million litres by 1992.

"In 1986 we started with a concept which meant that our organisation — which is the largest consumer of petrol outside government — should own its own service centres," he said.

While the concept was greeted with enthusiasm, the organisation lacked support. 13/04/91 20/9/91

"The concept of shares was not well understood. Our own members boycotted our side. We had to close some of the sites. Until some six months ago we wanted to close the existing sites and close shop," Ngcoya said.

He said the association's commitment to the industry forced it to continue with the project.

SAFREN FM 20/9/91

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Conservative figures

Had it not been for the additional depreciation of R47m written off the Safmarine fleet, Safren's attributable earnings would have advanced by 26,4% instead of the published 16,7%.

CE Buddy Hawton explains that large depreciation provisions are necessary from time to time when accurate assessments of the value of the fleet are made. He describes the fleet as Safmarine's stock-in-trade. As the average age of the vessels is about 10 years, the stock is continually turning over, when new is bought and old is sold.

For competitive market values to be reflected in the balance sheet, he says, depreciation write-downs of this size are sometimes appropriate; the amounts depend on the state of the ship market. All other group assets were conventionally depreciated. Attributable earnings should thus be seen as conservative. But the year to end-June was difficult internationally and locally.

Safmarine still accounts for the largest slice (45,3% this year) of attributable earnings. However, in line with a reduction in world trade, the fleet again saw reduced cargo volumes — a major reason why group turnover grew by only 9%. Depreciation of the rand towards the year-end helped.

Kersaf marginally increased its contribution to group earnings, to 41,4% from 41,1%. Despite a reduction in room occupancy levels, the directors are well satisfied. Major growth is expected from this division when local and international economies improve.

Rennies' contribution fell to 12,9%, from last year's 13,4%. The travel division did well despite the Gulf War, but reduced volumes hampered the forwarding, transport and cargo activities. But Rennies' bulk terminals performed well throughout the year.

Net capital expenditure totalled R911m. Kersaf accounted for about R451m, of which R800m was invested in Sun City and the Carousel at Babalegi, with R40m spent on Mbabatho Sun. Safmarine's capex absorbed R460m; ships acquired accounted for R232m and pre-delivery finance and progress payments, R138m. Cash flow remained strong. The year-end cash balance was R655m compared with the previous year's R711m and there was net interest received of R2,9m (R4,9m).

Hawton notes that from 1992 onwards, R1,5bn has been earmarked for capital expenditure, of which about R1,1bn will be on Kersaf's Sun City, as well as Babalegi and other projects. The balance of about R430m has been allocated for the acquisition of ships, containers and other peripheral shipping and transport items.

These projects will be financed internally

FM 20/9/91

FOX

and from borrowing facilities already in place. Judging from the positive cash flow this year of R682m after dividend payments, this will not present a problem.

Safren's share price has risen from R50 in April last year to the current R83. The final dividend of 177,5c brings the total for the year to 237,5c, placing the share on an historical yield of 2,9%; the p/e is 14,7. Given the strength of the asset base, the earnings and cash flow capacity and the currency hedge qualities of Safren, the premium rating is likely to continue. Gerald Hirshon

Cathay going festive

332

Times (Buz)

22/9/91

By ROGER MAKINGS

CATHAY PACIFIC's weekly non-stop service between Johannesburg and Hong Kong is so popular that the airline will introduce an extra flight over the peak festive season.

Cathay says cargo and passenger loads have increased since the service started in July.

Cathay is particularly pleased with the increase in the number of first- and business-class passengers — the bread and butter of any passenger service.

Jeff Naylor, the airline's marketing and sales manager, says: "We are seeing a steady flow of perishables, such as flowers and seafood, on outbound flights and an increased amount of electronic equipment coming in."

It is likely that cargo loads will continue to improve because trade between SA and the Far East is growing.

Still no taxi peace agreement

CT 29/91

Staff Reporter

THE warring taxi factions in the city have still not managed to find a solution to the violence.

The Webta and Lagunya organisations failed to agree at another peace meeting in Khayelitsha yesterday.

The meeting, like the one held last Thursday, was organised jointly by the Lingeletu West Town Council and the Western Cape United Civics Association (Wecusa).

A Lagunya spokesman asked for the postponement of the meeting, saying those who had attended from Lagunya were not leaders of the organisation.

Both groups said that since the last meeting there had not been any confrontation, but Webta drivers said they were still afraid to drive into Khayelitsha.

Residents of the Trevor Vilakazi section, in Site B, have vowed that they will not let Webta minibuses drive into their township.

Meanwhile, Mr Enoch Hewu, a prominent member of Wecusa, said he had been arrested by police for allegedly possessing an unlicensed firearm.

Mr Hewu said the police had told him that if they found Mr Gladstone Ntamo, a committee member of the Taxi Crisis Co-ordinating Committee, they would kill him.

The TCCC is involved in the peace initiatives between the two taxi organisations.

A police spokesman said last night that police would investigate the claim.

"We must first ascertain who the policemen involved were to see if there is any truth in this claim."

● More than 500 people marched to the police station at Nyanga on Saturday afternoon to protest against the taxi war in the Peninsula.

The march was organised by the Western Cape Hostel Dwellers' Association.

Sabta's gamble pays off

Taxi men meet while on the crest of a wave

332

Soulter 23/9/91

WATCHING Sabta delegates milling around slot machines during breaks in their annual meeting last week, one could argue there is a resemblance between a taxi driver and a slot machine.

Both deal with quick cash and offer no credit. But this is where the similarity ends, or should end.

And if numbers are anything to go by, proof of Sabta's status in the taxi industry was manifested by the close on 5 000 delegates who attended the association's 7th AGM at Sun City. The meeting also marked Sabta's 12th anniversary.

For, no doubt, Sabta is a glittering example of what can be achieved when black men and women work together towards noble ends.

President

As Mr Thupana James Ngcoya, who was re-elected president, puts it: "We know the taxi industry's strengths and weaknesses. We should build on our experience to make ourselves competitive, learn from our mistakes and the mistakes of others."

"Would-be rivals must be made to realise that even massive capital resources are not enough to invade this field successfully."

But even as Ngcoya was addressing the delegates, a fierce taxi war was raging in the Western Cape.

An appeal to members in the Western Cape to address their problems well and stop the senseless war was made.

But despite its somewhat tarnished image — the seemingly unabated taxi wars, reckless driving, rudeness of drivers, — Sabta can pride itself as one business association which encompasses people of all political persuasions.

By ALI MPHAKI

It is also noteworthy that the total experience of the taxi industry, accumulated over the years by its members; dedicated leadership; a network of supportive systems such as financing, insurance, courtesy vehicle scheme etc; puts the association in the enviable position of being a role model for black business.

Clear

But what came out crystal clear at the conference — in spite of significant strides by Sabta in the taxi industry — is that formidable challenges and opportunities await the association.

It was a senior lecturer at the University of Zimbabwe, Mr Sipho Shabalala, who is also an economist for the PAC, who urged Sabta in his keynote address to spread its experience and the promotion of high-quality passenger transportation within the southern Africa region.

Shabalala called on Sabta to consider establishing units for tourists and holidaymakers and travel agents support services; to build and run on lodging and catering units at convenient places; es-

tablishment and operations of filling and repair stations at strategic locations.

Provision of smaller stopover rest places with quick refreshment and



JAMES NGCOYA

easy-to-prepare food, investment in telecommunication and entertainment facilities are also worth considering, Shabalala said.

"We should be mindful of the fact that, strategically speaking, we are not concerned about the past, less about the present but more about the future."

Stressing the importance of a high-quality regional transportation system, Shabalala said it is an open secret that

within the region persons of European origin have maintained their cultural and social contact because of ease of movement across the borders.

A greater challenge facing the association and the kombi-taxi industry is the need to comply with the safety requirements to be introduced over the next four years under the Road Traffic Act.

Operators

It will mean drivers and operators of transport vehicles, including kombi taxis, will need to register and obtain a professional driving permit and an operator card, which will be carried in the vehicle.

A person who is healthy and has a valid driver's licence will obtain a permit easily.

Announcing the new challenges, Mr Ahmed Arbee MEC, of the Transvaal Provincial Administration, said the challenges

of the new systems for the kombi-taxi operator are threefold:

Firstly, in spite of economic pressures, he must maintain his vehicle in good condition; second he must ensure that his drivers know the law and drive the vehicle in compliance with them; and last, in spite of passenger pressures he must not overload, exceed the speed limit or commit other traffic offences.

Arbee said driver training is one of the prerequisite for a healthy growth in the kombi-taxi industry and safeguarding the vehicle and the passengers.

Inadequate taxi facilities in cities and towns were also identified as problems for the industry. Municipal levies which differ from town to town, it was felt, were also placing an undue demand on the industry.

The issue of subsidies, long a source of discontent should also be looked into seriously delegates were told; for if bus transport is subsidised, then the taxi industry should also be subsidised.

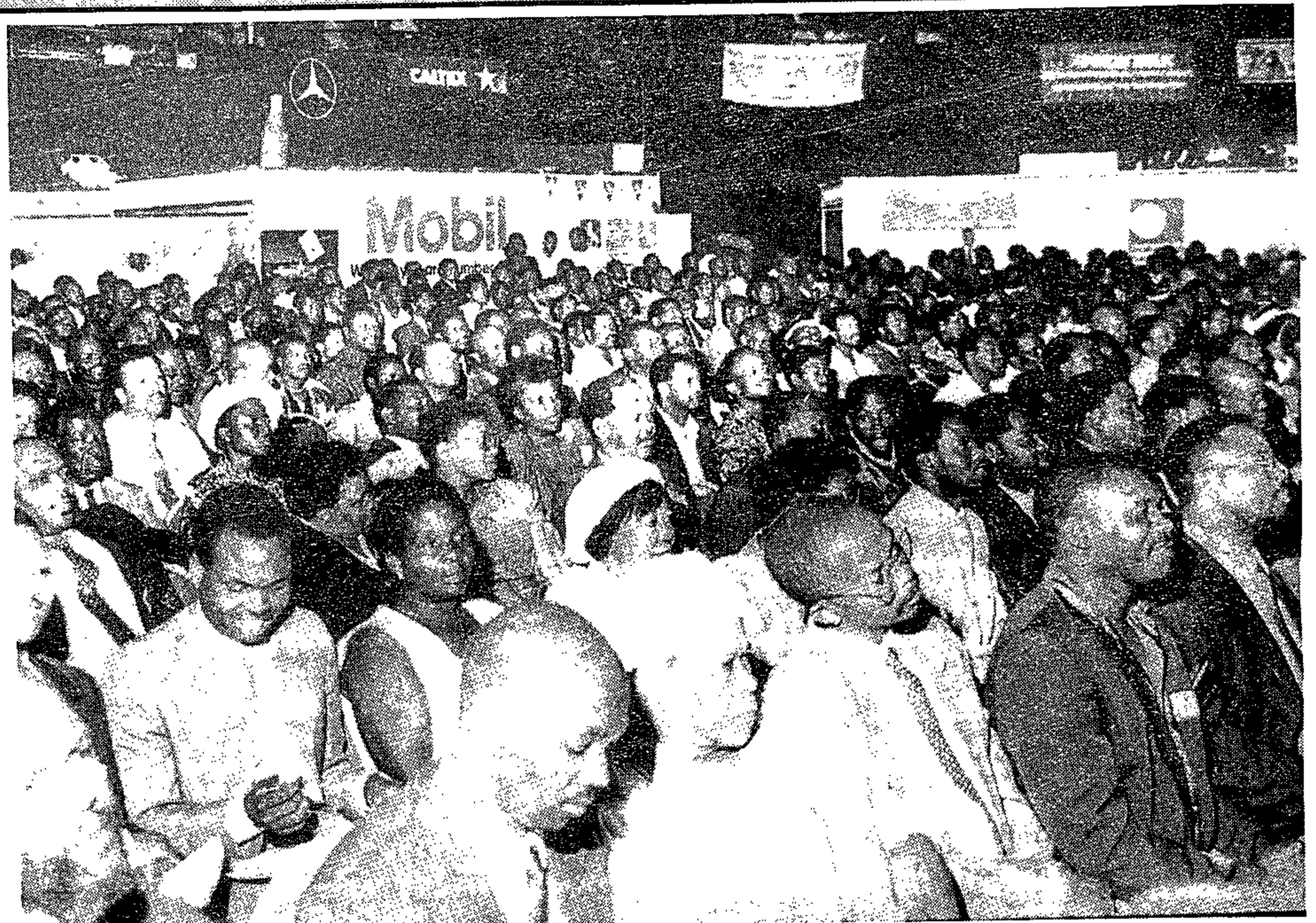
Mode

Arbee said subsidies should not be for the mode of transport but should rather for the use of transport.

There was the usual razzmatazz which goes with every Sabta conference: a beauty contest, number draws, win-a-kombi and the sprightly Brenda Fassie and the Big Dudes dishing out their

favourite ditties. Sensuous Wendy Gcilitshana of Transkei pipped nine other contestants when she was crowned Miss Sabta 1991 and went home R5 000 richer.

On a serious note, a new executive was elected to hold office from January 1992 to 1996. It comprised of Mr Boas Monamane as vice president; Mr Reginald Mmuti as secretary, Mr Joseph "Stimela" Mabaso treasurer; Basil Nagel, vice secretary; Mr Peter Booyen, secretary of the management council; Mr Dingaan "Paradise" Mahlangu as public relations officer.



Delegates at Sabta's annual general meeting at Sun City last week.

Sabta set to expand into hotels, tourism

THEO RAWANA

THE SA Black Taxi Association (Sabta) was poised to enter the hotel and tourism trade in southern Africa, the organisation's public affairs manager Fanyana Shiburi said at the weekend.

This followed a call by University of Zimbabwe economist Sipho Shabalala at the organisation's AGM at Sun City last week for Sabta to look at diversifying into travel-related markets in neighbouring states.

Outlining the role Sabta could play, Shabalala said: "The principal goal of our region should be the bringing about of a high and rising standard of living for the citizens of the region."

"To meet the package of consumer needs, Sabta should consider establishing units for tourists and holiday-makers and travel agents' support services; to build and run (its) own lodging and catering units at convenient places and establish and operate filling and repair stations at strategic locations," Shabalala said.

Sabta's Shiburi responded by saying his organisation was well set to undertake expansion. "Tourism has always been a main focus and, with the changing climate, we are well-placed to provide services in this area."

Letter and parcel distribution was another service the organisation was pursuing and taximen could soon be running full-scale freight services, Shiburi added.

Sabta secures taxi route to Harare

THEO RAWANA

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THE SA Black Taxi Association (Sabta) yesterday broke new ground by obtaining Zimbabwean government approval for SA taxis to operate between SA and Harare.

Under an agreement signed with Zimbabwe's transport and national supplies permanent secretary Sam Geza, Sabta is to send 100 new minibuses to Zimbabwe to help develop the country's fledgling taxi industry. 8/10/91 2579191

Sabta president James Ngcoya and Fabcos chief executive Jabu Mabuza yesterday told a news conference Geza had granted Sabta the sole right to issue permits for taxi operators to service the route between Johannesburg and Harare.

Ngcoya said taxis had previously operated without proper permits and Zimbabwean insurance cover. "Now all taxis, including non-Sabta members, must get permits from Sabta to operate (between SA and Zimbabwe) — or risk having their vehicles confiscated."

Mabuza said this was a major step forward in Sabta's mission to serve as a catalyst for the development of southern Africa.

The minibuses will be used in joint ventures with Zimbabwean operators and will serve to uplift Zimbabwean transport and introduce the minibus system, he said.

Spreading wings over Africa



Mr JAMES NGCOYA

THE minibus industry can make a contribution to national economies and the creation of job opportunities in southern Africa.

In a message to the transport industry, the president of Sabta, Mr James Ngcoya, said various developments in Africa and in other southern African states were making the possibility of greater regional co-operation an increasing reality.

His association was already helping to set up taxi associations in some of the neighbouring countries - such a development would make it even more possible for them to be able to help bring on a economic miracle of the

'80s to the subcontinent of the '90s.

"With the approval of the host of governments, we should be able to create tens of thousands of new jobs and to revolutionise the transport patterns in at least six other countries," he said.

However, he added, violence, whether of political or criminal nature, had continued to be unacceptable in the region.

"The level of savagery is still shocking the world and debasing our people. How ironic it is that just as we achieved freedom to trade, we turned the market place into a killing field," he said.

It did not help to blame politics for this or the police or even poverty.

By JOSHUA RABOROKO

Violence on such a scale and of such ferocity was totally out of place in any country that even vaguely considers itself civilised and must be stopped by public outrage and community condemnation.

"I appeal to everyone associated with the transport industry to do all you can to help counter this cancer which is consuming our regard for humanity," he said.

He said Sabta could play a very meaningful role as a catalyst in developments not only in Africa but in the new regional entity that was beginning to evolve.

He said that the taxi industry should realise its

strength in the fact that:

● They have enormous and unique experience in their business - a matter which should be built and made competitive;

● They have been accepted by their community, although some still accuse them of rudeness and arrogance or recklessness and irresponsibility; and

● They have established a vibrant association which has been involved in the taxi industry and negotiated with the authorities and suppliers.

He said that the association did not wish to meddle in politics and the sanctions debate, but has been drawn into the political arena.

The industry had been

severely affected by economic sanctions and lack of foreign investment. He called on all parties to debate, to do everything possible to resolve the issue as soon as possible.

"Like any other industry, we need to see inflation brought down, investor confidence returned and foreign capital attracted to the country.

"Constantly rising prices and shrinking margins are putting too many of our members out of the business through no fault of their own and the criminal violence, which affects our business very much, is due at least in part - to the extremely poor economic climate."

He appealed to the politicians to find a solution sooner rather than later to the problem.

SOUTHERN AFRICA BLACK TAXI ASSOCIATION
Building the Nation



MOTORING



SOUTHERN AFRICA BLACK TAXI ASSOCIATION

ONE desk, a broken filing cabinet, a telephone and a dream is all that existed when the South African Black Taxi Association was formed.

The year was 1979 and problems facing black taxi operators were seemingly insurmountable.

So 21 taxi owners got together in Umgababa, near Durban, to fight for their future and survival.

Twelve years later, Sabta marshalls massive spending and consumer power as it transports millions of people from all corners of southern Africa. It has become the biggest transport network in the country.

The association enjoys a simple, clear-cut advantage over all its competitors in the commuter transport business for the simply reason that it is transport for the people, by the people.

The turning point for Sabta was in 1982, when the Welgemoed Commission of Transport recommended that taxi licences be valid only for vehicles that carried no more than four passengers.

The authorities saw that these kombi taxis were making serious inroads into the bus transport market, as kombis were more flexible in terms of routes and timetables.

How it all began...

By ALI MPHAKI

Such a bus, a taxi operator had to pay a 70 to 80 per cent deposit, plus he had to pay an outrageous annual insurance premium

which amounted to 50 percent of the purchase price of the vehicle. The hard-pressed taxi operator was paying top

prices for the vehicle in the first place, and was charged the top rate of interest by the financial institutions which lent him the money.

Today the tables have turned. Sabta has used its massive purchasing power to negotiate a much better deal on behalf of its members.

Thus a member now pays a 20 percent deposit, which serves as collateral security for the loan. He then pays the vehicle back

over a period of three years. When the repayments are complete, he gets his 20 percent deposit back.

Harassment by traffic cops has also been a major problem for taxi operators. Ticketing, although still going on to a lesser extent, is still the order of the day.

Shudders

Had these recommendations been carried out, one shudders to think what could have happened. The kombi taxi industry would have been smashed in its infancy, as it would not have been financially viable to carry only four passengers at a time in a kombi that is capable of carrying 10 or more passengers.

Faced with this imminent threat, Sabta mobilised its forces and began extensive lobbying and negotiation at the highest level of government.

It was until the then Minister of Transport, Mr Hendrick Schoeman, agreed to changes in the Transport Act, which allowed for 15 passengers to travel in each kombi taxi.

No doubt - this was a great victory for Sabta. It paved the way for the boom of the minibus taxi, and ensured that henceforth Sabta would become the official forum for negotiations on behalf of the taxi industry.

Sabta was formed because taxi drivers had a common problem: they were being harassed by the Government and the private sector.

This harassment came in many forms and guises.

For instance seven years ago, a minibus cost R15 000. In order to buy

Move to rescue commuters

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BLACK taxis are to move into the Pinetown/Highway area on Monday to help 4 000 commuters get to Durban and back home following the shock announcement earlier this week that Intertown Passenger Service - the bus company which has served the region for 11 years - had decided to end operations this weekend.

Mr Gerald Ferror, public relations officer for the South African Black Taxis Association, said his organisation would hold an executive meeting to discuss serious plans to service the greater areas of Pinetown, New Germany, Westville and Queensburgh. He said Sabta would then hold meetings with town clerks of the municipalities concerned to get their blessings.

Sowetan 27/9/91
"But in the interim, our taxis will be moving in force into the affected areas on Monday to bring immediate relief to the helpless passengers, most of whom are whites. We are very concerned about their transport needs," he said.

Safety

"We can assure commuters that Sabta drivers are receiving ongoing safety training to meet the highest standards. Many white commuters in Pinetown and Umhlanga Rocks are using black taxis and are pleased with the service provided," he said.

Ferror said the stop-at-nothing image given to black minibus taxis - commonly known as "Zola Budds" - was a wrong perception for present-day drivers. Much had changed since the emergence of black taxis, he said.

Fares charged by these taxis were always lower than the scheduled bus service, he added. He was unable to give a firm fare for passengers in the Pinetown and Highway areas.

Ferror said that, although Sabta taxis would not be able to provide a scheduled service, vehicles would be available every 10 to 15 minutes to pick up passengers.

Training courses

TOYOTA has launched a free training programme in basic business skills for taxi owners.

The programme has been specifically designed to meet the particular needs of the taxi owner and consists of eight modules covering basic business principles, planning, record keeping, financial control and budgeting, operational control, financial techniques and principles, financing and marketing and personnel.

The modules are presented individually over an eight-week period. This approach allows taxi owners to attend the course with minimal disruption to the running of their business. - Sowetan Correspondent

30 wofan 30/9/91

Safcor doing well

Diagonal Street

LYNNE PEACH

Safcor is set to further increase earnings in the current year.

Results in the past year benefited from tight control over expenditure and effective asset management.

The group also rationalised operations to focus on core activities.

These factors, together with a strong financial position, are expected to boost performance in financial 1992.

In the annual report, chairman Max Brodie predicts real earnings growth will be achieved, despite the ailing economy and unlikelihood that lifting sanctions will have much effect on import volumes this year.

Safcor, through its subsidiaries, is engaged in freight forwarding, clearing, road transport and allied activities. (332)

Mr Brodie says a scarcity of cargo and fierce competition prompted the group to sell its heavy haulage interests.

Alex Carriers was sold in November and the 50 percent investment in Storm & Company disposed of.

In the year to June, turnover decreased four percent from R961,3 million to R918,2 million.

However, strict cost control, a 21 percent reduction in interest paid from R700 000 to R500 000, and increased income from unlisted investments resulted in pre-tax profit rising 15 percent from R26,5 million to R30,5 million. Star 30/9/91

A reduction in the effective tax rate from 50,2 to 47 percent boosted taxed profit to R16,2 million. This is 22 percent higher than the previous year's R13,2 million.

After including the profit contribution from associated companies and deducting outside shareholders' interest, attributable income advanced 22 percent from R13,5 million to R16,5 million.

The extraordinary profit of R1,2 million is related to the disposal of Alex Carriers.

Based on an increased number of shares in issue, earnings per share rose 19 percent from 61,7c to 73,5c. The dividend rose from 30c to 37c.

The balance sheet is strong, with no borrowings and a cash balance of R45,6 million.

Mr Brodie says the need to fund importers' commitments for VAT should be considerable and the group is in the favourable position of being able to utilise its liquidity on behalf of customers.

Safcor, priced at 725c, is trading on a P/E ratio of 9,9 and provides a dividend yield of 5,1 percent.

Its strong financial position and satisfactory prospects make the share an attractive investment option.

COMMENT: The share has performed well over the past four years, with particularly strong gains in the last 12 months during which the price tripled to 725c.

A sign of weakness, however, is its inability to break through 750c, which it has twice tried to do in the last three months.

Police linked to Cape taxi 'war'

Soweto 11/10/91

Focus

IN KHAYELITSHA, the squatter shack metropolis outside Cape Town, terror has become as effective an instrument of political persuasion as in the townships of Johannesburg.

The scale of the killing has been less spectacular but the impact on supporters of the African National Congress has been as inhibiting.

As in Soweto, Khayelitsha residents no longer wear their ANCT-shirts with the abandon they did in the weeks after Mr Nelson Mandela's release from prison. The more prominent ANC leaders, after the assassination of two in May and July, sleep in a different place every night.

Here it is not Inkatha that does the dirty work of those sinister elements within the security forces who believe that intimidation is the only political language blacks comprehend.

As the police have explained it, and Cape Town's white population have been led to understand, the killing of 15 people and the burning of 200 shacks in the past month have been the product of a "war" between two township taxi organisations over lucrative routes.

Denis, an ANC supporter cautious not to reveal his surname, has no job, like 85 per cent of Khayelitsha residents.

But he is lucky to have a roof over his head, 40 shacks adjoining his having been burnt down two weeks ago.

According to Press reports, armed men from the Western Cape Black Taxi Association attacked the area because the residents there were more sympathetic to a taxi association known by the acronym Lagunya.

Which did not quite seem to make sense.

Denis explained: "Webta drive taxis owned by whites, so the police support them. And the police work with the black councillors, who you know have not been elected democratically, but put there to do the work of the Government - it was they who killed Mapongwana (the ANC civic leader gunned down in July).

"The meaning behind it is that all of them together join to attack the people because they know we are all ANC. So you

see, the State is behind it all at the end of the day."

Simon put in his piece: "What we always hear is that it is Webta against Lagunya, who are helped by the ANC comrades, but this is not true. When the Webta vans come at night to attack us they always have Casspirs behind and policemen with guns."

Four hundred metres down the road, a group of men standing on what

I saw police, a lot of them, in camouflage uniform - riot police.

looked like a bomb site saw no room for ambiguity. Theo, a carpenter who said he had been out of work for a year, lost his home on the

night of September 3, as did 77 of his neighbours. Eleven lost their lives.

"They use the taxis as an excuse, but the thing is that most people here are with the ANC. You see, on the night they came there were no taxi people. We were sleeping - some of us were having supper. I heard gunshots. Then I saw fire and then I saw police, a lot of them, in camouflage uniform - riot police.

Some police were white, some black. They had long guns and petrol bombs and

there was one handgrenade - we heard the explosion. They shouted: 'Come on comrades, come out'."

The testimony of these individuals could, by a stretch of the imagination, be dismissed as ANC fabrication were it not for the fact that the police have received 36 sworn affidavits, all painting a picture of police involvement, or at the very least of police bias.

Mr Jan van Eck, a Cape Town MP from the Democratic Party, issued a statement on Friday denouncing "sinister forces at work in Khayelitsha and other Cape Town townships to massively destabilise the whole region".

Convinced that a spark could set off violence on the scale seen in Johannesburg, Van Eck said he had made available to Cape Town's new commissioner of police, General Nick Acker, documented information including the names of police officers and "the deep involvement of whites in the destabilisation process".

In the absence of competent ANC leadership in Cape Town - "squabbling", "corrupt" and "ineffectual" are among the adjectives one hears - Van Eck has emerged as something of a township champion. He has few friends in the police but, in a triumph of hope over experience, counts Acker as one. - *The Independent, London*

SAP, labour unit 'still in contact'

THE kingpin behind a security police-funded labour relations group maintained contact with his controller after the late Law and Order Minister Hernus Kriel said his department had ended the contact, the Financial Mail reports today.

According to the article, Rand Afrikaans University academic and kingpin behind the Liaison Bureau for Labour Relations Services, Prof Kobus Slabbert, sent the bureau's latest "concept newsletter" to security policeman Maj Derick Botha on September 4.

Kriel said last week the cut-off date for his department's involvement in the secret project was July 31 — "with the exception of still-to-be finalised individual contracts".

The article alleges that all the bureau's staff were paid by the SAP's security branch, mainly in cash. Slabbert was allegedly paid R5 000 a month tax free, the article said.

The bureau was apparently launched with a R50 000 payment, supplemented at monthly intervals authorised by Botha.

Botha was named earlier this year as having supplied R1,5m in secret funds to

LINDEN BIRNS

Inkatha's union, Uwusa.

According to the FM — which claims to have a copy of Slabbert's letter to Botha — Botha had replied to Slabbert, complimenting him on his "good exposition" of matters on the theme of affirmative action.

In another document written in August this year, Slabbert outlined the bureau's goals for the next year, saying he was devising a business strategy for the secret project, and new letterheads. He said he was planning a "think tank" with fellow RAU professor Naas Raubenheimer and Absa executive Petrus Claassen.

The FM reported Claassen was paid R40 000 by the bureau while Raubenheimer was paid R20 000. At a meeting in September last year it was agreed that Claassen should be paid R21 000 for a "Spoornet contract", the FM reported.

The article claims that at least R250 000 of the slush funds came from Lowaldi Enterprises — an organisation with a Pretoria bank account — and that according to a deposit slip, an F P R Botha (Botha's initials) paid more than R53 000 to the bureau on April 10 this year.

Flitestar to pay travel agents more

LINDEN BIRNS

TRAVEL agents selling tickets on SA's newest airline Flitestar will get 1% more commission than they receive for selling seats on SAA domestic flights.

Flitestar will enter the market with fares identical to SAA's current domestic tariffs.

However, travel agents will receive 8% commission on Flitestar tickets, compared with the 7% they get for SAA tickets.

In a statement yesterday Flitestar MD Jan Blake announced off-peak incentive discount fares ranging from 15% on business class tickets, 20% weekend discounts, 30% senior citizens discounts, a 25% youth fare for people between 12 and 21 years old and 20% spouse discounts.

He described the new commission structure as a breakthrough, as travel agents had asked for a revision of the structure "for years".

SAA spokesman Leon Els said the airline "took note" of Flitestar's revised commission structure. He could not say whether SAA would match or better it.

Flitestar's first service will be between Johannesburg and Cape Town. Services from Johannesburg to Durban and Port Elizabeth will begin on October 30 and a service between Cape Town and Durban in mid-January 1992.

Settlement 'will not cost UCT extra'

PARENTS of students will not have to fork out extra money to cover the 17% across-the-board wage increase which ended a week-long strike by UCT general workers.

Vice-chancellor Stuart Saunders said yesterday the university would not have to find any more money than it had budgeted to

TANIA LEVY

cover its original wage offer in July.

All that had happened was that the offer had been repackaged so that it was more acceptable to the Transport and General Workers' Union. The total cost would be the same.

In July UCT offered a 13,5% wage increase and

100% contribution to workers' medical aid subscriptions.

This week's 17% across-the-board increase was made possible by diverting a part of employees' pensionable earnings into non-pensionable allowances.

Workers will also have to contribute a portion of their medical aid rates.

Safren likely to maintain growth curve

By Jabulani Sikhakhane

Safren, which has its main interests in trade and tourism, is one the super growth shares of the Nineties, says Old Mutual senior portfolio manager Adrian Allardice.

Investors seem to share Mr Allardice's sentiments. Safren's share price has had a strong run in the past 12 months, rising R49 to a high of R85 early last month.

It fell with the rest of the industrial market to about R73 before rising to yesterday's close of R79, at which level it is up 119 percent over the same period last year.

Despite the strong rating, Mr Allardice says

Safren still offers some value.

Mr Allardice told an Association of Unit Trust seminar in Johannesburg yesterday that Safren was likely to continue its growth performance.

Its wholly owned subsidiary Safmarine would benefit from the lifting of sanctions, leading to growth in exports.

Increased tourism should benefit 76 percent-held subsidiary Kersaf, he said.

Safren is gearing up to take advantage of these opportunities. Chief executive Buddy Hawton says in the annual report the group's main businesses have embarked on major capital expenditure programmes totalling R1,5 billion over the next few years.

In financial 1992, capital commitments approved total R930,97 million, with a further R595,196 million to be spent after 1993.

Despite this huge outlay, Mr Hawton says total borrowings (net of cash) relative to shareholders funds should not exceed 30 percent by the end of financial 1992.

Safren is a cash-generator, closing financial 1991 with cash on hand of R655 million.

Mr Hawton says these investments should help show an acceptable medium-to-long-term growth in profits, while expanding and enhancing the group's range of activities and services.

He adds that while the lifting of sanctions should have a positive

impact on trade, the effect should only start coming through to Safmarine once the local economy picks up.

Another positive factor about Safmarine is that the agreement relating to the Southern Africa-Europe Container Services (Saecs) is currently under negotiation.

Safmarine is a major participant under this agreement and it forms a large part of its liner operation.

Mr Hawton says the new arrangement should result in more streamlined and efficient services, which should increase Safmarine's market share.

Negotiations should be completed later this year.

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FM 4/10/91 (332)

offer national and international service."

Federal's vice-president Christo Cotsakos, who was in SA for the signing, says four factors contributed to the decision to enter this area: expansion of the global network; strong and growing demand for the service; competition from rivals already in the region; and the strength of SA's economy.

Baker says volumes are difficult to forecast, but in the first three months the partners expect 300 parcels a day in-bound and 100 out-bound. XPS now moves 10 000-11 000 parcels a night through its Johannesburg hub. He says an important factor in the tie-up is the two companies' compatibility and similar methods of operation.

Federal, founded by Fred Smith in 1973, is one of the US's most remarkable business success stories. Within 10 years, turnover was up to \$1bn, without the benefit of mergers or acquisitions. It has a fleet of more than 400 aircraft — nearly twice the size of British Airways; has one of the world's largest communications networks; and employs 94 000 people around the world.

XPS, established in 1984, offers door-to-door services throughout SA and Namibia. It operates on the same "hub and spoke" principle pioneered for express freight transport by Federal at its US base in Memphis.

The new international service will initially use existing airline services between SA and Europe and slot into direct flights to the US when they are reintroduced. Cotsakos says it's unlikely that Federal will use its own aircraft for the foreseeable future.

Three international airfreight companies already operate in SA: DHL, TNT Skypak and, through a local agent, UPS. XPS expects to raise market share by being able to offer the best international service. ■

EXPRESS FREIGHT

US competitor

FM 4/10/91

The US\$8bn-a-year US express freight transport company Federal Express is entering southern Africa on the back of an expected upsurge in local and foreign demand as sanctions go and SA is allowed back into world markets. The company this week signed an agreement in Johannesburg to tackle the regional market in partnership with XPS Services, a member of the Rennies group.

Federal Express, the world's largest express transport company, serves 135 countries. Entry into southern Africa, using Johannesburg as a hub, is part of an expansion drive that will see it operating in 48-50 African countries by year-end, says Bob Tubman, MD for Africa.

The link-up with XPS will allow Federal to enter nine new regional markets via Johannesburg while giving XPS direct access to international routes via Federal's European hubs in Belgium and the UK.

XPS MD Peter Baker says until now its growth opportunities have been limited to the national market. "The most important factor for us in this agreement is that we can

R250-m trucking deal for black entrepreneurs

Steve 4/10/91
Finance staff

Black business received a major boost yesterday with the announcement of a R250 million truck financing scheme by Nedfin, Finansbank, the Southern Africa Hauliers Association and the Foundation for African Business and Consumer Services (Fabcos).

The Hauliers Association (Saha) said the finance package will provide huge financial bene-

fits to prospective trucking entrepreneurs and others seeking to privatise their transport divisions.

Saha president Sydney Mahlangu said there were about 2 000 independent truck-owners in black areas but most were small-scale operators.

Mr Mahlangu added that finance will be provided only to those businessmen who had been granted transport contracts.

R250-m aid for black

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hauliers

Star 4/10/91
Finansbank, a subsidiary of Nedfin, has pledged to make R250 million available to finance black haulier operators.

Speaking at a news conference in Johannesburg yesterday, Hilton Payne of Nedfin said the gesture committed his company to the concept of black economic empowerment.

The president of the predominantly black Southern Africa Hauliers Association, Sydney Mahlangu, said the pilot scheme would benefit at least 700 members.

He said finance would be offered to potential truck owner-drivers, and contracts then negotiated on their behalf with businesses such as petrol companies to ensure constant markets for individuals. — Sapa.

BUSINESS

LINDA ENSOR

Trencor expecting a better year

CAPE TOWN — Transport group Trencor is expecting an increase in earnings this year, chairman Neil Jowell says in his annual report.

In the year to end-June the group, which has achieved a compound growth rate in after-tax income of 40% since 1984, generated a 28,4% increase in earnings to 735c (572c previously) a share.

Little growth is expected from domestic operations — transport, tyres and manufacturing — as Jowell does not foresee the economic upturn occurring early enough to have an effect. However, this will be

offset by the group's undisclosed foreign operations, which should increase their contributions.

Trencor exports containers, trailers, components, general goods and automotive parts. (332)

"The container market is weakening significantly, but for most of the year we will be producing under orders negotiated some while ago, so the net position is that the contribution should at least equal that of last year's."

World container demand has slackened and new manufacturing capacity is

being installed by foreign companies.

"The low prices and extended credit terms offered by these foreign competitors, under what we can only assume to be strong state incentives, are placing considerable pressure on our margins."

Last year container prices softened. Trencor was forced in many cases to bear the cost of shipping containers to points of demand. But Jowell says there was a reasonable order book at the beginning of the period, mostly at better prices, so the divi-

sion increased its contribution to group earnings.

"The group's overseas businesses and exports made significant and increased contributions to group earnings despite the fact that there was no decline in the rand/dollar exchange rate to boost rand returns."

The foreign businesses are situated in places which have a low rate of tax.

This resulted in their contribution to after-tax income being further boosted, reducing the group's overall tax rate.

R250m plan to finance black truckers

8/Day 4/10/91
THEO RAWANA

A R250m truck finance scheme worked out by the SA Hauliers' Association and Finansbank would see SA's black hauliers become fully-fledged businessmen, the association's president Sydney Mahlangu said yesterday.

The project, launched in Johannesburg yesterday, has Finansbank providing finance for budding hauliers to buy trucks while the association, an affiliate of Fabcos, will negotiate contracts with large corporations on behalf of members and provide skills and business training, Mahlangu said.

Hilton Payne, operations GM of

Finansbank's financing wing Nedfin, said the bank had entered into the partnership to create opportunities for black hauliers.

"Our bank has committed itself to the concept of black economic empowerment," he said.

Mahlangu said major corporations were keen to subcontract their trucking operations and the hauliers' association was there to take that opportunity. "The scope is wide, with the mines, oil companies and other conglomerates prepared to grant con-

tracts to blacks," he said.

"We seek to represent 'own-account' operators in the trucking industry in the whole southern African region."

The association hoped to increase its 700 membership to take in all the estimated 2 000 hauliers in SA and to spread its membership to Lesotho, Swaziland, Botswana, Namibia, Zimbabwe, Zaire, Malawi and Mozambique, Mahlangu said.

The organisation is represented in the Natal Midlands, eastern Free State, northern Transvaal, western Transvaal, southern Transvaal and western Cape.

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Suspected fraud sum 'rising'

THE suspected fraud at Sage Holdings subsidiary Financial Planning Services (FPS) now involves about R14m and looks set to escalate, according to well-placed sources. The figure initially mentioned was R10m.

Attorneys acting on behalf of a Johannesburg businessman, whom they say stands to lose R2,3m, claim the FPS consultant involved in the case has put a substantial amount of money into a luxury yacht in Cape Town.

However, attorneys have so far been unable to link outright ownership of the yacht with the consultant, whose name is known to Business Day.

Sources said FPS had also taken steps to sequester the estate of the suspected consultant.

Sage director and FPS spokesman Bernard Nackan refused to comment yesterday, saying only that in-depth investigations were continuing.

He said as far as FPS was concerned the

BRENT VON MELVILLE

matter was sub judice and mere "speculation" could not be commented on.

Police liaison officer Capt Eugene Opperman said a case had been opened, and that investigations were continuing.

He said he could not confirm whether a warrant had been issued for the FPS consultant, who is thought to be in London.

Sources add that aside from Randbond Investments, which says it has claims against the consultant for R2,1m, there are at least two other private clients with claims said to involve more than R4m.

A lawyer said it was "more than likely" that FPS would be liable for debts incurred by the consultant.

He said there was a 1989 case on record where FPS was legally obliged to pay for a fraud perpetrated by its consultant.

The newly formed banking group Absa holds 49% of FPS.

Security group starts feeding scheme

THE security organisation Neighbourhood Watch has started a feeding scheme for underprivileged communities in a bid to curb rampant suburban crime.

Marius Wessels, the organisation's convener, said yesterday increasing poverty in squatter areas had forced people to resort to theft for a living.

He said the non-profit project had been started in Durban and would be extended throughout the country.

ANTHONY NDLOVU

"Many of the people in these camps are living on the breadline; they spend the little money they have buying food with low nutritional value, at exorbitant prices," said Wessels.

Neighbourhood Watch, whose members carry arms while on duty, is putting together special food packs for distribution to squatters.

A survey will be conducted

to ensure that the contents of the packs meet people's daily dietary requirements.

Wessels believes the scheme will go a long way to furthering safety and security in SA.

"It would be short-sighted for us to barricade our neighbourhoods without addressing the cause of the problem," he said.

He said the Department of Health was approached for further assistance and he was awaiting a response.

Free State files global flight plan

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LINDEN BIRNS

SA's latest hopeful international airline, African International Airways, yesterday began recruiting air hostesses for flights it plans to operate from a base in the Free State.

A newspaper advertisement yesterday said only Asian and Chinese hostesses aged between 18 and 25 should apply. They would be required to move to the central Free State immediately.

According to the advertisement, the airline will fly to southern African destinations and "internationally".

One of the airline's owners, Sonja Delpert, last night declined to elaborate on the company's plans, but said a full media briefing would be given once all operating details were finalised.

Sources said African International Airlines would use Boeing 707s and BAC1-11s. *B/day 4/10/91*

Directorate of Civil Aviation (DCA) chief director Japie Smit last night confirmed that an application had been lodged with his department, but said the airline had applied only for a freight charter service licence.

According to a recent Government Gazette, the airline would use two Swazi-registered Douglas DC-8 cargo aircraft and had applied to base its operations at Jan Smuts Airport.

Several second-hand Boeing 707s, Douglas DC-8s and BAC1-11s are on sale in Africa. The latest Avmark world aircraft pricings lists 707s at between \$1m and \$5m, DC-8s between \$1m and \$18m, and BAC1 11s at between \$0,6m and \$1,5m each.

It is not known which institution will finance the airline's acquisitions.

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IE ROSS

Jump-start for hauliers

THE South African Hauliers' Association (Saha) 2 000 with hauliers from all over southern Africa. this week received a Finance would be of R250-million boost from offered to potential truck Finanskbank - a Nedfin owner-drivers and con- subsidiary - to finance tracts would then be ne- black hauliers. gotiated on their behalf Saha president Sydney with big business. Exist- Mahlangu said the pilot ing small haulage firms scheme would benefit at would also be helped. least 700 members. Anyone wanting to join It was hoped to in- the scheme had only to crease membership to join Saha. (332)

Safren sets aside R1,5bn

MARC HASENFUSS

SAFREN will spend R1,5bn in the next few years on major developments and expansion in its core businesses.

In his annual review, CE Buddy Hawton said the investment should yield acceptable medium- to long-term profits while expanding and enhancing the group's range of activities and services.

Safren has interests in shipping and passenger and freight airlines through Safmarine; transport, travel and container handling through Rennie's Group; and hotel resorts, casinos, film and television production and fast foods via Kersaf.

Safren also has a 60% interest in full service insurance brokers Willis Faber Dumas.

Outlining the divisional developments, he said Safmarine had taken delivery of four ships during the year and was due to take delivery of a further four vessels at a total cost of R475,3m, of which R142m would be directly funded by Safmarine.

Safmarine also acquired a 49% stake in European shipping group CMB Transport for R78,5m.

The new aircraft for the domestic and freight services were financed through third parties by lease arrangements, Haw-

ton said. "Safair and Trek Airways have favourable flexible buy-in options over these assets."

He said the major development projects undertaken by 76%-held Kersaf amounted to R1,2m. Of this, R275m was spent in the year to June 1991, while an estimated R718m would be spent in the year ahead.

Port developments in progress within Rennie's would amount to R13m and would be financed primarily by outside sources, Hawton said.

Despite the major expansion programme, Hawton believed the group would retain a strong balance sheet, with gearing unlikely to exceed 30% by end-June 1992.

He said the group was well positioned in its business sectors and expected Safren to continue to show acceptable earnings growth in the current financial year.

Safren traded at R81,50, just below last month's R85 high and well above the R33,50 recorded in October last year.

The share peaked after the release of the group's 17% increase in year-end earnings to R302m (R259m).

Pact could be used in taxi war

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South 9/10 - 16/10/91.
THE National Peace Accord could be applied to the Western Cape although the signatories had not thought specifically about the taxi war in constructing the agreement.

This is the view of Mr Jayendra Naidoo, ANC/Cosatu alliance member of the Peace Secretariat and a keynote speaker at the Peace Conference in Cape Town on Wednesday.

"It's not just the taxi war which could be settled but also the socio-economic environment in which violence is seen as a way of dealing with disputes and the role of police as participants in the violence and their inability to effectively deal with it."

Local players, like rival taxi groups, political and church groups, could sit on a dispute resolution committee. Police, trade unions, civics, regional political representatives and trade unions would sit on a regional dispute committee which would be linked to the national secretariat.

"If the dispute cannot be resolved on a local or regional level it can be referred to the national secretariat."

AY, Wednesday, October 9 1991

Peace summit called to stamp out taxi violence

CAPE TOWN — Nearly 300 delegates will attend today's "taxi violence summit" — the most ambitious attempt yet to resolve a protracted war which has claimed scores of lives, disrupted the local economy and caused endless hardship for township residents.

Jointly organised by Cape Town Mayor Frank van der Velde and Anglican Archbishop of Cape Town Desmond Tutu, the summit could result in the setting up of a violence monitoring commission in terms of the national peace accord, it was predicted yesterday.

Police Divisional Commissioner-General Nic Acker greeted this with caution, saying he was still "awaiting NPA guidelines from Pretoria", but would not rule out the possibility.

He emphasised that a joint ANC/-police forum was already operating in terms of the Groote Schuur Minute.

Among those attending the peace conference at the civic centre's will be Cape Administrator Kobus Meir-

ing, head of the Police Reaction Unit Brig Frik Kellerman, and delegates from petrol companies; religious organisations across the spectrum; Cape Town's chambers of commerce and industry; the Lingeletu West Town Council (Khayelitsha); the two warring taxi associations (the former Lagunya and Webta); supermarket chain chiefs; all local universities and technikons; tyre companies; and the major political parties.

Strategies

The Western Cape ANC delegation will be headed by its chairman, Allan Boesak, while the PAC's and Azapo's regional executive members will also attend.

In closed sessions the conference will break into commissions for taxi industry regulation, taxi war policing, and the application of the national peace accord to the taxi war. Each commission will focus on problem definition, obstacles to problem

resolution and long and short-term strategies.

A fixed date will then be set for progress reports. Sources said they felt the time allocated for the summit (it ends at lunchtime) was insufficient for anything substantial to be achieved.

The taxi war, which centres on lucrative passenger routes and follows a decade of enmity between Webta and Lagunya, has degenerated into "Beirut-style" killings.

Among the more prominent victims this year were the chairman of the Western Cape Civic Association, Michael Mapongwana, and senior ANC member Mziwonke "Pro" Jack.

Previous peace forums have degenerated into accusation, counter accusation and the assassination and attempted assassination of members. □ Cape Town's City Tramways bus drivers may soon have bulletproof cabs, according to one of the proposals by the firm to protect its drivers against attack, Sapa reports.

This follows the murder of one driver and attacks on others.

Own Correspondent

B/Dag 9/10/91

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Strikers slash chunk off Uniserv's earnings

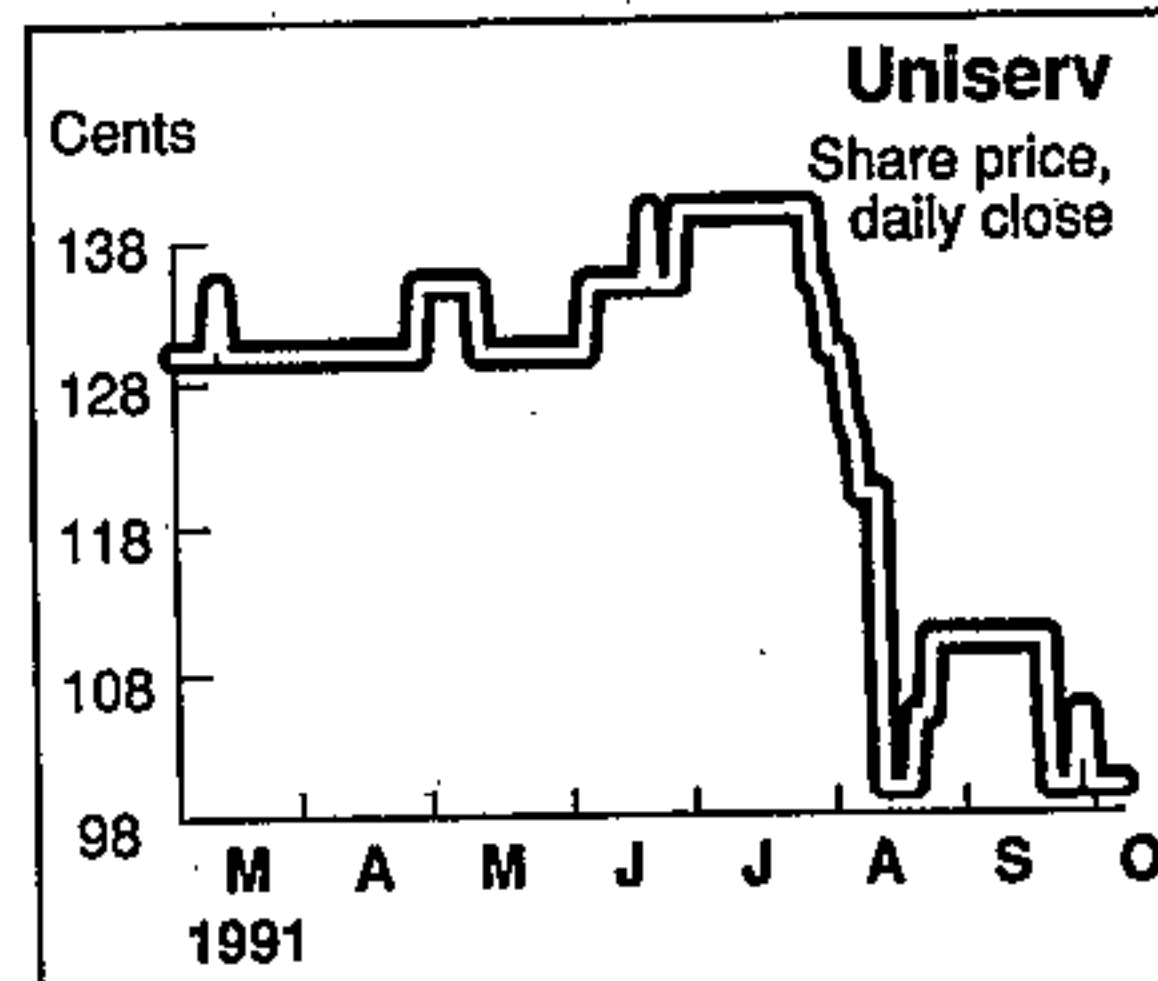
B1 Day 9/10/91
MARCIA KLEIN

STRIKE action at Sun Couriers virtually halted United Service Technologies' (Uniserv's) earnings growth in the six months to end-August. The freight and courier services group's earnings dropped 80% to 2,3c (11,5c) a share in the six months because of poor results in Sun Couriers.

The group recently warned that interim results would drop significantly because of the under-performance of Sun Couriers, which had been plagued by union problems for nearly a year.

Uniserv chairman Tiger Wessels said yesterday that the volume of shipments had dropped during the six-month period. Although this had been reversed, Wessels said he "did not want to estimate when Uniserv would be back to previous levels".

Operating income for the six months fell by 58% to R3,8m (R9,0m), and pre-tax income was 65% down at R2,3m (R6,7m). After a higher tax rate of 25,3% (11%) and preference dividends, attributable income was 80% down at R1,0m (R5,2m).



Graphic: FIONA KRISCH Source: I-NET

"The results reflect the sensitivity to industrial action in the express parcel industry which is totally reliant on people to achieve high performance levels for time sensitive deliveries", Wessels said.

Wessels said the group's other major divisions, Burlington Air Express and Burlington Ocean Express, had performed satisfactorily.

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14/10/91

War declared on taxi

New by-laws will regulate operators

CLIVE SAWYER
Municipal Reporter

INTERIM measures to stop Western Cape taxi wars follows the formation of a broadly-based working committee.

City Council staff will start today the complex task of drafting new by-laws to regulate taxi operations.

The working committee, with membership ranging from clergy to the SA Black Taxi Association and Chamber of Commerce, was formed at a three-hour meeting at Bishop's Court on Saturday.

In terms of the interim measures, City Council legal staff will be told to draw up new by-laws to regulate taxi operations.

These will be circulated to taxi associations for comment. "While involving all relevant

parties in the planning process, we shall also cut through red tape to get these by-laws promulgated," said the Mayor, Mr Frank van der Velde.

A sub-committee is to liaise with police to resolve vexed issues about police involvement. Taxi routes are to be re-examined and the introduction of a permit system investigated.

A suggestion was made that Western Cape Black Taxi Association (Webta) and the Langa Nyanga and Guguletu (Langunya) operators should consider not operating in sensitive areas.

Archbishop Desmond Tutu and Mr Van der Velde will address a meeting in Khayelitsha to inform residents.

Provisionally, Sunday has been set for the meeting.

"It is crucial that not only the leadership, but the people, are aware of what is going on,"

Mr Van der Velde said.

Expressing satisfaction about the progress of negotiation, he said: "We are getting down to the nitty-gritty."

Organisations involved would go back to their constituents to discuss plans for the mass meeting, Mr Van der Velde said.

"We have reached a phase of detailed discussion about specific problems, and the causes of conflict," he said.

The clearing of a possible road to peace for taxi operators and their customers follows agreement on Friday between police and a joint forum to find ways to monitor the strife-torn areas.

Police legal adviser Lieutenant-Colonel Ed Booth and Mr Willie Hofmeyr of the African National Congress are to meet tomorrow to discuss the monitoring.

Strife

Sabta warns taxi drivers

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Source
14/10/91

THE South African Black Taxi Association has warned taxi operators to stop working between Zimbabwe and South Africa until an agreement with that country's government had been fully implemented.

Mr Fanyana Shiburi said the agreement would come into operation next month.

In terms of the agreement, Sabta would be the only party to issue taxi permits between the two countries.

Shiburi said the Zimbabwean government would confiscate vehicles without permits.

Permits would be issued to people regardless of affiliation. -Sapa.

Taxi talks begin

THE Cape Town Peace Committee began consultations with Webta and Lagunya, the two taxi associations involved in the city's taxi war, at the weekend.

The committee was convened after last week's peace conference in Cape Town, which was called by the Mayor of Cape Town, Mr Frank van der Velde, and Archbishop Desmond Tutu, of the Church of the Province of South Africa.

"The aim of the consultations with the taxi associations is to implement as quickly as possible an interim arrangement which would allow commuters and taxi drivers to travel in safety," Tutu's office said in a statement on Sunday night.

The purpose of reaching an interim arrangement would be to open the way for negotiations for a long-term settlement to the taxi war, which has claimed several lives.

- Sapa

Cops excluded from taxi peace committee

POLICE have been excluded from the Cape Town Peace Committee's interim working group in their attempt to resolve the Peninsula's taxi violence.

The working group, which was formed at a three-hour meeting at the weekend, comprises representatives of the taxi associations, political groups, churches, trade unions and business interests.

There was strong opposition from the National Congress of Trade Unions (Nactu), the Azanian People's Organisation (Azapo) and the Workers' Organisation for Socialist Action (Wosa) to the participation of the police in the working group and a source said that leaving the police in the cold was because of "unresolved issues".

However, channels of communication were in operation with the police, the source said.

Police spokesman Captain Attie Laubscher said the police had not been given any reason as to why they had been left out. He said the police were surprised at their exclusion.

Senior policemen, however, last Friday met representatives of a range of organisations committed to the peace

initiative to discuss police action in the strife-torn areas.

Key proposals for the withdrawal of the Riot Squad from Khayelitsha, for joint investigations by police and interested parties and for a centralised chain of command for police operating in unrest situations in Khayelitsha, were rejected by the police.

The Regional Commissioner of Police in the Western Cape, General Nic Acker, undertook however to report back to the community on progress in police investigations and any action taken against policemen.

He said it would be "irresponsible" to withdraw the riot police from Khayelitsha as this would lead to an escalation in violence.

General Acker also undertook to ensure that policemen engaged in uniformed police operations wore their name tags at all times.

The assistant regional secretary of the ANC, Mr Willie Hofmeyr, will today meet the police legal adviser, Lieutenant-Colonel Ed Booth, to discuss the concept of "monitoring" police action in the townships. — Staff Reporter and Sapa

SA lorries could lead world on accident toll

Motoring Reporter

BIG Brother is watching you... and according to his findings South Africa could lead the world in the number of road accidents involving heavy-duty vehicles.

In the form of the tachograph, a watchful eye is kept on many commercial drivers. Analysis of this recording machine's findings in a national grid set up by Control Instruments during the the past 15 years reveals some alarming statistics.

"We were asked to provide professional analysis of tachograph charts for trucks involved in road accidents to the extent of 1 300 such incidents in 1990," says National Analysis Manager, Mr Phil Clarke.

"This has escalated to 1 600 to date, with every possibility that this will top 2 000 accidents by the end of the year.

"When one considers that Kienzle, Control Instruments' German associate company which operates an analysis service for the whole of Europe (except the UK), was asked to analyse only 2 500 truck accidents last year, this is a serious accusation made against driving standards in this country."

Tachograph analysis has become such an exact science over the years that the Control Instruments' Analysis Department has become officially recognised as providing expert evidence in any South African court, including the Supreme Court and the Appellate Division.

As an example, this department has been involved in numerous court cases so far this year, including 45 hijackings, several culpable homicide cases, arbitration hearings, one case of indecent assault — and even an inquest for a case dating back to 1987.

ARC 16/10/91

Filestar takes off

New era as independent airline begins commuter flights from D F Malan

SHARON SOROUR Staff Reporter

A NEW ERA in South African travel began today with the touchdown at D F Malan airport of the first passenger flight of Filestar.

The new independent domestic airline is the first carrier in South Africa to fly the new luxury Airbus A320, ahead of rivals South African Airways.

The airline today started five daily return flights between Cape Town and Johannesburg.

The service, geared towards businessmen, got off the ground when two 125-seater Airbuses took off from Jan Smuts and D F Malan airports about 6.30am.

Third and fourth aircraft

The airline has a third aircraft in reserve and a fourth will join the fleet in a fortnight.

Leased from the Guinness Peat Aviation Group, the aircraft were the "latest in aircraft technology", said Mr Peter James of Safmarine, one of Filestar's major shareholders.

"The planes are built in France and are exceptionally comfortable and spacious as only 125 seats have been fitted — even though the aircraft can carry 160 passengers.

"We're flying them before SAA, which only starts using them next year."

Filestar is jointly owned by Safmarine, Rentmeester Investments and Muelkin (Pty) Ltd, which have been operating since 1953 as Trek Airways, the holding company of Luxavia — the South African marketing arm of Luxair.

Safair, South Africa's largest freight airline, has signed a one-year contract with Filestar and will sell cargo space on all Filestar flights.

Off-peak and other discounts

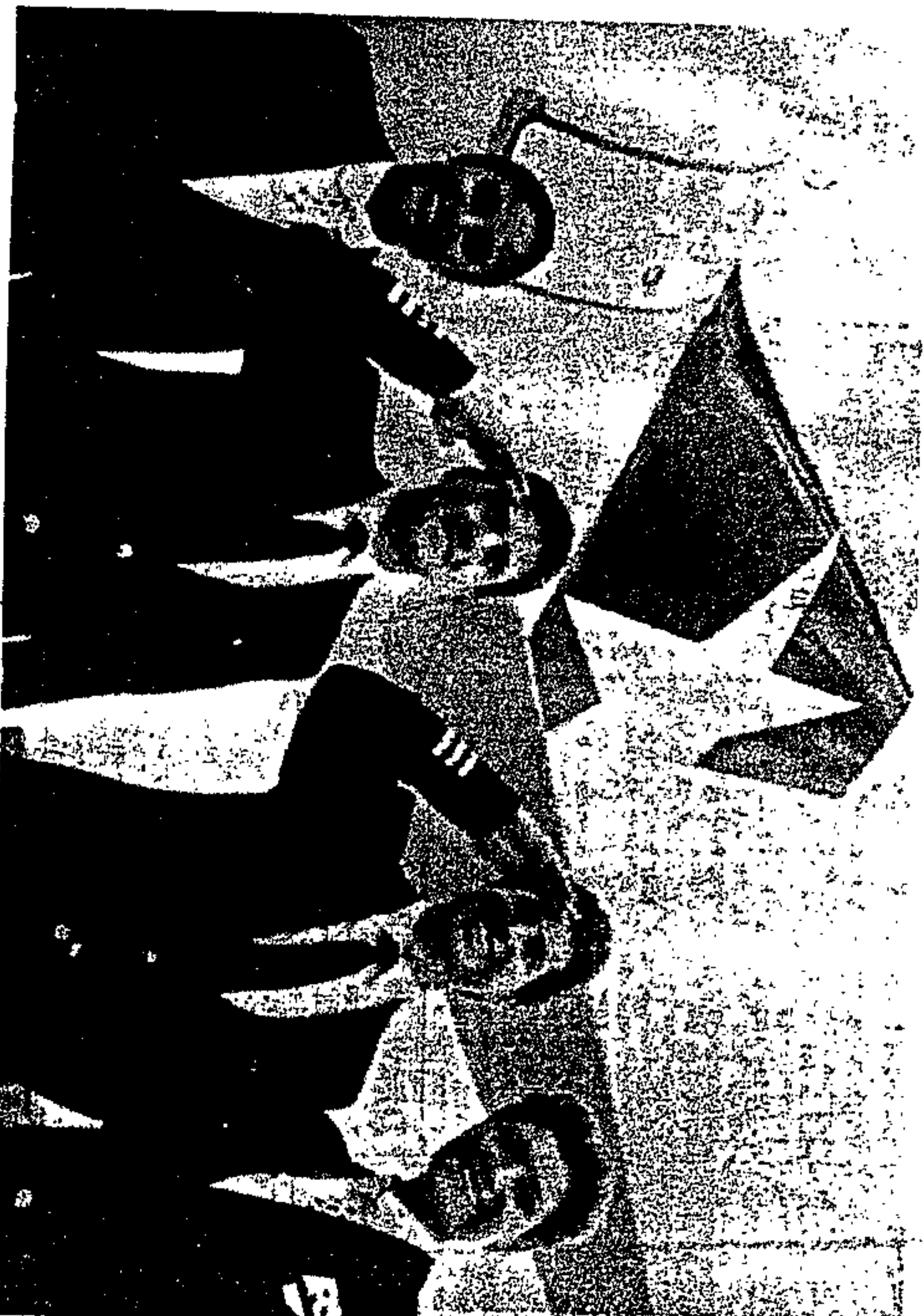
This would "dramatically expand its network of domestic freight services," said Safair managing director Mr Braam Loots. Filestar flights have 65 business class and 60 economy class seats.

Filestar was offering off-peak and other discounts, said marketing and sales executive Mrs Sue Pryor.

The airline had seen a gap in the business market and was geared to business travel, but did not exclude other passengers, she said.

"Filestar is offering a 15 percent discount on off-peak business class travel, a 20 percent discount on weekend business and economy class excursions, a 10 percent discount on standby tickets in both classes, a 20 percent discount on a married couple's economy class tickets, a 25 percent discount on youth fares in economy class and a 30 percent discount for senior citizens in both classes.

The airline will have its own check-in desks and business class lounges at the major airports.



Major to spearhead campaign to lift nearly all sanctions

FRED CLEARY

The Argus Correspondent

HARARE. — Britain will exert strong pressure on Commonwealth members to support it in lifting nearly all sanctions against South Africa when the multi-national conference gets underway here today.

Prime Minister John Major will also be discussing sanctions and the ANC's prevailing stand on the issue when he has a working lunch today with ANC leader Nelson Mandela.

not shared by all Commonwealth members — that, given the political progress there had been in South Africa, and given the "parlous" state of the economy, "we ought to be engaged in the process of nation-building after spending several years engaged in something rather the opposite."

Britain wanted to amend the three-stage proposal on sanctions agreed to by Commonwealth Foreign Secretaries recently in New Delhi, which Britain did not attend.

acknowledgment of that progress," he said.

The cricket-loving premier said Britain was most anxious to see South Africa compete in next year's World Cup competition in Australia and New Zealand.

On the other hand, according to a report published here, the ANC will tell Commonwealth leaders that trade, investment and financial sanctions should continue until after the establishment of a transitional government in South Africa and the all-

PF makes a pass at Rugby Board

ESTHER WAUGH

The Argus Correspondent

PRETORIA. — The South African Rugby Board and the Committee of University Principals are among 84 organisations invited to the Patriotic Front conference.

The conference, organised by the ANC, PAC and Azapo, takes place in Durban next weekend and is aimed at forming a united front of all those organisations which accept the need for a constituent assembly elected by one-person-one-vote in a unitary state.

But rugby board president Dr Danie Craven said today that the board would not attend the conference.

So far only six organisations have accepted invitations — the Natal Indian Congress, Cosatu, the Congress of Traditional Leaders of South Africa (Contralead), the Transkei Military Council, the ANC Women's League and the Labour Party.

Democratic Party leader Dr Zac de Beer said the party had been invited but he had written to the organisers requesting replies to "certain queries". Only when it knew the answers would the DP decide whether to attend the conference.

Azapo's Mr Shrinji Moodley said: "As far as Azapo is concerned parliamentary political parties and homeland leaders, and that includes the DP, would have to resign from the tricameral parliament and homeland structures if they want to be part of the Patriotic Front."

SKYBUSTER: The first flight of South Africa's newest independent airline, Filestar, landed at D F Malan Airport today from Johannesburg. With the distinctive Airbus on the tail of the company's Airbus behind them are flight crew, Maj. Padayachee, pilot, Adrian Woodley, Keith Mathews and Lee-Ann Sand.

The weather
Cloudy and cool
(Details — page 2)

Taxi-man shot in daylight

Staff Reporter

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CT 17/10/91

A LAGUNYA mini-bus taxi driver was shot in the back in broad daylight yesterday after his vehicle had been forced from the N2 near Bonteheuvel by two Webta taxi drivers in separate vehicles, police said last night.

Police spokesman Captain Attie Laubscher said the vehicles had been identified by an eye-witness to the shooting who was later interviewed by police.

Captain Laubscher said the eye-witness, who worked at a nearby business concern, had reported that the incident happened about 12.20pm.

Shots were fired through the windscreen and roof of the unidentified Lagunya driver's taxi

and he was hit in the back. The Webta drivers then sped off.

The injured man was taken by ambulance to Groote Schuur Hospital, where he was in a satisfactory condition last night, Captain Laubscher said.

No arrests had been made and police were investigating.

Captain Laubscher said: "We have had 48 hours of calm and it's a pity that this incident has marred the peace process that the police and other bodies are involved in."

He appealed to members of the community to help police prevent taxi-related violence and said police were still patrolling potential conflict areas.

Easing the big haul

Southern 17/10/91
THE Foundation for African Business and Consumer Services is taking big steps towards black economic advancement.

One of its affiliates, the newly formed Southern Africa Hauliers Association, together with Finansbank/Nedfin, have announced a truck financing scheme that will provide huge financial benefits to trucking entrepreneurs.

The scheme will also offer an opportunity to production and trucking companies seeking to privatise their transport divisions at minimum cost.

Saha is an organisation founded to usher in would-be truck owners and to represent own-account operators in the trucking industry in the whole region of Southern Africa, Lesotho, Swaziland, Namibia, Zimbabwe, Zaire, Malawi and Mozambique.

The association aims to be well structured and geared to cater for the individual needs

of its members and to enable them to effectively participate in the mainstream of the Southern Africa trucking industry.

Announcing the project in Johannesburg, Saha's president, Mr Sydney Mahlangu, said the association was a giant move for small business people who wanted to get involved in trucking.

The benefits of the scheme to the owner driver would be as follows:

He becomes a business man in his own right; his status within the community is elevated; it creates a credit-worthy base for other financial needs, such as home ownership; increases his earning capacity; enables him to create wealth; and there can be substantial cash benefits in the resale of vehicles.

By JOSHUA RABOROKO

COMPANIES

Restructured Longrail still lags

THE streamlined Longrail group was again unable to offset the depressed trading conditions in the transportation sector and reported reduced interim earnings and dividends. *B/D by 17/10/91*

Although the consolidation of Longrail's core businesses into Long Distance Transport in the previous financial year was aimed at improving profitability, interim earnings fell 18% to 3,7c (4,5c) a share in the six months to end-August. An interim dividend of 1c (2,5c) was paid. (332)

Directors said the results were also adversely affected by losses incurred through escalating incidents of vehicle and load hijackings.

Margins were squeezed with operating income coming in at R3,4m (R3m) on a 30% hike in turnover. Group policy dictates

MARC HASENFUSS

that no turnover figure is disclosed.

Attributable income rose to R1,1m after a R362 000 loss at the last interim period. The loss stemmed from a R1,7m extraordinary loss when the group disposed of its interests in the Railit Group.

Directors said the group was investing significantly in new trailers and in the upgrading of existing trailers.

This would, in light of the extension of permissible vehicle dimensions, enable Longrail to increase vehicle payload capacities and improve productivity.

Longrail was untraded on the JSE at 18c yesterday, wedged midway between its May high of 25c and November 1990 low of 14c.

Project to improve taxi road safety

(332) ET 17/10/91
PROJECT SPEAR, a national movement launched in 1989 to improve minibus taxi drivers' proficiency on the roads, swung into action officially in the Western Cape yesterday.

The project's founder, Mr Henry Serfontein, managing director of Project Spear in Pretoria, expressed the hope that improved standards would not only make the freeways safer but also help to ease the Cape Flats taxi war.

Project Spear has the support of the CSIR and the National Road Safety Council and hopes to train up to 5 000 people a year — 950 of them in the Western Cape.

● The two-day course costs R360, of which the candidate pays R75, and is available to all taxi drivers. For more information call (021) 946-3106.

FM 18/10/91

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Activities: Makes road trailers and containers; road freight haulage; owns 21% of Contred, which makes and retreads tyres; vehicle and motor spares outlets.

Control: Mobile industries 48%; Directors 27,9%.

Chairman: NI Jowell.

Capital structure: 14,3m ords. Market capitalisation: R1,39bn.

Share market: Price: R97. Yields: 1,6% on dividend; 7,6% on earnings; p:e ratio, 13,2; cover, 4,3. 12-month high, R102; low, R46.

Trading volume last quarter, 85 000 shares.

Year to June 30	'88	'89	'90	'91
ST debt (Rm)	27,9	56,3	70,4	83,0
LT debt (Rm)	18,4	23,9	8,8	3,5
Debt:equity ratio	0,28	0,36	0,28	0,27
Shareholders' interest	0,53	0,53	0,55	0,46
Int & leasing cover ..	n/a	17	18	9,5
Return on cap (%) ..	22,6	22,8	25,4	27,1
Turnover (Rm)	514,1	689,7	784,6	529,1
Pre-int profit (Rm) ...	59,2	82,1	118,2	147,3
Pre-int margin (%) ..	11,5	11,9	15,9	17,8
Earnings (c)	254	338	517,7	734,8
Dividends (c)	50	67	130	160
Net worth (c)	852	1 179	1 624	2 171

manufactured containers that has been responsible for the success.

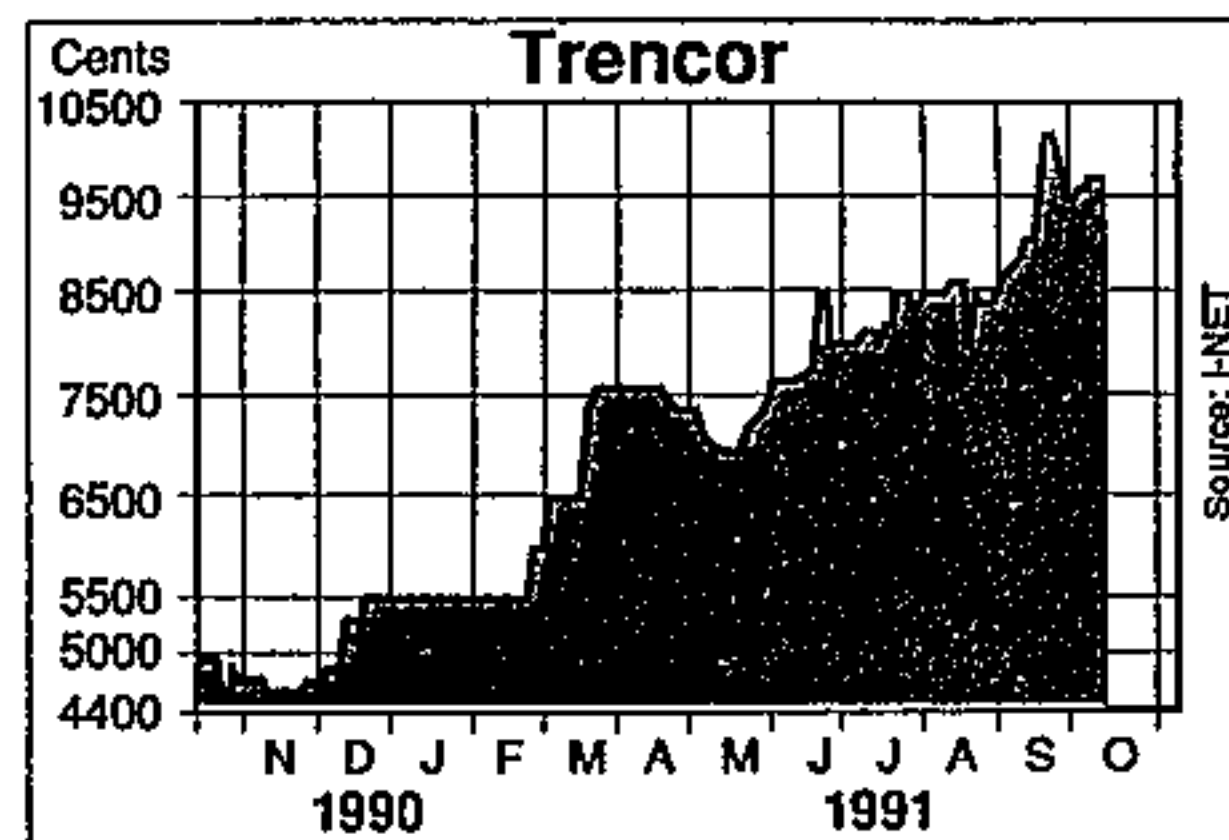
To generate these sales, Trencor has strategically based international business offices in low-tax jurisdictions. The overall effective tax rate was just 17% in fiscal 1991. Earnings from these sources have also embodied the advantage that returns to SA have been made in hard currency, offsetting the depreciating rand. But this did not apply in 1991 since there was no effective decline in the rand/dollar exchange rate.

Container prices softened, reports Jowell, who points out that the container plant is dedicated to exports, which are produced with almost 100% local content. Without government export incentives, he says, this activity would not be competitive.

His admission draws attention to a potential Achilles heel. With deregulation enjoying high priority, the consequences of withdrawn export incentives would be serious. Meanwhile, it appears as if there will be continuing downward pressure on margin from international competition.

The same can be said of the tyre business, where deregulation and the imminent lifting of import duties are cause for concern in the short term. With its investment of 21% in Contred, which produces Goodyear and Kelly tyres through its subsidiary Tycon, Trencor may yet have to suffer a further decline in earnings contribution in this area. However, Contred's other subsidiary, Tredcor, which distributes all brands of both imported and local tyres, could benefit from the new legislation.

Owing mainly to strong demand for containers, Henred-Fruehauf, Trencor's 75% owned subsidiary and largest manufacturer of truck trailers in SA, which diversified into container manufacturing, remained profitable. The local trailer market reached its lowest level in 20 years, says Jowell. Even so, a new R11,5m trailer manufacturing facility was opened in Cape Town in February.



Jowell reports a full order book for containers "for some months ahead" and adds that there is increasing demand for tank containers for liquid products. Foreign activities, he says, should therefore again contribute more to earnings, domestic operations should produce results similar to those of 1991, and earnings should rise.

Jowell is always conservative and the market has come to expect him to produce earnings well ahead of the indication he gives. But it is difficult to suppress the feeling that heady earnings growth rates are becoming much more difficult to repeat. Even so, there are many shares on much higher PEs than 13 which do not have a comparable track record, nor the same potential that Trencor's foreign interests offer.

Gerald Hirshon

TRENCOR FM 18/10/91

Earnings shift

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Profit sources have changed considerably over the past five years. In 1987 manufacturing, transport and motor trade and tyres contributed 91% before tax. In 1991 their contribution fell to 52% while "trading and other" moved up to 48%.

Even now, with most of the world ready to lift sanctions barriers, chairman Neil Jowell will not disclose the precise nature of this category, which produces most of its income from offshore earnings and exports. But it is clear that it is largely the export of locally

Stalling the rivalry

Cape Town's "taxi war" truce appears to be holding. On Tuesday, a range of political and business organisations, the police and the city council were finalising the establishment of monitoring groups and new by-laws. The aim is to put an end to months of conflict that have rocked the industry and the city.

A peace conference last week was chaired by Cape Town mayor Frank van der Velde and Anglican Archbishop Desmond Tutu and attended by the rival taxi factions and community organisations.

At least 20 people have died and property worth an estimated R1m has been destroyed in the latest wave of conflict. In essence, it's caused by commercial rivalry between the Langa, Guguletu, Nyanga Taxi Association (Lagunya) and the Western Cape Black Taxi Association (Webta).

Competition for lucrative routes and the use of specific taxi ranks are at the core of the dispute. A number of previous efforts to forge peace pacts have failed.

Public reaction to the war has been strong. In July, about 10 000 people marched to the Khayelitsha police station and handed over a petition demanding the taxi organisations be disarmed and that the police find and arrest the murderers of prominent community leaders killed in the war.

Commuters have been hardest hit by the conflict. Apart from the inconvenience of having transport disrupted, most victims have been innocent members of the public. At one stage in the conflict, gunmen would open fire at random on people waiting at taxi ranks and bus stops.

The united front now established to put an end to the war is regarded as significant. It's the first time since the conflict started that so many politically diverse organisations have agreed on a joint effort.

This week, the city council was finalising new draft by-laws to regulate routes and other aspects of the industry. They are to be circulated to taxi organisations for comment. The possibility of introducing a permit system for taxi operators is also being investigated.

At the weekend, representatives of Lagunya and Webta met to discuss an interim agreement that would pave the way to peace.

Police and ANC representatives were due to meet this week to establish a mutually acceptable monitoring mechanism. It is expected that Van der Velde and Tutu will speak at a public meeting in Khayelitsha this weekend to report back on progress of the peace initiative.

Van der Velde says it's crucial that not only the leaders be involved, but ordinary citizens as well.

SHIPPING

No room at the dock

Sanctions are being scrapped and SA is aggressively marketing itself to the world, but will the country's ports be able to handle an increase in business? The answer is clearly no. In fact, local ports are already heavily congested at times and expensive delays are becoming more frequent.

The problem is particularly acute in Cape Town, where redevelopment of most of the original dock facilities as a holiday and tourist attraction has deprived the harbour of at least seven deep-water berths. Modern bulk carriers that are now twice the length of their predecessors — bringing in 50 000 t of wheat in each shipment, for instance, compared with 10 000 t by earlier ships — add to the traffic jam.

One authority at the Cape predicts that Duncan Dock, where all noncontainer ships must be handled, will once again overflow during the fruit season in six months, forcing more ships than in past seasons to anchor in

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Table Bay while waiting for a berth. The increasing fruit exports that are usurping more wharf space, the valuable transit business involving tuna trawlers transferring their catches to ships headed for the Far East, and the requirements of a repair industry now working on 300 m-long tankers in contracts valued at millions of rands, must all be accommodated in a single dock basin.

On top of this, the snowballing operations of De Beers' diamond ships are now overflowing their base at the rented wharf at the top end of the container dock, forcing the ships to use other wharves. And, with the old passenger berth now handling timber imports, two cruise liners arriving at the same time at Duncan Dock's general cargo wharves would be unmanageable.

The overcrowding has forced tankers to land or load volatile cargoes only a stone's throw from a trawler berth and a line of laid-up small ships. The tankers used to be separated from other ships but, with the growth in containerisation, a container basin was built near the tanker berths in 1977, and demands for lay-by wharves have led ships to

use a wall near the tankers.

Portnet has begun working on plans to reduce the delays. One proposal is to build jetties out from existing wharves, but this would inhibit the movement of ships in stormy weather because jetties reduce manoeuvring space. Another suggestion calls for a new passenger jetty in the dock basin.

The congestion at Durban, long the busiest port in Africa, is less severe than at Cape Town, but delays are growing as the traffic increases. With its marine engineering complexes, it is regarded as the terminal port and repair depot for numerous ships that must be accommodated at wharves, sometimes for long periods. The four big Safmarine container ships are now put in drydock regularly in Durban, instead of in Germany.

Port Elizabeth could relieve Durban of some tonnage, especially ore exports from Sishen, but it too has little spare capacity. So it is not surprising that when industrialists and trade delegations begin speaking about new business, people in the shipping field begin worrying about new bottlenecks. ■

2 drivers shot dead, 6 injured, in latest violence

Taxi shootings dash peace hopes

5392 ARdt 19/10/91

Weekend Argus Reporter

TWO taxi drivers were shot dead and six people injured in renewed township clashes, dashing hopes of an end to the taxi violence.

At Nyanga terminus gunmen armed with "long black rifles" shot dead a Western Cape Black Taxi Association member, Mr Z N Tayana, 39, of Site C as he climbed out of his vehicle.

Police said another Webta member, Mr Raymond Bon-seni, was shot dead after his vehicle was pulled off the road by a Lagunya taxi driver near DF Malan.

A second Webta driver was shot and injured in the head and is now in a critical condition at Groote Schuur. Later a passenger opened fire at the Lagunya taxi and injured the driver, Mr Mgxakwa Makwa, police said.

Witnesses at the Nyanga rank said the gunmen opened fire at Webta taxi drivers when they parked at the rank.

"I saw three men with long black guns firing at Webta members. There were screams as people ran for cover during the shooting."

City Tramways buses pulled out of the terminus and vendors abandoned their goods when the shooting began.

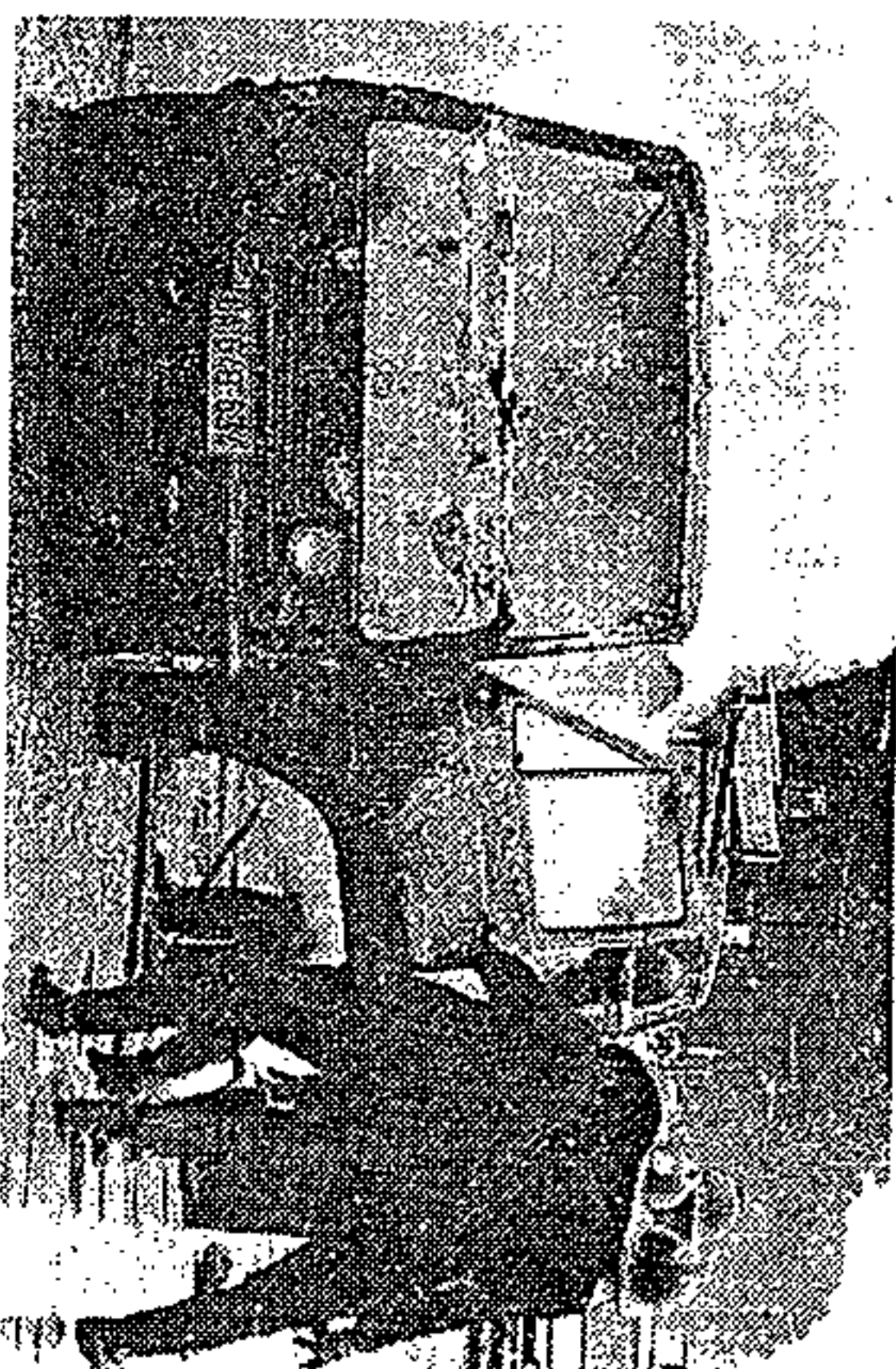
Minutes later three taxis belonging to Lagunya members were set alight.

Webta chairman Mr James Matuya called the incident "very bad" and said it would not solve the conflict.

"These gunmen should know that they won't solve anything with their actions. I have urged my members to be restrained," he said.

Ironically, the incident took place a week after a high-powered attempt by Archbishop Desmond Tutu and Mayor Fran Van Veldt to broker peace among the warring factions.

By 6pm Webta taxis pulled out of the taxi rank, leaving only private vehicles and a few minibuses operating.



BURNT-OUT: The scene yesterday at Nyanga bus terminus.

ROAD AHEAD WITH DOT AT THE WHEEL

20/10/91 S.Times (TT-Bes)

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UN TRAINING

CSIR/DOT Convention, Dr Welgemoed, an astute politician, chaired the all-party Parliamentary Standing-Committee on Transport and was deputy-minister of Energy and Public Enterprises.

worthy, but he would like to see the creation of projects like PROTEC and AFROTEC.

Both of these are civil engineering projects designed to prepare high school students for a technical career through the development of problem-solving skills, language skills and exchange of knowledge of science and technology.

The DOT is presently engaged in the formulation of a policy to address the manpower problem.

the model objectively establishes the internal rate of return on road projects and permits the scheduling of priorities

Dr Welgemoed is well-respected and welcomed as Minister of Transport by a broad cross-section of the transport industry. His knowledge and experience make him eminently suitable to the challenging, if not daunting, task of unifying and harmonising the varied interests in the

volatile transport arena.

Dr Welgemoed, an astute politician, chaired the all-party Parliamentary Standing-Committee on Transport and was deputy-minister of Energy and Public Enterprises.

His academic career culminated in heading up the faculty of transport affairs at RAU for several years and an appointment by the State President in 1980 to chair a commission of enquiry into the prob-

NEW FOCUS ON RESEARCH

THE need for focused research projects has been identified. The minister's recent speech at the opening of the ATC encourages all interested parties to approach the DOT, or even the minister's office, with recommendations and proposals for specific research priorities.

Submissions should also include a well-considered motivation regarding the individuals or organisations best suited to undertake the proposed research. With the aid of a still to be

announced working group, research priorities will be agreed and commissioned. The working group will have the additional responsibility of ensuring these projects are timeously completed and remain within the agreed budget.

This, he said, will require new attitudes, new ways of thinking and innovation — a major challenge to the transport industry. So much so that we can no longer take years to fix policies. It must now be done in months.

lems of the passenger bus industry.

Dr Welgemoed's qualifications go beyond academic achievements. Prior to entering politics, he served as a director or consultant to various companies engaged in both freight and passenger transport.

The road transport industry in particular should be pleased to note that apart from the hardy annuals, such as the RTQS,

overloading, toll roads and so on, their minister has identified a number of other important areas that require immediate and continuous attention. These include communications, training and research.

The minister has a stated objective: to encourage meaningful and open discussion between all the participants involved in transport.

"Constructive dialogue," he said, "should not be con-

finned to representatives of various transport bodies, but should include the initiatives of genuine interest groups."

The formation of working groups to stimulate discussion of a number of topical and problematical areas is likely to emerge in the near future. Anyone keen to participate should write to the Ministry of Transport stating their areas of interest and credentials.

CLEARER WELGEMOED

S/Times (TT-Buss) 20/10/91



PIETER WELGEMOED

THE APPOINTMENT of Dr Pieter Welgemoed as Minister of Transport is the first indication in almost two decades that the head of state acknowledges the important role transport has in the future of South Africa and the southern African region.

From the mid-70s to the end of the 80s, transport remained over-regulated and moribund instead of becoming dynamic and potentially exciting.

It was during these crucial years that ADE and ASTAS became a reality, the impact of respective oil crises on transport, the National Transport Policy Study, government's subsequent decision to deregulate transport and the birth and development of combi taxis evolved.

Yet political expediency and a lack of

By MAX BRAUN

national direction — the result of a succession of ministers with little or no knowledge of, or experience in, transport matters — kept the industry bogged down.

The Welgemoed era promises to be different in a number of respects. His entrepreneurial flair and commitment to sound management principles is likely to create a greater sense of urgency at all levels that fall under his control or influence.

Long overdue matters — such as the registration of operators, increasing vehicle dimensions, overloading, toll roads and finding workable solutions to the problems of commuter transport — are now almost certain to receive attention and decisive action.

Operators who habitually overload their vehicles — regardless of their insistence this illegal practice is necessary for survival — will soon face much higher fines and the real prospect of having their vehicles confiscated by the courts.

Now that the Minister of Transport no longer has responsibility for the profitability of Spoornet and Autonet, operators have little reason to suspect the minister — or the DOT — of having a hidden agendas.

Based on the minister's stated intentions, these tougher measures to control overloading will be a quid-pro-quo for the payload advantages that will flow from an increase in the permissible overall length of vehicles and vehicle combinations.

When correctly applied, an increase in total length to 22m, from 20m, could result in an increase of as much as three tons in gross combination mass. Most of what can be legally gained should contribute to a better payload.

Dr Welgemoed is particularly well-versed in the problems of passenger

SPEAKING at the recent Annual Transportation Conference, Welgemoed expressed the lack of trained personnel to the transport industry, regard to technical matters. Under his auspices, we can expect to encourage organised efforts to promote careers.

The establishment of training centres at South African universities, according to Dr Welgemoed.

transport. In consultation with his department, the large, privately-owned bus companies and organised elements of the combi taxi business, a more flexible approach is likely to materialise.

To counter the rapid increase in urbanisation and cater adequately for the growth in demand for commuter services, we should expect, in the near future, the emergence of an "economy" version of the midi-bus, say up to 25 or so seats.

Such a development, however, will surely depend on the ability of the taxi associations to entrench a greater degree of self-discipline in terms of vehicle maintenance, overloading, speeding, driving skills and attitudes.

FRESH

To overcome the constraints a shortage of funds places on the building of new roads and the maintenance of existing roads, it is anticipated an entirely fresh approach to allocating funds and fixing priorities is about to be announced.

This new approach is said to marry scientific criteria with technical requirements and financial modelling. Collectively,

TGWU on the march

Transport and General Workers' Union members marched in Johannesburg this week in the ongoing dispute with Sun Couriers.

The union alleges that management locked out workers and continues to employ strike breakers contrary to an agreement it concluded with the union last month. This agreement ended a 10-day strike at the company.

About 100 workers who were reinstated according to the agreement, were locked out of the company and have not been taken back, TGWU alleges. It said 300 of the workers had been selectively reinstated.

20/9-26/9/91

Triple taxi slayings leave truce in tatters

THE fragile taxi peace accord in Cape Town's townships has been torpedoed by the murders of three taxi drivers in two days.

In renewed attacks yesterday morning, a Lagunya Taxi Association driver was shot dead in Nyanga NY3.

Four taxis were set alight and the windows of several others smashed.

Police also confiscated a 9mm pistol, a .22 pistol and one Makarov pistol from taxi drivers in Nyanga.

The violence came on the eve of today's community report-back meeting which is expected to be addressed by peace-brokers Archbishop Desmond Tutu and Cape Town Mayor Mr Frank van der Velde.

The killing of the Lagunya driver follows the murders of two members of the rival Western Cape Black Taxi

By KURT SWART

Association on Friday. Both were allegedly shot dead by Lagunya Taxi Association drivers.

In the first incident, six bystanders were injured and four taxis set alight at the Nyanga East bus terminus.

Witnesses said five men in blue overalls had opened fire on a taxi. The driver was struck in the chest.

Three of the gunmen were identified by witnesses as Lagunya members.

Later, another taxi was forced off the road near D F Malan Airport and the driver shot dead, allegedly by a Lagunya operator.

Yesterday morning a Lagunya member was shot dead by a Webta taxi driver in Nyanga NY3, bringing the

death toll to three this week.

On Wednesday, a Lagunya driver was shot and wounded by gunmen travelling in two rival Webta taxis.

The day before, a policeman was seriously wounded when gunmen opened fire on a police vehicle in Nyanga.

"The peace process is teetering on the edge of failure," Mr Jan van Eck, a member of the Cape Town Peace Committee and Democratic Party MP, said yesterday.

Disturbed

Lagunya spokesman Mr Michael Kupiso was reported this week as saying his organisation would pull out of the peace process because it could not trust Webta.

Webta president Mr George Langelibelele said yesterday he did not know who had been responsible for the Nyanga shooting.

"I don't know if there will be peace now," he added.

The ANC said it was "extremely disturbed" by the renewed violence.

"We call on the parties to attend the peace committee report-back meeting today with the intention of solving the problems," the ANC said in a statement.

Police liaison officer Major Gys Boonzaaier said the police would continue patrolling Nyanga, Crossroads and Khayelitsha.

See Page 6

Taxi war's roots go back 40 yrs

S1 TIMES 20/10/91

Special report
By KURT SWART

THE roots of Cape Town's bloody taxi war can be traced back nearly 40 years to when the first taxi entrepreneurs began operating in the townships.

Competition over routes, ranks and road permits sowed the seeds of conflict between the Western Cape Black Taxi Association (Webta) and rival association Lagunya in the 1950s.

An assertion by Cape Town deputy mayor Mr Clive Keegan that there was no evidence that the war was politically motivated was hotly disputed by some groupings at last week's historic taxi peace conference.

While the conflict originated because of commercial interests, it has since embroiled various other interest groups like civic associations and town councillors, and has been fuelled by clandestine elements conducting seemingly random attacks on taxi operators, commuters and township residents.

Perception

Persistent claims have also been made by residents, civic and political organisations that some policemen were perpetuating the violence and using it as a smokescreen to smash ANC-aligned township groupings.

Constant police denials have not succeeded in erasing the perception among many township dwellers that police, or at least individual policemen, in collusion with shadowy "third force" groupings, have been using township violence to pursue "defined political objectives".

During last week's peace conference in the Civic Centre, Mr Keegan revealed some of the findings of the City Council's investigation into causes of the violence.

Both Webta and Lagunya had legitimate positions and neither party was entirely without blame, Mr Keegan said.

Lagunya (an acronym for Langa, Guguletu, Nyanga) began operating as "African Taxis" in the 1950s, becoming the Lagunya Taxi Association in 1962.

Webta was formed about 20 years later when "pirate" groups tried to legitimise themselves while public transport was undergoing deregulation. This happened when influx control was being abolished.

While Webta faced harassment from the Road Transport Board (RTB), with some officials armed with automatic rifles keeping their taxis away from bus terminuses, the new body pioneered and dominated the lucrative routes from the townships to Cape

Town's central business district.

"Given the history of official attempts to suppress the taxi industry, the entry of a new association was bound to create tension. There were allegations of partisan treatment on the part of the RTB (against Lagunya), of concealed white taxi-ownership, of state bias towards the City Tramways bus monopoly, and of encouragement by the SAP of one faction against the other," Mr Keegan said.

Lagunya also tried to benefit from the newly opened township-to-city routes. Resentment grew with the active favouring of Webta in the issuing of permits by the RTB, who were keen to speed up the legalisation of pirate operators — to the "manifest disadvantage" of Lagunya.

Commercial rivalry frequently led to outbreaks of violence. The conflict was further complicated when community and political organisations intervened to try to stop it.

The TCCC (Taxi Crisis Co-ordinating Committee) was formed earlier this year when township residents, angered at the bloodshed and violence, launched a blanket taxi boycott to compel the factions to form a united taxi association.

This only seemed to fuel the flames. While the associations initially agreed to unite in April 1991, Webta soon alleged that the TCCC was favouring Lagunya and pulled out of unity talks, refusing to give up their separate identity or logo.

The Lagunya boycott was lifted because of their support for unity moves, which won them popularity with commuters.

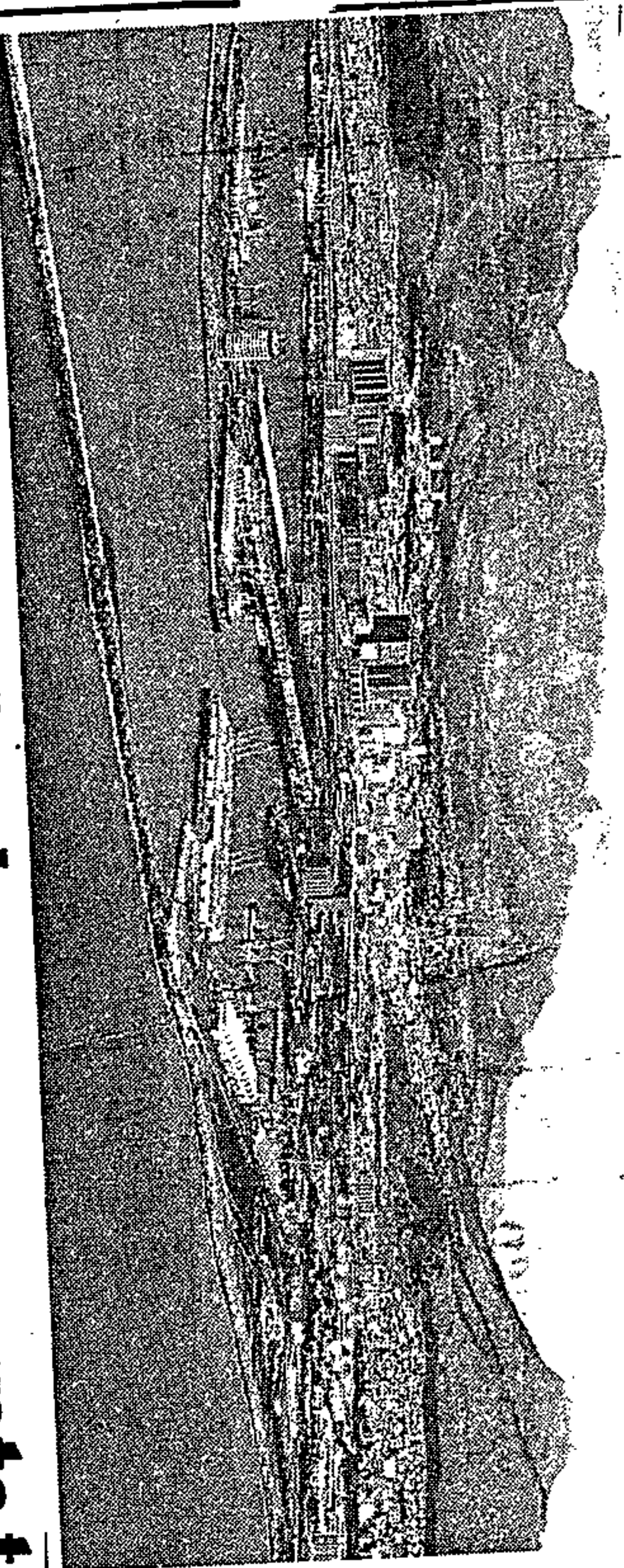
Popular

"There is antagonism in the townships towards Webta's continued operation as a separate entity, the parading of Webta's logo apparently being regarded as particularly provocative," Mr Keegan said.

When popular leaders like Mr Pro Jack and Mr Michael Mapongwana, both involved in peace attempts, were gunned down, suspicion against Webta and the security forces grew among "comrades".

The conflict has escalated into full-scale war over the past five months with at least 20 deaths and taxis valued at more than R1 million destroyed. Commuters have come under fire and scores of shacks have been torched in night attacks on residents.

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Utilisation of harbour amounts to only 60%^{810000 21/10/91}

THE biggest challenge facing Cape Town harbour, says Port Captain Rudi Basson, is to increase the utilisation of its infrastructure by attracting business. At present, utilisation is about 60% on a two-shift system.

Basson says the infrastructure is adequate to cope with growth for the next 20 to 30 years without adding another bay.

There is a limit to what the port authorities can do about cargo flows, as the handling of imports and exports is a function of the economy.

Cargo handling generates the bulk of the harbour's revenue.

Cape Town harbour handles about 4.5-million tons of cargo a year, with about half of this being exports and the rest imports.

Basson says there is scope to manoeuvre by increasing ship repair and

maintenance, laybys and bunker services.

"We can look at attracting more shipping on the major sea routes, especially now sanctions have been lifted."

"Over the last six months we have seen an increase in shipping and have experienced the highest pilot movements since 1981."

The bulk of the movement has been for services and the competition by a greater number of ships for cargo.

Basson says Cape Town handles about 160 000 containers a year.

This is about one third less than Durban harbour. The major portion of the break bulk cargo handled is fruit for export and rice and timber for import.

However, despite the excess capacity at the harbour, there is room for improving the infrastructure and there is considerable

infrastructural development underway.

Portnet recently invested R3m in a new, Ro-Ro shed to improve the speed and efficiency of the coastal cargo service by enabling the ships to offload as quickly as possible and then return to Durban.

A R20m cold storage terminal to handle transhipments of frozen fish to provide a better service to Japanese and Taiwanese trawlers who use Cape Town as second base is also planned.

Basson says Cape Town harbour transships about 100 000 tons of fish a year. The cold store being built for completion in mid-1992 will handle 10 000 tons at any one time.

Also planned is a R10m hazardous chemical tank farm to enable the Western Cape chemical industry to import hazardous chemicals directly and not have

to follow the expensive and dangerous alternative of importing through Durban and transporting by road.

The farm should be completed by next year.

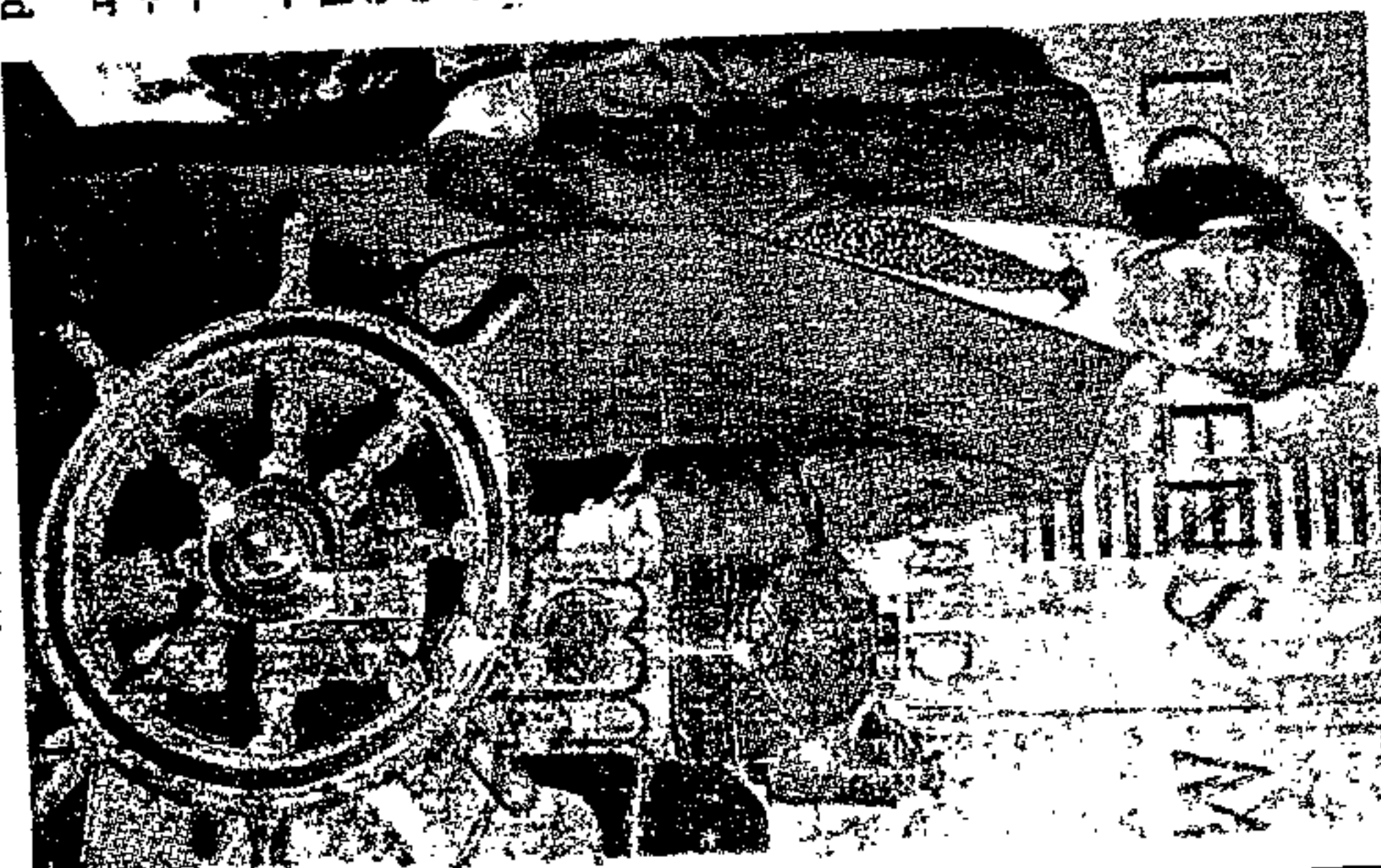
Facilities to handle fruit exports — set to soar when newly cultivated land produces output — are being upgraded by introducing storage areas on the quayside and proper loading facilities.

Basson says there could also be a need to upgrade facilities to handle passenger cruise liners if traffic increases.

Other projects under way are a drive to clean up the harbour and introduce equal opportunity and training for the 2 500 employees.

Basson says the Waterfront scheme is a big success at regards the better utilisation of assets.

Transnet has committed R200m to the project.



RUDI BASSON

Bullets fly: Webta out of peace talks

Staff Reporters

CAPE TOWN'S peace initiative has had a major setback with the withdrawal by the Western Cape Black Taxi Association from the peace initiative.

Meanwhile, a taxi has been burnt and two have been shot at.

The reason for the Webta pull-out, association officials say, is that the Mayor, Mr Frank van der Velde, and Archbishop Desmond Tutu are not addressing the fundamental issues.

Hitting back, Mr Van der Velde accused Webta of reneging on agreements and Archbishop Tutu warned the taxi industry that the "whole Cape Town community, black and white, is losing patience with them".

Archbishop Tutu said the peace committee would meet tomorrow to discuss stronger measures to stop the fighting.

"A withdrawal from the peace process by either taxi organisation could result in their facing tougher sanctions from the community," he said.

Mr Van der Velde said he believed it was counter-productive to accuse each other through the Press. However, he

was available to discuss Webta's problems with the organisation.

He said: "They have been called on numerous occasions to identify their grievances. It has been them and nobody else who have reneged on agreements."

Webta officials said they were pulling out of the peace bid in an interview on how peace could be achieved in a war which has claimed more than 25 lives and destroyed minibuses worth more than R1 million.

The move has sparked fears that the conflict, which has affected thousands of commuters, could increase.

● A Lagunya taxi was set alight in Nyanga East yesterday afternoon and damage was estimated at R25 000.

Soon after noon in Borchers Quarry Road, Nyanga, a shot was fired from a minibus at a Webta taxi while it was on its way to Bellville.

In NY108 at 1.45pm, near Lusaka squatter camp, Guguletu, several shots were fired from a car at a taxi — but they missed.

October 22, 1991

Trencor in bid to raise R370m

CAPE TOWN — Trencor, the Cape-based transport group, and parent company Mobile Industries are coming to the market for a combined R370m.

Trencor today announces a rights offer of convertible debentures to raise about R250m to expand its capital base and give it the means to embark on development and expansion programmes.

Trencor is involved in the manufacture of trailers, tankers and containers, and in trading, transport, exporting and tyres.

Mobile, which owns 48% of Trencor, is to issue convertible debentures worth about R120m to enable it to follow its rights in the Trencor issue.

The terms of the issues have not been finalised and will be published shortly.

Trencor chairman Neil Jowell said last night that the group had decided to opt for convertible debentures as these were more attractive to investors, especially financial institutions.

"Debentures entail a smaller discount on the market price and convertible debentures give a bigger return on the investment," Jowell said.

He said no decisions had been taken

LINDA ENSOR

on the rate of interest on the debentures or the conditions of their conversion.

The intention of the issue was not to take advantage of interest rates and use the funds for investment purposes. This would be only an interim phase, he said.

UAL will underwrite the Mobile rights offer and that part of the rights in the Trencor offer that will not accrue to Mobile.

In the year to end-June 1991 Trencor's turnover rose 56% to R829m (R785m) and its earnings a share 29% to R735c (R572c).

Interest-bearing debt to total shareholders equity stood at 27% at the financial year end, with total debt to total shareholders funds at 77%.

Last year the group's capital expenditure programme cost R32m with R12m being spent on the erection of a new trailer factory near Cape Town.

Trencor yesterday closed at R97, and has moved up 76% over the past 12 months.

The current shareprice puts Trencor on a historical dividend yield of 1,6% and a p/e ratio of 13,2.

Trencor-Mobile plan R370-m rights issue

Finance Staff

Star
22/10/91

issue.

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Cape Town-based transport group Trencor-Mobile is planning to raise R370 million, it was announced today.

The offer is split between the Trencor rights issue of about R250 million in convertible debenture to assist in its expansion plans, while holding company Mobile Industries plans to raise R120 million to follow its rights in the Trencor

Mobile holds 48 per cent of Trencor.

Merchant bank UAL will underwrite the Mobil offer and the rights in Trencor that do not accrue to Mobil.

Details have not yet been finalised, but will be published shortly.

Trencor has been one of the high-fliers on the JSE recently with the share price almost doubling to R97 over the past year.

'No Flitestar-SAA link' 332

By Malcolm Fothergill

Despite the rumours, new airline Flitestar is not South African Airways in another guise, says managing director Jan Blake.

The new airline, he insists, is an independent entity whose relationship with SAA goes no further than normal commercial dealings.

Flitestar has three shareholders — Rentmeester Beleggings of Pretoria, which owns 44 percent; Safmarine, which owns 37 percent; and Meulkin, also of Pretoria, with about 19 percent. "So there's no involvement from SAA."

Mr Blake confirms that SAA is training Flitestar's cabin attendants.

"But I want to stress

that this is only the safety-related training, because SAA's training school at Jan Smuts Airport is the only approved school in the country.

"And we're paying for the service at commercial rates."

On SAA handling Flitestar's baggage at airports, Mr Blake says the Department of Civil Aviation has approved only one handler for aircraft of the size of those being flown by Flitestar, and that's SAA.

Flitestar is offering five return flights a day between Johannesburg and Cape Town.

At the end of this month it will introduce two return flights between Johannesburg and Durban, and a daily return service between

Johannesburg and Port Elizabeth.

When it takes delivery of its fourth aircraft next month, it will increase its Johannesburg-Durban flights to five a day.

Early next year it will introduce flights between Durban and Cape Town.

The airline's Airbus can carry 168 passengers, but will take only 125 to allow more legroom for passengers.

Mr Blake says response to Flitestar's launch has been muted so far, "but give us two or three weeks".

From mid-January, predicts Mr Blake, Flitestar's flights will be between 60 and 65 percent full. "At that level, we'll be able to earn a living."

Aid call for taxi-war victims

Staff Reporter

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VICTIMS of the taxi war urgently need food, blankets, clothing, building materials, mattresses and cooking utensils to rebuild their lives.

The Red Cross Society and Shawco, which are co-ordinating the relief effort, say about 1 800 people are homeless as a result of the conflict.

"Relief cards have already been distributed to 142 families in Site B and 23 families in Site C, Khayelitsha, cards going only to those who are genuinely victims of the violence," said a spokesman for Shawco.

Victims in other areas have yet to be helped.

Many of these people are destitute, having lost everything. Except for a R10 000 donation to the Red Cross from the Community Chest, 900m of plastic from the Western Cape Council of Churches and small individual donations that have been sent to Shawco centres and other organisations, there has been little additional response.

Cash can be sent to Violence Victims' Relief Fund, The Red Cross, 21 Broad Road, Wynberg. Donations can be sent to the Red Cross or Shawco. For more information ring Evan Robins at 650 2229 during working hours or at 762 4774 at home.

Taxi man hunted down by killers



Picture: OBED ZILWA, The Argus.

GRIEVING: Relatives of executed former taxi driver Mr David Habe, cousin Mrs Nolist Tshuku, left, and sisters Miss Nomafoko Habe and Miss Cynthia Habe, at their home in Nyanga after they heard of the killing.

ARG 23/10/91
VUYO BAVUMA, Staff Reporter

A FORMER taxi-driver, Mr David Bherana Habe, fought his attackers and tried to escape across a river before his execution.

The body of Mr Habe, 38, a former Western Cape Black Taxi Association member, was found on Monday in a quarry near Macassar. He had been shot twice and two 7,65 mm calibre cartridges were found next to his body.

The killing was the latest blow to the peace initiative to bring an end to the bloody taxi war between Webta and its rival organisation, Lagunya.

Mr Atwell Mangwana, one of Mr Habe's cousins, said Mr Habe was attacked by Lagunya members with knives and axes while he was standing near traffic lights in Khayelitsha on Sunday afternoon.

Mr Habe tried to escape, but the Lagunya members caught him, forced him into a vehicle and drove away, Mr Mangwana said.

"David's brother reported it to the police, but by the time the search began we suspected Mr Habe was dead. We just wanted to find his body.

"We checked mortuaries and were referred to one at Somerset West, where we saw his body with a bullet hole behind the ear and another in the heart," Mr Mangwana said.

"My cousin left the taxi business last year after almost three years," he said.

Mr Mangwana left four children and his wife, Nolungile. Funeral arrangements have not been finalised.

Wrangle on Zimbabwe taxi route

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Sowetan 23/10/91

By ISAAC MOLEDI

TWO taxi organisations are at loggerheads over the lucrative Johannesburg to Zimbabwe route.

The South African Long Distance Taxi Association has accused the South African Black Taxi Association of meddling in its affairs.

Sabta announced two weeks ago that taxi operations to Zimbabwe had been halted until negotiations with the Zimbabwean government have been completed.

Saldta treasurer, Mr Steve Modise said he was surprised to hear the announcement as Sabta was not involved in long-distance travelling.

"Sabta is trying to confuse our passengers. It does not have members in Saldta. The fact that they took decisions without consulting us is a matter of great concern," Modise said.

Arrangements

"We have been operating there for the past four years. I am going to Zimbabwe to make other arrangements. I don't know where Sabta comes in."

Mr Polite Dlamini, secretary for Zimbabwe International Long Distance Taxi Association - an affiliate to Saldta - said passengers were worried by the announcement.

"We want to notify passengers that the transport they have been using is still there. We are not pointing a finger at anybody nor are we attacking anyone. What we are saying is that the passengers should not be made to suffer when the Christmas holidays are so near.

R ULTIMATUM



ANOTHER VICTIM: Mr David Mbexa, this week, with his burnt-out taxi PICS: YUNUS MOHAMED

Peace group gets tough

South 24/10-36/10/91.
By Rehana Rossouw

STAY OUT of Cape Town!

This could be the drastic message to warring taxi associations to stop the carnage following a meeting of the Taxi Peace Committee with community organisations on Wednesday.

The meeting agreed punitive action was the best way to force the Lagunya Taxi Association and the Western Cape Black Taxi Association to negotiate. An option accepted was, in areas of its jurisdiction, the Cape Town City Council investigate revoking permits and barring the use of its ranks to operators who refuse to negotiate an end to the conflict.

The Council does not issue permits but will try to persuade the Road

Transportation Board to suspend permits to warring groups.

The mayor of Cape Town, Mr Frank van der Velde, said the Council had no jurisdiction in areas outside the city but could "make life difficult" for operators at one end of their routes. A suggestion at the meeting that the SADF be brought into the townships to defend residents found little favour with community organisations.

The possibility of another taxi boycott also found little support among communities bearing the brunt of the war, as leaders who in the past advocated such action had been assassinated and threatened.

Township residents fear when taxis are boycotted, attacks shift to other means of transport — a bus driver

was killed recently — and attacks could spread to Cape Town trains.

"We have also involved the Bellville City Council and I am sure we will get their cooperation," Van der Velde said.

● Another option discussed is to pressure the police to adequately perform their function.

● Financial pressure may be placed on taxi associations involved in the violence through negotiations with Wesbank and Stannic — the major financiers of taxi owners.

● The SA Black Taxi Association will also be requested to play a stronger part in making the parties negotiate.

Van der Velde stressed these options would be put to constituencies of the organisations involved in the Peace Committee for their approval before they could be implemented.

'Tough' warning to taxis

By ANDRE KOOPMAN
and CHRIS BATEMAN

THE city council last night threatened to suspend the licences of all Webta and Lagunya taxi operators in a bid to end the taxi war.

This was decided at a meeting of the Cape Town Peace Committee in the Civic Centre attended by a wide range of community organisations.

It was decided that the local Road Transportation Board should be approached to revoke the taxi permits of operators involved in violence.

Both Webta and Lagunya were not invited to the meeting, called to rescue the peace initiative launched earlier this month by Nobel peace laureate Archbishop Desmond Tutu and Cape Town Mayor Mr Frank van der Velde, both of whom were present.

Suggestions that the SADF be deployed to quell the violence since the police were perceived as not being objective and that a community taxi boycott be initiated were not accepted.

The SADF option was immediately slammed last night by a spokesman for the Minister of Law and Order, Captain Craig Kotze.

Contacted for comment, he said there was "no question" of the military taking over any police functions without being requested to do so by the police.

During question time it was pointed out that township residents would have difficulty in getting public transport if the permits of both warring factions were withdrawn. The use of buses would also present a problem since a busdriver was recently killed in the taxi war and buses had also been shot at.

Archbishop Tutu said that calling in the SADF was "not ruled out completely" as commuters using "alternative transport" would have to be protected. The police would also be made aware of their need to protect commuters.

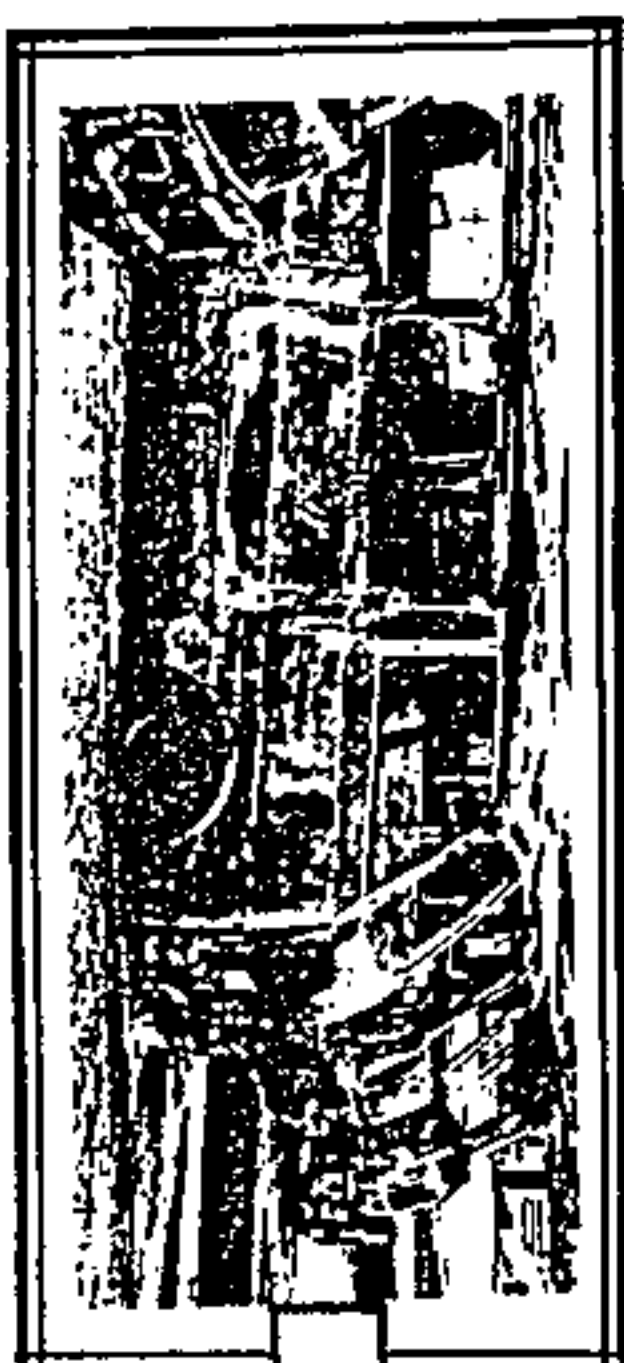
Mr Van der Velde said the council would soon publish draft regulations to govern the taxi industry.

In terms of the proposed by-laws the council will register all taxi operators and will exclude drivers involved in the taxi war.



PEACEMAKERS ...
Mayor van der Velde
and Archbishop Tutu

Woods 191
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TAXI WAR

LAST
NIGHT

Walkouts, upsets, limbo

STEFANS BRÜMMER, Staff Reporter

DUBTS about a quick solution to the taxi war remain after a Peace Committee meeting with political and community organisations failed to produce immediate steps to end the violence.

The crisis conference last night gathered organisations from the townships where scores have been killed, hundreds left homeless and millions of rands damage done in nine months of taxi-related strife.

In spite of problems with options discussed, the convener and participating organisations were hopeful that measures decided on at the drama-filled conference would work towards forcing the warring taxi associations, Lagunya and Webia, back to the negotiating table.

Webia earlier withdrew from negotiations, accusing the Peace Committee of not dealing with the fundamental issues. The PAC later added their voice of condemnation. They did not withdraw from the Peace Committee because they never attended.

Cape Town mayor, Mr Frank van der Velde, who co-chairs the Peace Committee with Archbishop Desmond

Tutu, said: "I believe that right now a lot of us feel despair that the peace process which showed so much promise seems to have crumbled."

But he was still optimistic, and appealed to those present "not to lose faith".

Drama last night included a hot-under-the-collar exchange that led to a delegation from the South African Black Taxi Association, which had not been invited, being expelled. Participants feared Sabata's "partiality" could put them at risk.

This happened soon after the conference was closed to the Press — the reason being that participants feared retaliation in the townships if individual views became known.

Proposals from the Peace Committee — which consists of city council, church, political, civic, trade union and business representatives — were put to the conference for discussion.

Before the session was closed, Mr Van der Velde said the proposals included that "the police be challenged to do a policing job", that the SADF be brought into townships "because of our doubts that the police can be objective", that community pressure in the form of a boycott

PEACE in the long-running taxi conflict between Lagunya and Western Cape Black Taxi Association continues to be elusive. VUYO BAVUMA, a Staff Reporter, spoke to Webia and Lagunya (see stories below) on how they envisage bringing about peace. The irony of the conflict in the township is that both sides want peace but differ on how to bring it about.

More than 30 people have been killed and hundreds of taxis — valued at more than R1.5 million — have been torched in the nine-month old taxi conflict but no end is sight.



Picture: LEON MULLER. The Argus.

HOMELSS: Some of the 87 people whose shacks were destroyed during the taxi violence in Khayelitsha in September. The people are squatting at a classroom at Sosebenza High school in Site C. Shawco and the Red Cross are appealing for donations to assist the people who have lost all their belongings.

of taxis be considered, and that city council pressure be

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discussed. Half an hour later the Sabia delegation walked out. Former mayor Mr Leon Markowitz, who left at the same time, was overheard saying: "You've been kicked out of better places."

They were soon followed by a part of the National Council of Trade Unions delegation, which expressed sympathy with the Sabia delegation, some members of whom had

and identify specific people." At a report-back after the closed session, it emerged that the proposal to invite the SADF into townships had been given the thumbs-down and that no firm resolution had been taken on a community boycott.

Archbishop Tutu said the feeling against involving the SADF was "almost unanimous", but that there would have been no need to consider the option in the first place "if the police did what we want them to do".

The role the council could play in applying pressure on the two associations to go back to the negotiating table was hailed as the strongest initiative, but council spokesmen admitted that the options were hampered by legal problems.

Resolutions — still subject to council ratification and community organisations canvassing membership opinions — were, according to Mr Van der Velde and Archbishop Tutu:

- That continuous pressure be applied to police "to do an adequate policing job" in terms of investigating in a pre-emptive manner, investigating and arresting suspects after crimes, and defending people.

- That the city council's role be investigated in terms of pressure, including the rewriting of regulations to govern the taxi business.

- That the possibility of applying pressure to get the warring parties back to the negotiating table be discussed with the financial institutions that provide loans for taxis.

- That the national — as opposed to local — structures

of Sabia be asked to get involved in finding a solution.

- That community leaders "need to regard the possibility of a sanction in the form of a community boycott". There was, however, a strong feeling that a boycott could in itself lead to more violence, as did the previous one.

Council spokesman Mr Allan Dolby said city council pressure could involve a blanket revocation of permits of all members of the warring associations to force them back into negotiations.

But in terms of existing legislation the permits were issued by the local Road Transportation Board. Pressure would have to be put on the board to revoke permits.

He said council was "almost at the position where we can publish our draft by-laws for comment".

In anticipation of such new taxi-regulating rules becoming law, council could investigate the possibility of encouraging taxi operators to register with the city council in the meantime.

Mr Van der Velde said although at present there were no rules, "recalcitrants" who did not want to register would "sit at the back of the queue".

Another tack, according to Mr Dolby, was to upgrade the Wyndberg and CBD taxi ranks controlled by the council. Facilities would be open only to taxi operators "who are operating in a normal manner".

Mr Willie Hofmeyr of the ANC said: "The meeting was positive and we feel the concrete proposals that came out of it will help to get the peace process back on the road."

He said the possible suspension of permits was "the most direct pressure that came out of the meeting".

THE crux of Webta's views is a desire to protect their commercial interests in the lucrative taxi industry — no matter what it takes.

Consequently, Webta rejects any moves on sharing routes.

On the other hand, Lagunya agrees with the community that two associations are a source of conflict.

But Webta rejects this and is prepared to defend this notion.

Webta has come a long way since its members used to bear brunt of the wrath of the authorities because they were operating as illegal pirate taxis in the early 80s.

In spite of "harsh penalties", Webta withstood the punishment — and instead gradually grew into a formidable empire. Within a short time, the dilapidated and sometimes rusty vehicles made way for flashy minibuses.

The rapid transformation of the taxi business, consisting of people who came to seek work in the city, led to charges of the involvement of faceless white cash.

Webta's attempts to cement themselves in the market struck a positive cord when the South African Black Taxi Association recognised them as an autonomous region and admitted them. This enabled Webta to benefit from Sabta schemes to buy vehicles.

Webta was officially launched in May, 1987, during a three-day ceremony, amid pomp and fanfare attended by thousands of residents.

At that stage Webta members were seen by many township residents as heroes who flouted the white man's oppressive transport regulating laws who provided fairly cheap and reliable transport to and from central business districts.

The risks they took by "pioneering" routes between Nyanga and areas like Bellville were at last paying handsome dividends.

But as from 1986 intermittent clashes surfaced when Lagunya tried to ply Webta's lucrative routes.

Why is Webta not reluctant to pull out of deals if they feel they are being done?

Webta believes their routes are exclusive-

ly their territory which they will not give up.

They argue that they toiled very hard, even though harassed by the traffic authorities, allegedly occasionally assisted by Lagunya members, most of whom had licences.

They are also not prepared to allow themselves to be swallowed by another organisation or have their identity, for which they fought so hard to establish, destroyed.

Webta believes anyone who wants to operate on their routes should join the organisation.

Webta also maintains attempts to coerce them into accepting any proposals, including the 10-point plan and the current peace initiative, will fail.

How can the long-running conflict be resolved?

Webta suggests that the matter should be left in the hands of the taxi organisations only.

But first and foremost, Webta wants to revert to the previous arrangement — its taxis should ply the CBD and townships routes while Lagunya operates mainly inter-township routes.

It believes that political organisations like the national executive of the ANC and the South African Black Taxi Association and other taxi bodies should be invited to find ways and means of finding a solution.

What about community-brokered peace like the 10-point plan? Webta believes the latter document was being forced upon them without any consultation.

The sponsors of the plan were not neutral brokers because they called for a boycott against Webta taxis in May.

Webta rejects the allegations of police collusion and points out that 170 of their members have been arrested for possession of firearms — one in connection with the killing of popular community leader Mr Michael Mapongwana.

Concerning the latest move, initiated by among others Archbishop Desmond Tutu and Cape Town mayor Frank Van der Velde, Webta is convinced the attempt had not addressed the real issues.

This prompted the organisation to pull out.

LAGUNYA

LAGUNYA'S views are characterised by a willingness to accept any deals from any brokers in the interest of serving the people who are being adversely affected by the conflict.

Lagunya members blame their rivals for the breakdown of the peace process at the 11th hour. As a result, they have resolved not to have any talks with Webta because they have lost trust.

Originally set up in the 1950s, Lagunya consists mainly of residents who are born and bred in Cape Town — hence their progressive political outlook.

For a long time, Lagunya with their sedan taxis, operated in the townships without any competition — other than the odd pirate — and had permits.

But with the influx of people into the growing squatter areas such as Crossroads and other satellite camps, there was suddenly room for the illegal taxis.

Occasionally Lagunya collaborated with the authorities to restrict the flow of illegal taxis as they became a threat to their market.

But such attempts did not succeed. Few Lagunya members were prepared to risk fines by venturing into then out-of-bound areas for black taxis such as the CBDs.

The "Johnny-come-latelies", as Lagunya describes Webta, continued to make substantial inroads in spite of Lagunya's opposition to the granting of Webta's permits. But the floodgates for permits were suddenly opened — and Webta became legal overnight.

Another objection from Lagunya against their rivals was unsuccessfully opposing the

granting of autonomous status by the South African Black Taxi Association.

Because of the cut-throat nature of the business — more than 2 000 taxis generating a total of R60 000 for one trip each — clashes over routes were unavoidable.

Throughout the current conflict, Lagunya has always expressed a willingness to go along with any peace initiatives, including the 10-point plan.

The plan contains measures that will definitely solve the problem in the taxi business.

Lagunya maintains community involvement will play an important role in finding a solution to the problem. After all, Webta relies on the people for support.

Lagunya believes the role of the police, whom they accused of siding with Webta, is a main stumbling block. Whenever Lagunya reports incidents to the police, they claim they are "first asked which organisation they belong to". But police have steadfastly rejected the accusations.

Lagunya members deny they want to take over Webta's routes, saying they have been operating in the Western Cape for a long time.

To them, the heart of the current conflict is that Webta wants to restrict them to operating from Khayelitha to Nyanga only.

They accuse Webta of wanting to drive them away from the Nyanga taxi rank where they have been operating for years.

For Lagunya, the conflict has political overtones because there are town councillors in Webta who are allegedly using the issue as a smokescreen to eliminate activists.

Bickering aside, the search for peace continues in earnest while the conflict continues to claim the lives of people.

Soldiers cheer for taxi arrests

VUYO BAVUMA and
JOHAN SCHRÖNEN Staff Reporters

KHAYELITSHA residents ululated with joy as they described how SADF members saved them from gunmen "firing wildly" at their houses after setting alight 12 shacks and five minibuses.

The T section residents in Site B, who refused to be named for fear of reprisals, said the gunmen were members of the Western Cape Black Taxi Association (Webta).

They said an SADF vehicle appeared as the attackers were leaving after torching three minibus taxis belonging to Mr Morris Sintsili, a Lagunya member. The SADF vehicle chased the three bakkies in which the attackers were escaping and soldiers opened fired causing one bakkie to crash into a wall.

Residents claim two of the attackers were shot dead.

A father of four, who watched, said soldiers ordered the occupants of the vehicle to lie on the ground.

"Some of the gangsters were wearing blankets and balaclavas; others tried to run away, but the soldiers were too quick, searched the men thoroughly and found weapons.

"At that stage people could not contain their joy and others ululated as the soldiers arrested the attackers.

"The soldiers kept on asking the men, as they held them down, why they were attacking people's homes."

Another resident said the soldiers demonstrated they were performing their duties in a neutral way.

"We really owe our lives to the soldiers who arrested the attackers. I ordered my children to lie on the floor and others were under beds as the gunmen fired wildly.

"Earlier some terrified mothers fled with their babies during the shooting. But the soldiers saved us," he said.

Describing the attack on his taxis, Mr Sintsili said he went to investigate a noise outside his house about 9 pm.

"I saw three bakkies parked opposite my house and a group of men. One man blew a whistle and they came towards me.

"I tried to run, but I was shot. Some men tried to grab me, but I fended them away, hitting them with my fists.

"I was limping, but I did not give up.

"Other armed men were dancing in the street, while others fired at neighbours trying to intervene."

Mr Sintsili said he evaded the gunmen as they fired at him.

At that stage they poured petrol on the minibuses and the flames roared.

"Later I returned to look for my four children and wife. I found them safe, hiding in a neighbour's house," he said.

Mr Sintsili described the ordeal as a bad dream.

Meanwhile, as the township taxi war rages on, serious reservations have been expressed for a quick solution to the protracted conflict which has claimed the lives of scores of people, left hundreds homeless and destroyed many vehicles.

There was heated discussion, expulsion and a walkout from the crisis conference called last night.

And in renewed conflict a Lagunya taxi driver was shot dead in Guguletu, the driver of a security bakkie was shot and wounded and 12 shacks were burnt down and more minibus taxis torched.

Police spokesman Major Gys Boonzaaier said Mr Phindile Xusa was shot in NY19 by a gunman about 8 pm and died in an ambulance.

Major Boonzaaier said the assailant fired three shots at Mr Xusa. Two spent 9 mm cartridges were found.

In another incident in Khayelitsha at 11 pm a Coin Security bakkie crashed into a shack after occupants of another vehicle opened fire.

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ACG

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CURRENT AFFAIRS

TAXI WAR

Back in the garage

New efforts are under way in Cape Town to end the city's taxi war after the collapse of a week-old peace pact signed this month (*Current Affairs* October 18).

But with violence having flared across the wide front there is little hope of success. After the collapse of the pact at least four taxi drivers were gunned down and a number of taxis set alight.

A policeman was arrested this week in connection with one of the killings. It is understood that his wife is involved in the taxi business.

Cape Town mayor Frank van der Velde was hoping to convene a meeting of rival factions — Western Cape Black Taxi Association (Webta) and Langa, Guguletu, Nyanga Taxi Association (Lagunya) — and other interested groups to thrash out a new peace agreement.

Webta withdrew from the earlier agreement after accusing Van der Velde and co-convenor Archbishop Desmond Tutu of not addressing the main issues of the conflict. A Webta official was quoted as saying the Cape Town City Council was a government structure that "wanted to oppress black people" and had no role in trying to resolve the conflict.

Public sanction

Tutu, however, warned that if Webta pulled out of the peace pact it could face tough sanctions from the public.

The war centres on competition for routes and the use of taxi ranks. It has been waged at various levels for months.

Not only drivers are suffering. The university welfare and relief organisation,

Shawco, estimates that at least 1 800 people have been left homeless due to the destruction of 300 shacks which got in the way of the conflict. More than 100 shack dwellers have been injured in fighting. ■

Police act to halt taxi war

Sowetan 25/10/91
POLICE have deployed a further 100 policemen in Cape Town's black townships in preparation for an escalation of the ongoing taxi war.

While the mayor of Cape Town, Mr Frank van der Velde, and community leaders were holding talks in Cape Town on Wednesday to stop the violence, the rival taxi groups were mustering their forces and gathering in open fields in Khayelitsha.

Brigadier Frik Kellerman, the SAP's Western Cape chief of operations, yesterday said he was worried about the gathering of the different groups.

In the past this was an indication of attacks and counter-attacks, Kellerman said.

A member of the Langa, Guguletu and Nyanga Taxi Association was shot and killed in NY19 Guguletu on Wednesday, police confirmed.

Mr Davis Pindile Xusa (22) was stand-

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ing in the road next to his taxi when another taxi drove up between him and his vehicle.

Three shots were fired and Xusa died instantly.

In another incident, a Coin Security driver was wounded in the stomach, arm and legs when shots were fired at his vehicle.

The driver is being treated in hospital.

The police presence in Khayelitsha and Nyanga was stepped up by 106 men about a month ago and Kellerman said another 100 men would be deployed as a matter of urgency.

"We have received information of planned attacks - which will lead to counter-attacks - and we have stepped up our foot and vehicle patrols to have a 24-hour noticeable police presence and will do our best to protect people and property," he said. - *Sapa*.

Taxi war bail row

ARG 25/10/91 (Cont from page 1)

Democratic Party MP for Claremont Mr Van Eck described the men's release as outrageous. "It points to police partiality in the taxi war."

The Peace Committee said the men's release was "incomprehensible".

Residents, particularly those who had given statements to the police, were in fear of their lives and the release of the alleged attackers would "greatly compound their trauma", the committee said in a statement.

"It is entirely unacceptable that people, allegedly caught in the act of attempting to murder others, should be released on bail into the highly volatile situation generated by the taxi war."

Meanwhile the Western Cape Black Taxi Association (Webta) says it will resist a city council proposal that the permits of taxi operators found to be involved in the violence be withdrawn.

Chairman Mr James Mafuya was reacting to a decision by the Peace Committee to approach the Local Road Transportation Board on the issue.

"We were harassed for years before we were granted those licences in 1987. Licences are just pieces of paper which we fought bitterly to obtain. Operating without them is not something new new to us."

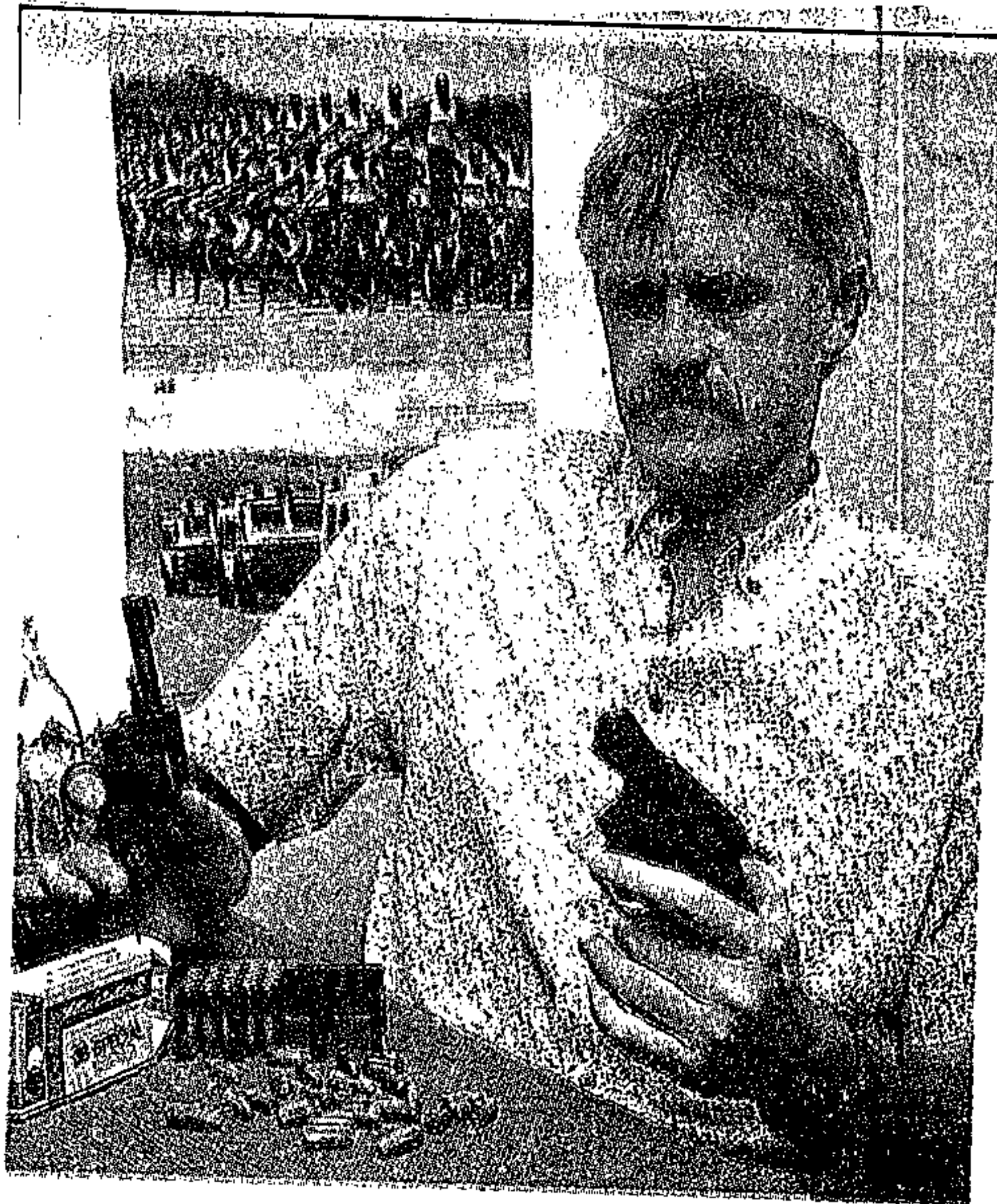
He said the Local Road Transportation Board "which to us is a government institution" granted the licences at R100 each for a period of 10 years after his members had spent "lots of money on lawyers".

"If the city council, which is also a government institution, wants their pieces of paper back, they can have them and refund us our money because 10 years is not yet over."

"If they take them it means we will be back to square one and operate without those papers as before. But I can assure you they will never confiscate our vehicles and they will meet fierce resistance to the bitter end."

He said Webta was still willing to talk peace but had lost confidence in the Peace Committee which seemed to "want to dictate terms".

Lagunya spokesmen were not available.



Picture: OBED ZILWA, The Argus

SEIZED GUNS: Detective Warrant Officer Patrick Friedman, of the police firearm unit, holds up the two revolvers seized in a raid on a spaza shop in Khayelitsha.

Taxi war row: Bail should be opposed — A-G

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Staff Reporters

THE Attorney-General, Mr Niel Rossouw, and the police are opposed to bail for people allegedly involved in taxi war violence, according to mayor and co-convenor of the Peace Committee, Mr Frank van der Velde.

Mr Van der Velde said he had spoken today to Mr Rossouw and Brigadier George Potgieter, deputy regional commissioner of police, and "both are fully supportive in opposing bail while the situation is so volatile".

He was reacting to the row over police failure to oppose bail for 11 men who allegedly torched shacks and taxis in Khayelitsha on Tuesday night. They appeared in court charged with attempted murder on Wednesday and were released on R500 bail each.

Mr Van der Velde He said he had been told police would oppose bail in future and Mr Rossouw had "assured" him prosecutors would be instructed similarly.

But it was extremely difficult to revoke bail once it had been granted.

"Certainly with the present situation, releasing suspects is totally contrary to what we're trying to do. We're trying to take the heat out of the townships."

(Turn to page 2, col 1)

Taxi designers asked to put the brakes on

NATIONAL taxi organisation Sabta has asked vehicle manufacturers to design a slower taxi.

In pursuit of improved road safety, the association had asked the National Association of Automobile Manufacturers (Naamsa) to help produce a vehicle computerised to enable the owner — not the driver — to limit the vehicle to a certain speed, Sabta communications manager Molefe Rapodile said yesterday.

"With operators owning fleets of up to 20 vehicles, it is difficult to monitor drivers' speeds, and this mode of car could help in

checking speeds and thus avoid accidents on the roads," Rapodile said.

"We direct our appeal to car makers in an effort to improve road safety, and Naamsa, to which these manufacturers are affiliated, is the best channel to use," Rapodile added.

But Naamsa assistant director Costa Pierides said the speed limitation device was not going to solve the accident problem because 80% of the cause was driver error.

THEO RAWANA

332 "The answer lies in training people to know both their own and the vehicle's limitations. For example, it has been established that one-third of accidents is caused by tyre bursts. The white-walled tyres taxi owners prefer to fit — they do look beautiful on a vehicle — are the worst because they cannot take overloading. They are designed for private passenger transport."

Pierides said maintenance of vehicles, knowledge of tyres and overloading were among areas needing to be addressed.

There must be a programme for improving taximen's technical skills, he said.

Policeman arrested in taxi war

W/Meat 25/19-31/10/91.

BY AYESHA ISMAIL: Cape Town

THE taxi war in Cape Town continues despite agreements made by the two warring taxi associations.

This week 12 shacks and five minibuses were torched in Khayelitsha. The body of a Khayelitsha taxi driver was found near Macassar with two bullet wounds in the head and a police sergeant was arrested in connection with the murder of a taxi owner.

Sergeant Tutuse John Ngubeni (48), of the Manenberg uniformed unit, was not asked to plead and his case was postponed to November pending a decision by the attorney-general on the setting of bail.

Ngubeni, who owns two Lagunya taxis, had one of his taxis torched last week.

James Mafuya, chairman of taxi organisation Webta, said his organisation was aware of policemen owning taxis and belonging to the rival body, Lagunya.

"We do not have a problem with that because those policemen were there before the war started. But people accuse us of having white people



Up in flames ... An angry mob torches a taxi in Khayelitsha

Photograph: JUSTIN SHOLK

in our organisation and that is not true," he said.

Webta withdrew from the Cape Town Peace Committee this week, saying the real issues were not being addressed. Mafuya said the taxi associations had to sort out their own problems.

Lagunya chairman Michael Kupiso said the taxi war was purely commercial and until routes and permits were sorted out, the violence would continue. More than 1 500 people have been left homeless because of the violence.

Kupiso said his taxis had not been running since the peace committee was convened and they were facing financial problems as a result.

The peace committee, which includes Cape Town mayor Frank van der Velde and Archbishop Desmond Tutu, believes it has made a breakthrough in solving the taxi crisis.

Several options were discussed at a peace meeting this week with community leaders.

One of the options agreed on was that the Cape Town City Council would investigate revoking taxi per-

mits and close its ranks to operators who refuse to negotiate an end to the conflict. This will only apply to areas falling within the council's jurisdiction.

An option to involve the South African Defence Force to protect residents was not accepted by the community leaders. The possibility of another taxi boycott was also ruled out.

All options discussed will be put to organisations involved in the peace committee for their approval before they are implemented.

Taxi war bail row

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CT 25/10/91

Staff Reporters

THE release on bail of 11 alleged taxi-war attackers has provoked an outcry and led to police stepping up patrols in certain areas of Khayelitsha.

The 11 men were arrested by soldiers on Tuesday night.

The men had allegedly torched shacks and taxis in Blocks T and Y in Section C of Khayelitsha. Four minibus taxis and seven houses were set alight.

An army patrol intercepted the attackers, who tried to escape in three bakkies. The attacks have been linked to the taxi war.

On Wednesday the men were freed on bail of R500 each, according to police.

Last night Western Cape police commissioner Major-General Nic Acker said police patrols would be increased in Blocks T and Y as a result of the release of the 11 men.

Residents in the area yesterday said they feared new attacks after the men's release.

General Acker said there was "nothing we can do at the moment (about their release on bail) unless we receive information that they are intimidating witnesses".

He said it was not unusual for suspects charged with attempted murder to be granted bail.

Last night the Cape Town Peace Committee and the Democratic Party strongly criticised the release of the 11 men.

DP Law and Order spokesman Mr Jan van Eck said victims of the attacks, who gave statements to police, looked "terrified" yesterday after the party's Unrest Monitoring Action Committee (UMAC) broke the news of the releases to them.

"All attempts by the Mayor, the Archbishop, the Peace Committee and business will fail dismally unless those elements within the taxi associations who are guilty of murder, attempted murder and arson are removed from circulation," he said.

Democratic Party spokesman on Justice Mr Dave Dalling said there were "strong grounds for the magistrate to refuse, or set a very high bail".

The Peace Committee, in a statement, said last night it was "incomprehensible and entirely unacceptable that people allegedly caught in the act of attempted murder should be released on bail".

"Residents — especially those who have given statements to the police — are in fear of their lives. The release of their alleged attackers will greatly compound their trauma."

Earlier yesterday police deployed 100 extra policemen in Khayelitsha and announced that they would step up vehicle and foot patrols in the township following information that the two rival taxi organisations, Webta and Lagunya, were gearing for an escalation of the war.

But late last night police reported that it was quiet in the area.

Earlier in the day Khayelitsha and Nyanga were tense. However, there were no signs of trouble. Only Webta taxis were operating.

The police's head of operations in the Western



ON THE LOOKOUT . . . Soldiers patrol the streets of Khayelitsha and Nyanga yesterday after a tip-off from the police that members of opposing taxi organisations were regrouping in a manner suggesting trouble.

Picture: BENNY GOOL



CODE SIGNED . . . Two policemen sign forms at a ceremony in Soweto yesterday to endorse the code of conduct for security forces, drawn up in terms of the National Peace Accord. **Eleven die in unrest — Page 5**

Picture: AP

Cape, Brigadier Frikk Kellerman, said the reinforcements were being brought from various districts in the Western Cape.

The Peace Committee said it hoped the deployment of reinforcements in Khayelitsha and Nyanga would herald the start of "unbiased, swift action by police to protect the lives and property of citizens".

The Peace Committee held an urgent meeting on Wednesday night in a bid to find a solution to the taxi war.

Lagunya chairman Mr Headman Nongwenjane said that any decision taken by the Peace Committee would be welcomed by his organisation as long as it brought peace.

Mr Nongwenjane denied that his organisation was preparing for to attack Webta, whose spokesman could not be contacted for comment yesterday.

Police spokesman Major Gys Boonzaaier yesterday said 22-year-old Mr Phindile Xuza had become the latest death in the conflict. He was shot in Guguletu on Wednesday night.

Major Boonzaaier said Mr Xuza was standing near a minibus in NY19 about 8pm on Wednesday night when a vehicle stopped between him and the taxi.

To page 2

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From page 1

Major Boonzaaier said a man fired three shots at Mr Xuza, wounding him. Mr Xuza died while he was being taken to hospital. **CT 25/10/91**
He added that a Coin Security driver was wounded when gunmen opened fire on him while he was picking up workers in Site C Khayelitsha about 11.10pm on Wednesday night.
The man is being treated at Groote Schuur Hospital. **332**
The taxi violence has claimed more deaths than was realised by the public, a member of the Peace Committee, Ms Zohra Ebrahim, said yesterday.
Ms Ebrahim quoted a private surgeon as saying that two township patients had already died in his hands in the past three weeks as a result of not taking taxis for fear of danger.
The doctor said that on October 9, a 22-year-old Nyanga man suffering from epilepsy died in his surgery just before he was about to give him medication. A week before an eight-month-old baby suffering from diarrhoea died because the mother could not get the child to a doctor.

Sabta supports tax strike

THE Southern Africa Black Taxi Association yesterday came out in support of the proposed two-day nationwide stay-away in protest against value-added tax on November 4 and 5. *Sapa*

Sabta president Mr James Ngcoya called on all of its associations to contact the VAT Co-ordinating Committee at local levels to ensure that transport would still be available for pupils, teachers, nurses, doctors and other workers who perform essential services. *25/10/91*

He said Sabta's regional and head offices would be closed during the two-day stayaway, which will be staged to demand an end to VAT on basic things. - *Sapa.*

Sabta calls for a slower taxi

Own Correspondent

JOHANNESBURG. — The SA Black Taxi Association has asked vehicle manufacturers to design a slower taxi.

In pursuit of improved road safety, Sabta has asked the National Association of Automobile Manufacturers (Naamsa) to help produce a vehicle computerised to enable the owner — not the driver — to limit the vehicle to a certain speed, Sabta

JOHANNESBURG. — The SA Black Taxi Association yesterday declared its support for the proposed two-day nationwide stayaway against VAT. — Sapa

communication manager Mr Molefe Rapodile said yesterday.

"With operators owning fleets of up to 20 vehicles, it is difficult to monitor drivers' speeds, and this mode of car could help," he

said.

But Naamsa assistant director Mr Costa Pierides said a speed-limitation device would not solve the accident problem because 80% of the cause was driver error.

"The answer lies in training people to know both their own and the vehicle's limitations," he said, adding that maintenance of vehicles and knowledge of overloading were some of the things that had to be addressed.

(332) ET25/10/9

Balaclava gang ransacks homes of KTC men

EDWARD MOLOINYANE
Weekend Argus Reporter

THE homes of two prominent KTC residents have been raided and ransacked by men in balaclavas.

The raid at the home of Masicedane committee chairman and taxi crisis co-ordinating committee member Mr. Gladstone Ntamo and Masicedane member Mr. Maxen Mbuyazwe

occurred between two and three am yesterday.

There was no one at their homes during the raid. The two men and their families do not sleep at home because of frequent attacks on prominent committee members in the townships.

Neighbours said two combis with no registration plates, full of black men and white men, were earlier seen driving

up and down the streets of KTC.

Mr. Mbuyazwe said: "I had just gone with a comrade from Guguletu when I noticed the combis about midnight and I sensed trouble. I went to a neighbour's house and a few hours later we saw more than a dozen men approaching my house."

Mr. Mbuyazwe said the men

into the house. In the house they searched, broke his two wardrobes and took out clothing, he said.

Mr. Mbuyazwe, a sangoma, said the men then went into his "consulting room" where they searched and took about R500 from a purse.

At Mr. Ntamo's house the procedure was repeated. His wife said R320 was missing.

The answer lies in separate territories

Webta chairman Mr James Mafuya believes the solution lies in allowing his organisation to take passengers to town and confining Lagunya to Khayelitsha and Nyanga.

Mr Mafuya, 45, a former President Hotel waiter, joined Webta in 1986 and was elected as chairman four years later. He is married with four children. He said he was unable to complete high school because of the lack of funds.

"I have a problem with Lagunya bringing people from Khayelitsha to the city or taking people from Khayelitsha to Macassar as those trips are far too long."

Mr Mafuya believes the taxi war cannot be solved through the city council or the intervention of the Mayor, Mr Frank van der Velde, or Archbishop Desmond Tutu.

"We do not need others to be involved and we should sort out our own problems."

Despite this, he believed Sabta, which began negotiations with Webta and Lagunya earlier this week, had a role to play in negotiating a solution.

Mr Mafuya said Sabta representatives would be reporting to their head office in Pretoria on the negotiations.

"We expect a response from Sabta in two weeks' time, when they will report back to Webta and Lagunya. Once we have sorted ourselves out, we will report to the CTPC."

Revoking permits would not solve the problems because before, if they confiscate our taxis, we will take them to the highest court in the land."

Criticising the city council, he said: "Why is the council getting involved only now? It has done nothing for us in the past."

He denied that some of the Webta taxis were white-owned and said people were free to investigate this.



JAMES MAFUYA, Webta chairman: "We do not need other parties to get involved. If the council confiscates our taxis, we will take them to the highest court in the land."

Taxi permits will be a highway to peace

Lagunya chairman Mr Michael Kupiso says the war revolves around only one issue: routes and permits.

Mr Kupiso, 31, a former quantity surveyor who is married with two children, joined the taxi industry in 1988 as a public relations officer for Lagunya.

He accused Webta of not knowing how the routes worked and of not wanting to share these and the ranks. Webta wanted to restrict his organisation to the townships, yet Webta wanted to be free to operate in the Cape Town Central Business District as well as the townships.

"We do not mind sharing routes with Webta. We all have to work to enable us to feed our families and pay our debts."

Mr Kupiso believed the only way to stop the violence was for the city council to regulate taxi routes and issue permits.

Revoking permits would not solve the problem.

"The council should go ahead and promulgate by-laws to govern the taxi industry, although I do not believe that revoking licences would be a solution."

"I am prepared to let bygones be bygones and Lagunya is prepared to abide by decisions made by the recently-formed Cape Town Peace Committee, which is trying to end the war. We are all sick and tired of this violence affecting our community."

Mr Kupiso accused the Road Transportation Board of issuing permits freely to Webta, which was backed by the South African Black Taxi Association (Sabta). Lagunya had the support of the community, the ANC and the PAC, he claimed.

Of the allegation that several of the taxis operating in the townships were white-owned, he said: "We have no problem with that as long as we know who the people are. They must attend meetings."

International transport implications

S/Times (Buss) 27/10/91.
PRACTICE Note 10 has been released to deal with Vat implications arising from the international transport of goods.

It defines agents and principals and their treatment of input credit refunds.

It is necessary to examine the relationship of the parties to the contract to determine whether they charge Vat on their services at the standard rate of 10% or 0%.

A principal enters into a contract in his own name and on his own liability. This means he will get an input tax deduction on all his inputs that allow him to provide services.

If a person acts as an agent on behalf of his customer, Vat will be a deduction in the hands of the customer. This is a disbursement by the agent which will be passed to the customer. The invoice must be passed to the principal so that he can claim Vat. There are no Vat implications in recovering a disbursement.

Conditions

An exception to the rule is where goods and services are acquired by an agent on behalf of a foreign principal.

Provision is made for the agent to be treated as a principal in his own right for Vat. This means he will pay Vat at 10% on all the supplies made to him. He will claim this back from the Receiver of Revenue.

On the other hand, supplies by him to the foreign principal will be zero rated and the "agent" will be entitled to claim a refund of all Vat paid on inputs.

This treatment of an agent as a principal is allowed only under these conditions:

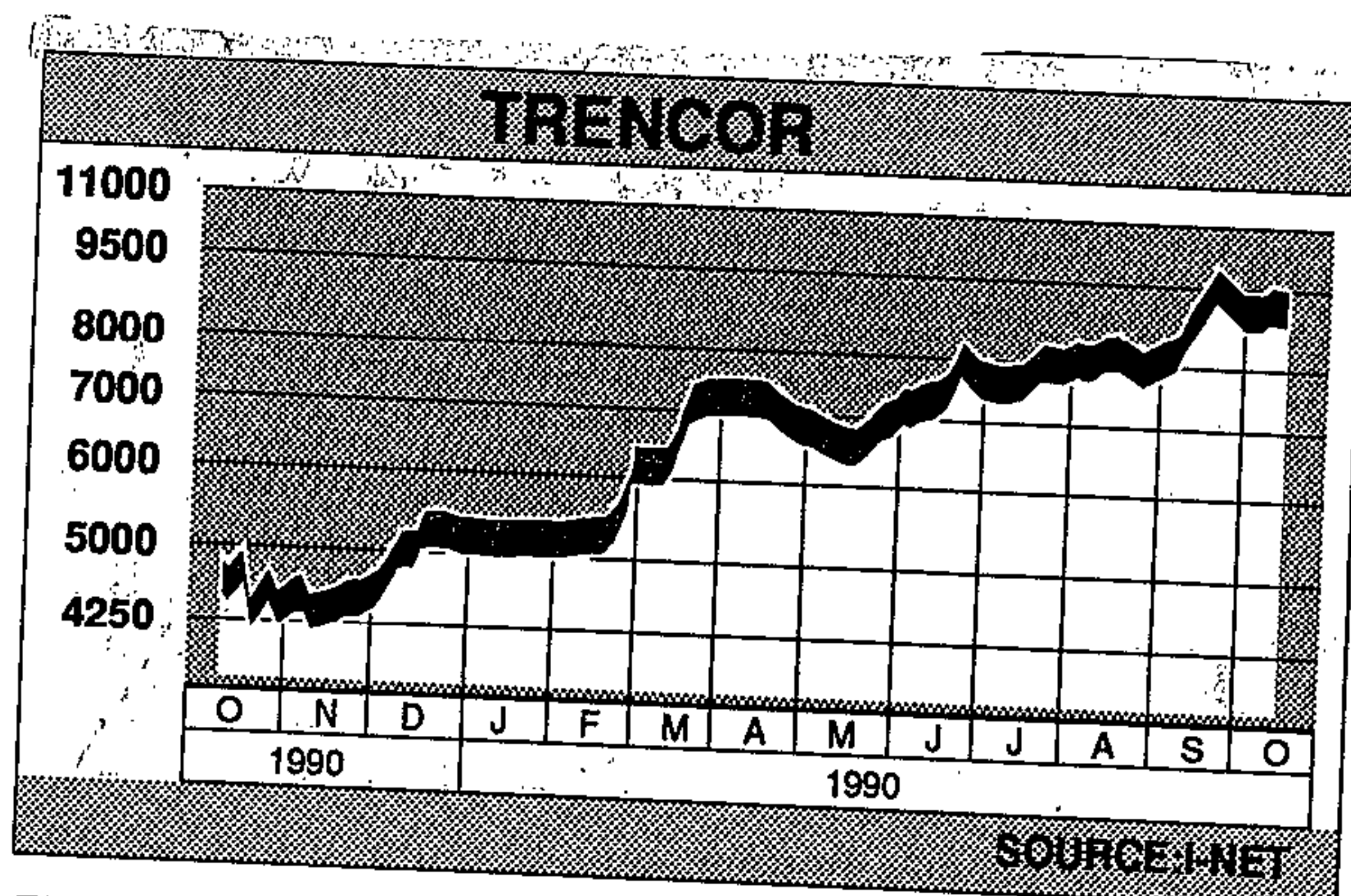
- The supply to the agent must have been taxed at the standard rate of 10%.

- The supply must be directly connected with the export or import of goods, or their transport within SA.

- Both parties must agree that the agent will act as principal for the supplies.

This arrangement is not possible where the agent acts for a principal who is an SA resident or a registered vendor.

The goods or services contemplated include clearing services, freight, storage, insurance, packing, cargo inspections, stevedoring and preparation of documents.



Trencor keeps its cards to its chest

Time (BUS) 27/10/91 (332)

TRENCOR — one of the top-performing companies on the JSE in the past five years — is listed in the transport sector, but only 12% of its earnings come from that division.

In fact, 55% comes from exports and foreign investments, about which management was loath to speak at a presentation to the Investment Analysts Society.

The analysts seemed rather affronted that Trencor is seeking R250-million through a rights issue, but they were not told on what the money would be spent.

They were disappointed that they could not be let in on the secrets of the foreign investments, known only to the Trencor directors and the Reserve Bank. Even in this era of South Africa's lesser pariah status, some foreigners are still reluctant to be seen doing business here.

Joint managing director Cecil Jowell could tell them only that the foreign holdings were not Mickey Mouse investments, but solid ones.

Elder brother Niel said he could not tell the analysts what the cash was for, only that there were opportunities.

Mr Jowell senior said it had not yet been decided whether the Jowell family — the major shareholder in pyramid Mobile with 41% — would follow their rights.

Mobile owns 48% of Trencor and will raise R120-million or so to follow its rights. For the families to follow theirs, they would have to have about R50-million cash.

If the rights are renounced, the market in Mobile shares might improve. Both it and Trencor are tightly held.

Management gives the impression that Trencor is an ungeared cash cow that makes factories and distributes tyres, trailers and containers and runs a few trucks and aircraft. The Jowells expect earnings to improve again this year, but by how much they cannot predict.

This is a summary of one of the lowest-profile yet best performers the JSE has seen. The shares will remain in demand, and I doubt that the underwriter will be called on.

Mobile shares edged up 50c to R24.50 after the presentation, and Trencor was still sought at R96.



PEACE MARCH: Khayelitsha residents march to demand peace in the township.

ARG 28/10/91

Man held as taxi-driver shot dead at Nyanga rank

Staff Reporters

A 40-year-old Khayelitsha man, believed to be a Lingeletu West town councillor and a Western Cape Black Taxi Association driver, has been arrested after a Lagunya taxi-driver was shot dead at the Nyanga taxi rank.

The Lagunya man, believed to be a Mr Tyopo of Langa, was shot twice in the back about 12.25pm yesterday.

Witnesses said there was chaos as people ran for cover, hawkers abandoned their stalls and buses and taxis withdrew from the rank.

A police spokesman said police on patrol heard six shots fired from the direction of the rank.

The policemen saw a man running away and chased him.

A man was arrested with a Z7 0,65mm calibre pistol and 10 rounds of ammunition in his possession.

At the rank the body of the Lagunya taxi-driver was found with two bullet wounds in the torso.

Near the body was a sedan car, with four bullet holes in it.

A 40-year-old man from Site C, Khayelitsha, is expected to appear in court in Mitchell's Plain tomorrow.

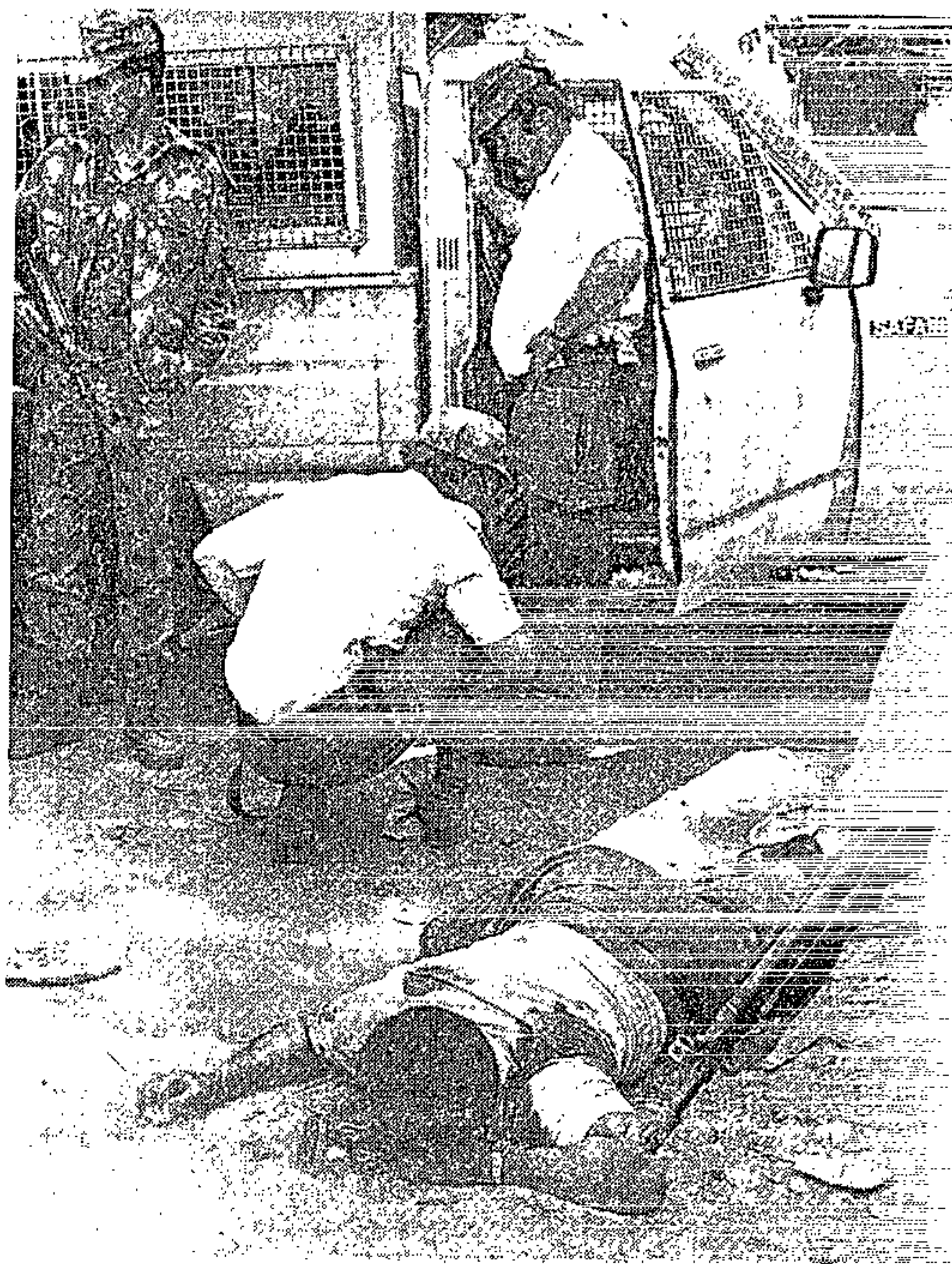
Earlier yesterday about 200 people marched through Site B and Site C to demand peace and an end to the taxi war which has led to death and the destruction of property in the townships.

They sang hymns and carried placards saying "Let peace prevail" and "Let's work for Peace".

The Anglican Church has expressed alarm at "the apparent inability" of police "to bring to justice those who, with growing impunity, kill, maim and destroy" in black townships.

The vicar-general of the Cape Town diocese, the Very Rev Colin Jones, said the Diocesan Council noted the "incalcitrance of those in the taxi industry in finding solutions to the conflict and the continual renegeing on agreements".

The council commended the initiative taken by a broad spectrum of people and organisations to broker peace and find solutions.



Pictures: OBED ZILWA, The Argus

SHOT DEAD: Police search for clues near the body of a Lagunya driver killed at Nyanga taxi rank.

Clearing up the ownership mystery

6/00/91 28/10/91
WHO owns Flitestar is a question that has been on many industry watchers' lips since the airline was officially launched two months ago.

Flitestar is the trading name for Trek Airways.

Trek stopped flying in the early '70s and concentrated on another project, called Luxavia — the SA marketing company set up to sell cheap flight packages on Luxair aircraft to Europe.

Company MD Jan Blake took advantage of the planned deregulation of SA's domestic scheduled air services legislation and

applied for some of the operating licences.

Trek was successful and last December was awarded licences to operate in direct competition with SAA on routes between Johannesburg, Cape Town, Durban and Port Elizabeth.

Safmarine, part of the Safren Group, owns 38% of the company, Rentmeester Beleggings Ltd 43% and Muelklin (Pty) Ltd 19% of the shares.

Trek's board of directors is drawn from the ranks of these companies and is chaired by Safren chairman Alistair Macmillan.

COMPANIES

Micor expects expansion to trigger a turnaround

AFTER a dismal performance in the last financial period, freight, travel and related services group Micor expanded its operations and a turnaround is expected in the year ahead.

In his annual review, chairman Cecil Kaplan said the range of group activities had been extended into areas allied to existing operations.

"The initial investment in so doing is likely to bring about an improvement in profits, quite aside from progress that is anticipated within the existing activities."

In his divisional review, Kaplan said Micor acquired Welcome Tours and Safaris, which expanded the group's existing touring capabilities. The additional services were complementary to Micor's existing travel activities and the acquisition was ex-

B1 Day 29/10/91
MARC HASENFUSS

pected to contribute significantly to revenue.

Continued pressure on margins, coupled with steeply rising costs, precluded a matching of profit contribution by Micor's freight division.

He said the freight industry could not compensate for the frequent and substantial cost increases imposed by government agencies such as Post & Telecommunications, Department of Transport and other intermediaries. "There is scant visible evidence of any serious intent by government to adhere to its stated policy to fight inflation."

The difficulties experienced by importers as a consequence of financiers drastically reducing their expo-

sure in the area of international trade would be further aggravated by VAT, he said.

VAT required importers to take on the VAT burden up front on lodgement of the customs documentation, and it must be assumed that government has not appreciated the enormity of the additional debt that will be incurred.

Prospects for the group's industrial and off-shore businesses in the current year look promising.

Micor's balance sheet is sound, with a healthy R26m in reserves and a debt to equity ratio of 0.8:1, reflecting management's ongoing conservative policy under prevailing recessionary conditions.

Micor traded last week at its 12-month low of 65c. The share peaked at 110c in January.

Cape taxi war flares up

Sowetan 29/10/91. 332

THE taxi war in Western Cape townships flared up again yesterday when two minibuses carrying commuters were attacked in two separate incidents of violence.

Reports said two members of the Western Cape Black Taxi Association miraculously escaped serious injury when gunmen opened fire on them at close range during the morning hour rush in Gugulethu.

The only person injured was the driver, who was cut by flying glass from the shattered windscreen.

Another taxi was fired on by two gunmen in Nyanga, but no one was injured.

The latest spate of attacks follows a breakdown in peace talks between the rival taxi association. - Sapa.

Councillor in court

A LINGELETHU WEST town councillor and Webta-aligned taxi operator, Mr Michael Gubayo, appeared briefly in the Athlone Magistrate's Court yesterday in connection with the murder at the weekend of a rival Lagunya driver.

The Lagunya driver, believed to be a Mr Tyopo, was shot twice in the back and killed at the Nyanga taxi rank about 12.25pm on Sunday.

A police patrol, hearing six shots, approached the rank and arrested a man who was

Shots at taxi, passenger hurt

A LAGUNYA taxi passenger was injured by flying glass when three men opened fire on the vehicle while it was travelling through Guguletu on Sunday evening.

Police spokesman Captain Hendrik Opperman said taxi driver, Mr Kabowa Skatsha, told police that three armed men had appeared "out of nowhere" when the taxi halted at a stop street. Each man fired a shot at the taxi.

The incident occurred along Tandeka Road in Mulunga Park in Guguletu.

running away. A pistol was confiscated.

No charges were put to Transkei citizen Mr Gubayo, 40, of Site C, Khayelitsha, and a bail hearing was postponed until this morning.

There was some apprehension about whether the court should oppose Mr Gubayo's intended bail application yesterday, following the statement last week by Cape attor-

ney-general Mr Niel Rossouw that courts should carefully consider the suitability of bail applications in taxi war-related cases.

It became apparent that unless the investigating officer specifically requested opposition of bail an application by Mr Gubayo would not be contested by the state.

However, shortly before Mr Gubayo appeared, prosecutors were told to oppose "the majority" of bail applications in such cases until they are told otherwise.

The magistrate was Mr P Engelbrecht, and the prosecutor was Mr K le Kour. Mr Gubayo was not represented yesterday.

Taxi man's death: Councillor in court

Staff Reporter

(332)

(S)

ARG 29/10/91

A LINGELETHU West town councillor has appeared in the Athlone Magistrate's Court in connection with the killing of a Lagunya taxi driver.

Mr Michael Gubayo, 40, of Site C, Khayelitsha, was not asked to plead to a charge of murder.

Mr P Engelbrecht postponed the hearing to today, when Mr Gubayo's attorney, Mr E Meyer, is expected to apply for bail.

The driver, identified as a Mr Tyopo, of New Flats, Langa, was killed at the Nyanga bus and taxi rank on Sunday.

Mr K Lekeur prosecuted.

End to taxi war: Proposals before exco

CLIVE SAWYER, Municipal Reporter

CAPE Town Peace Committee proposals to end the township taxi war are to be put to the city council executive committee today for endorsement.

Mayor Mr. Frank van der Velde said council approval was needed in order to proceed with enforcement

measures aimed at bringing warring parties to the negotiating table.

These measures include asking the Road Transportation Board to revoke licences of operators involved in the violence.

Another measure, the appointment of 15 extra traffic police, will be put to the full council for approval at its Thursday meeting.

332 (23) AKG 29/10/91

Council bows out of taxi talks

THE Lingeletu West City Council has withdrawn from all peace moves to end the Cape Peninsula taxi war.

This follows the arrest of a councillor for allegedly shooting a Lagunya taxi driver at the weekend.

So far the councillors maintained they were unbiased in their efforts to settle the dispute between the two warring taxi associations. *Sowetan* 30/10/91.

However, it has since come to light that at least four councillors have interests in the taxi business.

The town clerk, Mr Graham Lawrence, said that until due process of law had taken place, his council would not participate in further negotiations.

He said the individual actions of one councillor did not represent the council's policy of trying to bring peace to the community. - *Sapa*

Dorflina off the hook

Taxi driver abducted at gunpoint

By DANIEL SIMON ET 31/10/91

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A WEBTA minibus taxi driver yesterday recounted how he was abducted by a group of gun-toting Lagunya members and threatened with death because he was a member of the rival taxi organisation.

Mr Mthumbomlunga Ghushalasa, 45, of Newlands Hostel, Nyanga, said he and his brother had driven to Mpetha Square in Nyanga in his minibus taxi at about 8.30pm on Tuesday, when eight Lagunya members arrived in a minibus.

"The men grabbed me and threw me in the minibus and said they were going to shoot me. They drove to Site B in Khayelitsha where a man looked at me and said, 'Yes that is him', before driving to Macassar Beach."

Mr Ghushalasa said the men bundled him out of the vehicle and repeatedly threatened to shoot him because he was a member of Webta.

He pulled free from several of the men and rolled down a bush-covered embankment. The men left after firing several shots after him.

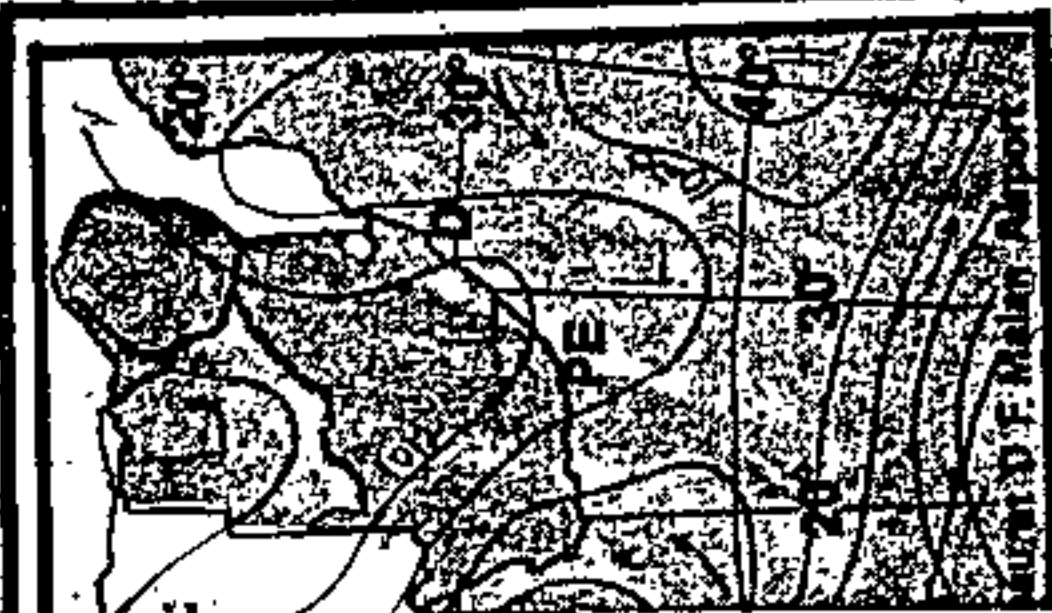
A police spokesmanyesterday confirmed the incident and said police were investigating abduction. No arrests had yet been made.



ABDUCTED ...
M Ghushalasa

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Taxi 'killer' tells of cop role

**By EUNICE RIDER
and CHRIS BATEMAN**

A WEBTA taxi operator claimed in court this week that he considered himself under the protection of the police when he fired at rival Lagunya taxi members during a "battle" on October 2.

This was disclosed yesterday when the Cape Times was able to hear tapes of evidence recorded on Monday during a special night sitting at Wynberg Magistrate's Court.

At the sitting, Mr Michael Gubayo, 40, of Khayelitsha, applied for bail. He faces a charge of murder after allegedly shooting a Lagunya taxi operator in Nyanga on Sunday.

During the application Mr Gubayo told of an earlier shooting incident in

the taxi was which took place on October 2.

According to the evidence, Mr Gu-bayo, who is also a Lingeletu town councillor, told a Wynberg magistrate that he was in the company of police on October 2 and was "assisting" them when he fired on rival Lagunya taxi faction members during a "battle scene".

He considered himself a "protected person", Mr Gu-bayo told Mr G Claassen during Monday night's application.

The evidence was revealed yesterday when the Cape Times finally managed — after two days of exhaustive efforts — to gain access to a tape recording of the proceedings.

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

After two full days of trying to ob-

**CITY TAXI DRIVER
ABDUCTED AT
GUNPOINT**

See PAGE 2

The offices closed at 4pm and the reporter was able to listen to only the magistrate's 20-minute summation and judgment, and brief sections of argument by prosecutor Mr G du Plessis and defence counsel for Mr Gubayo, Mr E Meyer.

In his summation and judgment, Mr Claassen said that under cross-examination by the state, Mr Gubayo had said he fired at Lagunya taxi faction

"In cross-examination he (Mr. Gubayo) said Sunday was the first time this year that he had been involved in a shooting, but later conceded that he was in company of the police at a previous battle scene and returned fire in a war on October 2.

"Mr Gubayo said he was "assisting the police," and claimed he was a "protected person," said Mr Claassen.

"The situation. In the black townships is explosive and cases of this calibre enjoy a lot of attention.

"The release of Mr Gubayo could lead to further incidents of violence — not necessarily by him but the mere fact that he is released can lead to further deaths and injuries.

"Bail may possibly be granted at a later stage, but not now," said Mr Claassen.

Earlier evidence by Mr Gubayo was that he had shot Mr Tyopo in self-

opened when three men attacked and injured him.

In opposing bail, Mr Du Plessis said there had been "a lot of resistance to the recent release on bail of others involved in the taxi war".

The granting of bail to 11 Webba members on attempted murder charges in Mitchell's Plain Court last week provoked a public outcry and prompted the Attorney-General, Mr Niel Rossouw, to tighten up the state's opposition to bail.

Mr Rossouw instructed all prosecutors to carefully weigh up the circumstances of each case to ensure bail was correctly opposed.

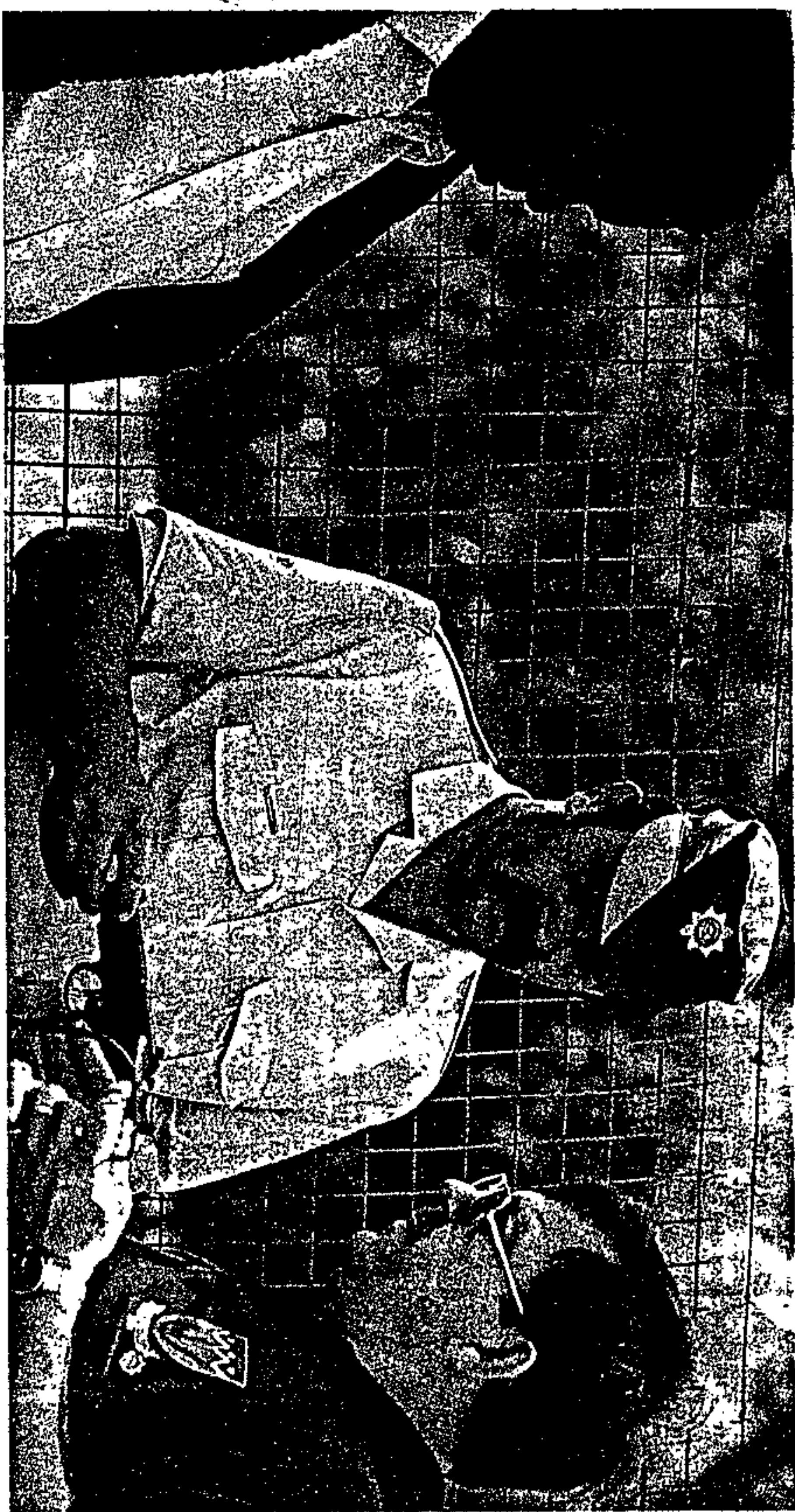
A police witness gave evidence pertaining to the seriousness of the taxi war, saying that since March, 21 men, three women and a youth had lost their lives and 65 people had been injured.

To page 2

FLASHBACK ... Mr Michael Gubayo (left) is questioned by police during his arrest at the Nyanga taxi rank shortly after Sunday's shooting in which a Laguna taxi driver, a Mr Tyopo, was killed.

PICTURE: FANE JASON

Picture: PAINE JASUN



To page 2

From page 1

He said 154 taxis, 13 City Tramways buses and houses belonging to the city council and private owners had suffered damage amounting to more than R2,5 million.

Mr Meyer has lodged an appeal against the decision not to allow bail.

Wynberg's Chief Magistrate, Mr J van Reenen, yesterday initially expressed reluctance to grant permission for the Cape Times to listen to the tapes because of Mr Meyer's appeal.

Mr Van Reenen said listening to a tape could interfere with the accused man's right to a speedy appeal (which requires a transcript to be officially typed).

But on being told by the Cape Times that our information was that no transcript would be typed until today, Mr Van Reenen gave his permission and provided a supervisor.

On Tuesday the acting chief magistrate of Wynberg, Mr R Peckham, refused permission, saying the Magistrate's Court Act made no provision for the playing of tapes to the public (despite evidence having been heard

in open court). (125) (332)

The Cape Times took legal opinion on Mr Peckham's contention yesterday and was told that because a rule of the Magistrate's Court Act equated mechanical records with written records, the public was entitled to access to tapes.

Asked why the bail hearing had been switched from Athlone to a Wynberg night court on Monday, Mr Van Reenen said defence counsel had arrived at the Athlone court too late for the hearing to be concluded before closing at 4pm.

Wynberg Magistrate's Court was the only one which provided a night court service in the Athlone/Mitchells Plain area.

CT 31/10/91
A control prosecutor at the Athlone court, Mr M Wakefield, on Tuesday told the Cape Times that instructions from the attorney-general's office were that prosecutors were not to speak to the press.

However Deputy Attorney-General Mr Hendrik Klem said he was unaware of such an instruction.

Threat of city taxi crackdown ^{Star 31/10/77} hailed

By Louise Burgers
Municipal Reporter (332)

Legal taxi-drivers in Johannesburg yesterday welcomed a city council threat to crack down on metered taxi operators whose services were "a disgrace".

Taxi operators canvassed at city ranks blamed pirate operators and a lack of policing by traffic officers for the bad reputation metered taxis had acquired in recent years.

Most legal taxi-drivers would not give their names for fear of intimidation by the illegal operators.

"The taxi industry in this city is a shambles. There is no order here — too many taxis, there is no control. There are some guys here who don't even have drivers' licences. They don't care how they dress or how they talk to customers," one taxi-driver said.

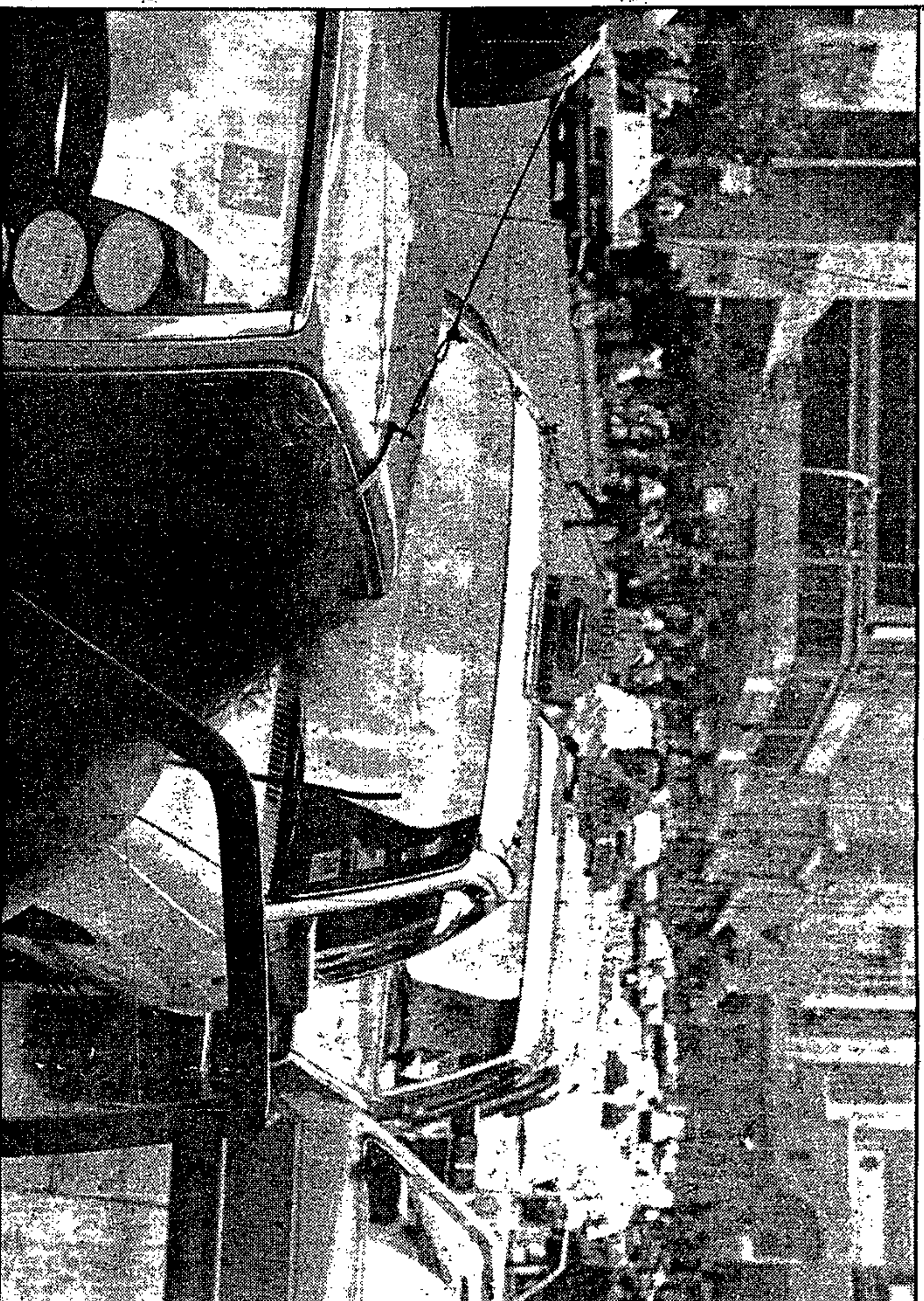
Legal drivers believe that almost half the taxis serving Johannesburg do not have the required licences and that they take away much business from other operators.

Some drivers said the tariffs should be regulated as there were serious discrepancies between the various operators — legal or pirate.

Taxi-drivers in Johannesburg ought to be in possession of five different licences and permits before they can ferry fares. Their vehicles have to be road-worthy every six months and have to display roadworthy and public driving permits on the windscreen.

From May next year, all metered taxis will have to display the same illuminated black and yellow taxi signs following a decision by the Johannesburg City Council on Tuesday. The council is considering implementing stricter measures, such as a single colour for all taxis.

● The Johannesburg Chamber of Commerce and Industry yesterday welcomed the tough stance taken by the city council in tightening controls on metered taxis. A recent investigation by the JCCI on whether Johannesburg was ready for tourism revealed that the state of the metered taxi industry and the crime rate were the biggest obstacles.



Waiting for fares . . . many taxi-drivers feel that the industry is in a shambles.

Picture: Alf Kume