

NAMIBIA - GENERAL ECONOMICS

1985 - 1987

JAN - SEPT.

*O. Reshute*  
**Chamber:**  
*19/1/85*  
**Curb**  
*221A*  
**white**  
**money**

WINDHOEK — The Administrator-General of SWA/Namibia, Dr Willie van Niekerk, is to be requested to promulgate legislation to curb the flow of white-owned investment capital to black townships.

The chairman of the newly-formed Central Chamber of Commerce, Mr Andrew Gowaseb, told a news conference in Windhoek that black businessmen were being "disadvantaged" through investment of white-owned businesses in predominantly black areas.

Centracoc was not out "to prevent big white capital from investment in our townships, but we want to see the statutory bodies concerned give black businessmen a fair chance."

Mr Gowaseb said the emphasis should be on investment for development and not exploitation.

Katatura, outside Windhoek "is developing fast and white money powers are infiltrating like roaring lions for nothing else but exploitation."

Constitutional reforms in SWA/Namibia had abolished legal restrictions on property ownership but had not taken into account "the retardation of black people," he said. — SAPA.

# Gas field <sup>221A</sup> may save <sup>Star</sup> 'ghost town' of Luderitz

By Peter Honey,  
The Star Bureau

WINDHOEK — Test drilling could begin on the extensive gas field off the southern Namibian coast within the next few months to assess its value for the territory, a senior spokesman for the Namibian administration said today.

And the territory's Administrator-General, Dr Willie van Niekerk, said: "At this stage it seems this could become an important source of income for Namibia."

The Kudu gas field, off the Luderitz and Oranjemund coast, was discovered in April 1974 by the Soekor rig Sedco 135.

Only one borehole was sunk and it is understood that the gas pressure was too high for the Sedco 135 to test accurately.

Initial estimates put the value of the Kudu field at R8 000 billion.

The member of the white Legislative Assembly for Luderitz, Mr Paul Minnaar, said today that the gas field could mean that the southern Namibian port would be saved from becoming a ghost town.

cleansing and rehabilitation. The Department of Transport is responsible for the prevention and combating of pollution of the sea by oil.

*Castillo de Belver*

\*8. Mr R. R. HULLEY asked the Minister of Transport Affairs:

- (1) Whether any crude oil has continued to leak from the submerged stern section of the sunken tanker *Castillo de Belver*; if not,
- (2) whether, according to observations, any crude oil is still so trapped in the said section of the sunken tanker; if so, what estimated quantity of crude oil is still so trapped;
- (3) whether the situation is being monitored; if so, what form of monitoring is taking place;
- (4) whether he will make a statement on the matter?

\*The MINISTER OF MANPOWER (for the Minister of Transport Affairs):

- (1) No, not since 1 February 1984.
- (2) Yes, according to an estimate by the owners/insurers between 60 000 and 75 000 tons.
- (3) Yes, on a monthly basis by Kuswag vessels and on a continuous basis by fishing vessels operating in the area.
- (4) No.

**Bonus bonds**

\*9. Dr W J SNYMAN asked the Minister of Finance:

- (a) What amount was collected in respect of bonus bonds from 1 March 1984 to the specified date on which sales thereof were discontinued and (b) which amount was paid out by the State in the corresponding period in the previous year in respect of draw prizes and interest?

\*The DEPUTY MINISTER OF FINANCE:

- (a) R77 736 565—up to 31 October 1984.
- (b) Draw prizes and interest amounting to R10 468 700,00 and R10 228 059,28 respectively were paid out during the period 1 March 1983 to 31 October 1983.

\*Dr W J SNYMAN: Mr Speaker, arising out of the reply of the hon Minister of Finance, can we then assume that the actual reason for discontinuing the bonus obligation scheme is the relative small difference between the answer on the (a) and (b) parts?

\*The DEPUTY MINISTER: Mr Speaker, if the hon member has any further questions, he can Table them.

*Howard Q. 6/1. 252*  
Members killed/wounded 26/2/85

\*10. The LEADER OF THE OFFICIAL OPPOSITION asked the Minister of Defence:

How many members of the South African Defence Force were (a) killed and (b) wounded in 1984?

The MINISTER OF DEFENCE:

- (a) 123 members were killed in military operations and training exercises.
- (b) The hon the Leader of the Official Opposition is referred to the reply to part (b) of the written question number 167 of 2 February 1984.

\*11. Mr P R C ROGERS asked the Minister of Agricultural Economics:

Whether his Department is notified of surplus foods available for distribution amongst welfare organizations; if so, what are the particulars of the procedure followed in this regard?

\*The DEPUTY MINISTER OF AGRICULTURAL ECONOMICS:

No. No person or body is obliged to notify the Department of surplus food products. Where controlled foodstuffs are involved, the agricultural marketing boards contact welfare organizations directly.

**Surplus foods**

\*12. Mr P R C ROGERS asked the Minister of Trade and Industry:

Whether his Department is notified of surplus foods available for distribution amongst welfare organizations; if so, what are the particulars of the procedure followed in this regard?

The DEPUTY MINISTER OF TRADE AND INDUSTRY:

No. The respective Agricultural Marketing Boards are responsible for surplus disposals and, where necessary, communicate directly with welfare organizations.

**Surplus fruit/milk**

\*13. Mr P R C ROGERS asked the Minister of Trade and Industry:

Whether any surplus (a) fruit and (b) milk from foreign countries was dumped in the Republic of South Africa during the latest specified 12-month period for which figures are available; if so, (i) on what dates, (ii) in which areas of the Republic and (iii) why?

The DEPUTY MINISTER OF TRADE AND INDUSTRY:

(a) and (b) Section 56 of the Customs and Excise Act, 1964 (Act 91 of 1964) provides, among others, that imported goods are deemed to have been dumped if—

“their export price to the Republic is less than the price at which identical or comparable goods are being sold in the ordinary course of trade in any market

in the territory of origin of such imported goods.”

During the past twelve months the Board of Trade and Industries did not receive any application for action against dumping in respect of either fruit or milk.

(1), (ii) and (iii) Fall away.

*Howard Q. 6/1. 254*  
South West Africa: capital/revenue accounts  
\*14. Mr W V RAW asked the Minister of Transport Affairs:

Whether the South African Transport Services keep separate (a) capital and (b) revenue accounts for their operations in the territory of South West Africa; if not, in what manner are profits and losses on specific services in this territory calculated?

The MINISTER OF MANPOWER (for the Minister of Transport Affairs):

- (a) and (b) No. Services in South West Africa are operated as an integral part of SA Transport Services. The profits and losses are calculated scientifically and are based on modern and widely recognized accounting practice and principles.

**International airline: agreement**

\*15. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

- (1) Whether the South African Airways have reached an agreement with an international airline, the name of which has been furnished to the South African Transport Services for the purpose of the Minister's reply, regarding passengers from Cape Town making use of the services of this airline by travelling as far as Harare; if so, (a) what are the terms of this agreement and (b) why was it entered into;

- (2) whether any similar agreements have been entered into with any other international airlines; if so, (a) with

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# R2 000m the price of SWA

221A  
E. Post

Post Correspondent  
WINDHOEK — Holding on to SWA/Namibia has cost the South African Government — and taxpayer — almost R2 000 million in the last five years.

Of this R748 million was in loans guaranteed by South Africa. These are loans the Republic cannot even hope that Namibia will be able to repay.

These figures were given by Mr Eric Lang, a business entrepreneur and investment analyst and Namibia's self-appointed ombudsman, in a lecture here this week.

He said Namibia would become independent "only to join the long beggars' queue of desperately poor Third World nations" unless an urgent re-

form programme to rescue the economy of Namibia was instituted immediately.

He said Namibia needed a "Natural Resources Council" incorporating a minerals bureau, to monitor and supervise production inside the country, and sales abroad.

Mr Lang accused South African interests, in partnership with a group of local politicians, for having destroyed "in record time" the Namibian coastal fisheries, one of the richest marine resources in the world.

The second tier (ethnic) authorities had over the last three years spent R800 million on allocated figures.

"I feel very strongly that taxpayers in Namibia, and for that matter also in South

Africa, have the right to demand from Dr Willie van Niekerk (the South African-appointed Administrator-General) reasons why he didn't act at the earliest possible opportunity to stop the misappropriation of tens of millions of rand," he said.

Meanwhile, Swapo has forecast, at a Press conference in London, that South African forces were preparing to "invade" Angola to strike at guerilla bases in the country, according to a Sapa-Reuters report.

"There are signs that the South African military is preparing to push north into Angola," Swapo information officer, Mr Peter Manning, said.

Mr Manning said a series of recent statements from military headquarters in Windhoek had

blamed Swapo for violating the accord between South Africa and Angola, and he considered the recent army exercise in northern SWA/Namibia as preparation for cross-border action.

"There has also been a general clampdown. We hear they are about to prevent any outside visitors entering northern Namibia without an escort," he said.

Mr Manning cited the recent suspension of the US Liaison Office in Windhoek as an indicator.

"It might well be that the South African Government has given the US notice that it intends invading Angola and the US wants to avoid the embarrassment of being in Windhoek when it happens," he said.

Post Business

# Ship repair staff wary of offers

27/3/57 ~~27/3/57~~ 221A E. Post

**Shipping Correspondent**  
THE most interesting feature of the South African marine engineering industry must surely be its unpredictability, since complexes no sooner put staff off, because of absence of work when there occurs a rush of important contracts requiring instant service and appropriate expertise.

Advertisements have been appearing in the media in recent weeks for marine fitters, offering all sorts of fringe benefits. But many men are mindful of the ease with which they are again declared redundant when volume of work slacks off.

Not even the most proficient market survey can

correctly assess the number of *force majeure* assignments such as when the research ship *Africana* damages its steering mechanism in the Antarctic, or the Italian box carrier *Alexandra* must dismantle and rebuild its main engine after serious damage to bearings from misalignment.

And a ship bound to the Far East for demolition which diverts to Durban for essential engine repair is another client for an industry seeking additional work.

But the rates of exchange tend to make ship-owners thankful that faults occur when off the Cape coast rather than anywhere else. To un-

dergo repair in the United States now leads to an account to European insurers which causes immediate shock, hence the relative inactivity of North American shipyards.

There is no doubt that the accelerated dredging for diamonds off the Namaqualand coast has produced more work for shore engineers in ships requiring modification and/or maintenance.

Many prospectors foresee the day when waters north of the Orange River could be *verboden* for South African ships, hence the intense activity to dredge and sift the northern mouth of the Orange before the change of control.

Not only are ships being specially modified for the task, but another has just reached the Republic on charter to Johannesburg interests committed to the same operation. Coasting ships along the Namaqualand coast report the presence of a wide variety of craft sifting the seabed sand for gems.

Little is ever said or written of the value of stones recovered.

While it has been said

that political prejudice has kept some ships away from South African engineering expertise, there is no doubt that pure economics are inducing many owners to ignore other aspects and send their craft in.

British, Polish, Italian, Greek, Dutch and other countries have utilised Republic repair shops.

The prospect of further oil recovery from off Knysna and Mossel Bay should mean additional tenders and service craft, which in turn could use facilities at Port Elizabeth.

Mossel Bay harbour is not large enough to accept any sharp increase in traffic volume, but there is no reason why this inlet halfway between Port Elizabeth and Cape Town should not become an important terminal for the gas pipeline, and depot for tenders.

It could happen that the marine engineering industry on the seaboard will see an encouraging renaissance in the next few months.

**FISHMEAL PRICE HIKE SOUGHT AS HIGHER FUEL PRICES BITE**

SOUTH WEST African Fishing Industries has applied to the Government for a special increase in the price of fishmeal.

The company was hit hard by the recent increase in the price of fuel used by its fleet and also in the manufacturing process.

If granted, it would enable the

company to recover most of the increased costs, according to a preliminary profit announcement for the year to December.

On a turnover for the year of R25,20m (up by 32% on 1983), the group income before taxation was down 3% at R9,11m.

The attributable amount to ordinary shareholders was down by

10% at R4,50m (R4,98m), with earnings a share also down by 10% at 142c (158c).

The directors said the main reason for the drop in earnings a share was because of a drastic reduction in usage fee income from United Fishing Enterprises, after poor anchovy catches throughout the industry last year.

However, with a final dividend of 70c a share (30c interim), the 100c level of 1983 was maintained.

In addition, a special dividend of 200c a share was also declared for the 1985 financial year.

Of prospects for 1985, the directors did not expect a profit from their investment in Chile, because

the fish processing operation there was under financial strain because of a decline of \$100 a ton in average realisation of fishmeal compared with the previous year.

But, generally, "given a normal pelagic fishing season and no undue developments in the other sectors, we expect a reasonable increase in earnings over 1984." — Sapa.

*[Handwritten scribbles]*  
221A  
200M  
3/2/85



2210 ~~SA~~ SFAW  
18/4/85  
**Namibia to bear rail  
burden from May 10**

By Zenaide Vendelro,  
Transport Reporter

South African Transport Services rail, track and rolling stock valued at R2,28 billion will be officially handed over to the Namibian Government on May 10.

The Minister of Transport Affairs, Mr Hendrik Schoeman, will hand over responsibility for the South African Transport Services (Sats) in the territory to the Administrator-General, Dr Willie

van Niekerk, at a ceremony in Windhoek.

Railway operations in Namibia are expected to lose more than R90 million this financial year.

Air transport, tourism services and Walvis Bay harbour will not be affected.

Earlier this year the chairman of the Democratic Turnhalle Alliance, Mr Dirk Mudge, said the expected deficit would add to the financial burden of a future government in the territory.

for Occupational Diseases/National Centre for Occupational Health panel; if so, (a) why, (b) when, (c) on whose authority and (d) what steps;

- (2) whether the steps so taken have resulted in the functions performed by this panel having been taken over by any other body; if not, why not; if so, by what body;
- (3) whether he or any member of his Department has received any representations concerning steps taken in respect of the functions of this body; if so, (a) from whom, (b) when and (c) what was (i) the nature of the representations and (ii) his response thereto;
- (4) whether he will make a statement on the matter?

The MINISTER OF COMMUNICATIONS (for the Minister of Health and Welfare):

- (1) A panel, as described, does not exist.  
(a), (b) (c) and (d): Falls away.

(2), (3) and (4): Falls away.

*Howard Q. 61.1223 23/4/85*  
\*13. Mr S S VAN DER MERWE asked the Minister of Communications:

- (1) Whether, with reference to the reply of the Minister of Law and Order to Question No 32 on 19 March 1985, he authorized a tapping of Major Hennie Nel's telephone; if not, who gave the necessary authorization;

(2) whether he was provided with details of the grounds for suspecting that Major Nel was a threat to the maintenance of security in the Republic; if not, (a) why not and (b) what reasons were given to him; if so, what was the nature of the security risk posed by this officer;

(3) whether Major Nel's home and office

HoA

telephones were tapped; if not, which of these telephones was tapped; if so, why was it considered necessary to tap both;

- (4) whether separate authorization is required in respect of each telephone; if not, why not; if so,
- (5) whether the tapping of both telephones was authorized by the same person; if not, who authorized the tapping of the second telephone?

†The MINISTER OF COMMUNICATIONS:

(1) No. As already stated by the Minister of Law and Order in his reply to question No 32 on 19 March 1985 the interceptions were authorized by the functionary referred to in section 118A of the Post Office Act;

(2) no, but the functionary was;

(a) falls away and

(b) I am not prepared to divulge the required information, but confirm that the functionary has satisfied himself that the provisions of Section 118A of the Post Office Act have been complied with in letter and in spirit;

(3) yes, because sufficient grounds were advanced by the applicant to justify it;

(4) no, because it will serve no purpose;

(5) falls away.

*Howard Q. 61.1224 23/4/85*  
\*14. Mr D J N MALCOMESS asked the Minister of Mineral and Energy Affairs:

Whether the Kudu gas field off the coast of South West Africa is to be exploited; if not, why not; if so, (a) who will exploit this field, (b) to what use will this gas be put, (c) what is the estimated yield in respect of this field and (d) who will re-

ceive the revenue derived from the exploitation of this field?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

(a), (b) and (c) The Government has decided that all concessions in respect of the Kudu gas field must be transferred to SWAKOR. All decisions concerning the exploitation of the resources, or not, and matters incidental thereto will therefore be taken by the SWA authority.

(d) Attention is drawn to the press statement of 31 January 1985 issued by the Department of Foreign Affairs, to the effect that whatever gas and/or oil resources there may be in SWA or off its shores, are the property of SWA and that all such resources will be developed for the benefit of SWA.

*Howard Q. 61.1225 23/4/85*  
\*15. The LEADER OF THE OFFICIAL OPPOSITION asked the Minister of Defence:

Whether, with reference to his reply to Question No 31 on 19 March 1985, any persons have died as a result of touching the electrified fence on the northern border of the Republic; if so, (a) how many, (b) on what dates, (c) what was the nationality of the persons killed and (d) what were the circumstances surrounding each death?

†The DEPUTY MINISTER OF DEFENCE:

Yes.

(a) One person.

(b) During the night of 29 to 30 March 1985.

(c) Unknown.

(d) The person was killed when he attempted to cut the electrified fence.

HoA

Dieldrin

\*17. Mr P G SOAL asked the Minister of Agricultural Economics:

Whether, with reference to his reply to Question No 28 on 26 March 1985, and in the light of the reply of the Minister of Trade and Industry to Question No 24 on 12 February 1985 that the use of dieldrin is contrary to the public interest, his Department monitors all areas where special dispensations have been issued for the sale of dieldrin by the registrar of agricultural and veterinary drugs in regard to the use and effects of dieldrin; if not, why not; if so, (a) in which areas has such monitoring been taking place, (b) when in each case, (c) what is the (i) nature and (ii) scope of such monitoring and (d) what were the results in each case?

†The DEPUTY MINISTER OF AGRICULTURAL ECONOMICS:

(a) Yes, specifically the East London pineapple growing area.

(b) 1 March 1982 until 23 March 1984.

(c) (i) and (ii) An agreement between Shell SA (Pty) Ltd, the Pineapple Growers' Association and the Registrar of Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies in terms of which:

(i) a special label was used for the dieldrin on which no other directions for use appeared;

(ii) sales by the Pineapple Growers' Association were controlled (a special form was completed for each individual sale and kept for record purposes by the Pineapple Growers' Association and Shell);

(iii) the Pineapple Growers' Association undertook to ensure that sufficient dieldrin would be supplied to its members for the treatment of only the actual area under pineapple cultivation.

221A J. D. Proffitt  
26/4/85

# SWA gov't acquires uranium mine shares

WINDHOEK — The SWA/Namibian Government has acquired a controlling interest in Rosising Uranium (Pty) Ltd, the Administrator-General, Dr Willie van Niekerk, announced yesterday.

A 53 per cent block of the voting shares was transferred to the central authority in SWA/Namibia from the South African National Development Corporation on April 1, and negotiations were continuing to buy further shares in the

world's largest uranium mine.

Addressing a Windhoek Press Club luncheon, he also announced that a thorough seismological survey of the Kudu gas field off the southern SWA/Namibian coast would start today.

A test hole drilled in the mid-70s indicated the presence of large amounts of fuel-produceable gas in the Kudu field.

Later, Dr Van Niekerk said the State President,

Mr P. W. Botha, was expected to enact legislation by proclamation for the institution of a SWA/Namibian transitional government.

An exact date for the creation of the proposed multi-party conference government was not available, but in terms of finance law, SWA/Namibia's autonomous government would have to be functioning by the middle of June to approve its own budget for the next financial year. — SAPA.

CCO

# IDC Sells Rössing Shares to SWA Govt

By LAWRENCE BEDFORD

SOUTH WEST AFRICA will receive shares in the world's largest uranium mine and gain control of its railways as part of the continuing policy of South African disengagement from the territory.

The SA Industrial Development Corporation (IDC) has sold some of its shares in Rössing Uranium to the territory's central authority.

About 148 diesel locomotives are to be handed over to SWA on May 10 when ownership of Sats' assets in the territory are formally transferred.

Forty-eight of the diesel units are new.

Announcing the moves in Windhoek yesterday, the Administrator-General of SWA, Dr Willie van Niekerk, said there were positive signs the territory would attain economic autonomy in the medium-to-long term.

He said a draft strategy for socio-economic development was to be released towards the end of the month for the proposed SWA transi-

tional government.

The government was to be formed from six political groupings in the Multi-Party Conference, he said.

The South African State President, Mr P W Botha, had given assurances that his government would continue to grant financial support to the territory after independence.

Dr Van Niekerk said that a 52% block of the voting shares in Rössing had been transferred to the central authority in SWA by the IDC on April 1 and that negotiations were continuing to buy further shares in the mine.

He declined to disclose the buying price of the shares.

There are three classes of shares — A, B and C.

The authority has acquired A shares, which carry the heaviest voting rights, and also give it a 3,5% commercial interest in Rössing.

IDC's general manager, Mr Louis Kingma, said last night it would have a continuing commercial interest in the mine through other classes of shares it held.

Rio Tinto Zinc (RTZ) holds a 46,5% stake in Rössing. A spokesman for the company said

last night it had not sold any of its shares in the mine. As a permanent major shareholder it had no intention of selling any.

He declined to comment on the transfer of shares between the IDC and the SWA Government.

Dr Van Niekerk said a thorough seismological survey of the Kudu gasfield off the southern SWA coast would start today.

Boats equipped with scientific equipment were at Luderitz in preparation for the study.

"The Kudu gas field, near Oranjemund, still has to be assessed, but there are encouraging signs that it may develop into a very important source of revenue," he said.

A test hole drilled in the mid-1970s had indicated the presence of large amounts of gas suitable for conversion into fuel in the Kudu field, reportedly several times larger than the find off Mossel Bay.

Recent business projections had raised the possibility that the Kudu field could supply up to 60% of South Africa's energy needs for the next 30 years.

Dr Van Niekerk said the SWA oil exploration company, Swakor, would hold conces-

sions for development and exploitation of the Kudu field.

Control of Swakor would, in turn, be vested in the proposed SWA transitional government.

In Third World terms, SWA's physical and socio-economic infrastructure was impressive, Dr Van Niekerk said.

There were 2 340km of railway lines and 42 000km of proclaimed roads, of which about 4 000km were tarred, about 600 megawatts of peak-capacity electricity for which local demand was only about 180 megawatts, and schools attended by more than 27% of the population.

Dr Van Niekerk said tourism in SWA had increased by more than 30% last year. Tax revenue from mining had produced R30m more than expected.

There were encouraging signs of an increase in copper prices and a bigger demand for diamonds, he said.

Of all the sources of revenue, pelagic fishing held the greatest potential for higher earnings after independence because an independent SWA would be able to take firm action against violations of its fishing zones.

# RTZ remains in the driver's seat

By LAWRENCE  
BEDFORD

RIO Tinto Zinc's position as holder of the major beneficial stake in Rossing Uranium looks to be unchallenged despite a transfer of shares from the SA Industrial Development Corporation (IDC) to South West Africa.

Besides having a 46,5% stake in the world's largest uranium mine, RTZ has management control and a majority on the board.

"The share transaction between the IDC and the territory's central authority does not interfere with the current management status of the company, nor does it impinge upon the RTZ's current shareholding," an executive spokesman said from London, at the weekend.

His words followed the announcement by the Administrator-General of SWA, Dr Willie Van Niekerk, that

221A RDM 29/4/85  
a 52% block of IDC voting shares in Rossing, giving it a 3,5% commercial interest, had been transferred to the central authority in Windhoek on April 1 and that negotiations were continuing to buy further shares in the mine (Business Day, April 26).

A spokesman for Dr Van Niekerk's office, asked to comment on the question of control, said:

"Being the holders of the majority of A shares, which carry the heaviest voting rights, the SWA central authority will now be able to determine the composition of the board of directors."

The A shares are thought to carry many more times the voting rights than the B and C classes, although they are commercially identical.

Other sources in the territory, said: "It all depends how you define control, accepting that RTZ has the beneficial stake, management control and a majority on the board. On the other hand, the IDC had the majority of the votes at the annual general meeting."

The IDC will, however, have continuing interest in the mine through

other classes of shares. This raises the intriguing question of a two- or possibly three-way split of control.

It would therefore appear that, for the time being, probably only a matter of days, the question of control will be bogged down in the political morass in SWA.

RTZ officials on the spot are due to visit the Administrator-General's office this week for talks with Dr Van Niekerk.

A climb-down from the disclosure by his office that SWA will determine the composition of the board is therefore expected.

The buying price of the shares has not yet been disclosed.

Indications are that it will be revealed in the budget of the territory's proposed transitional government in July. The government is to be formed from six political groups in the Multi-Party Conference.

Dr Van Niekerk's share transfer announcement was accompanied by news that SWA was to take ownership of Sats assets in the territory from May 10.

(221A) B. Day 18/7/87  
**Rossing counters Nujoma plea**

WINDHOEK — About 10 000 South West Africans would be directly affected and the livelihoods of countless others influenced if Rossing Uranium should close, the company's public affairs manager, Mr Clive Algar, said this week.

He was responding to a call by Swapo's president, Mr Sam Nujoma, for multinational companies to quit the country because their taxes supported South African control of the territory.

Mr Nujoma, who named the Rio Tinto Zinc and Anglo-American groups, said in Nairobi that South

West Africans were paid subsistence wages and would not suffer if those companies ceased operations in the territory.

Mr Algar said the average pay of semi-skilled workers at Rossing was between R500 and R1 000 a month. They also received company housing at nominal rents and First World fringe benefits such as pension schemes, life assurance and medical aid.

Rossing spent about R150m annually inside the country on the purchase of goods and services and pay, he said — Sapa.

THE Thirion Commission of Inquiry into alleged Government corruption in South West Africa will resume its hearings in Windhoek next month.

On the agenda will be evidence on mining practices in SWA and it appears certain the operations of De Beers-controlled diamond producer, CDM, will again receive attention.

Gerhard Visser, of the SWA Department of Justice, who will be leading evidence before the Commission, confirmed that Judge P W Thirion would return to Windhoek in mid-June.

Visser told *Business Day* that at this stage he was still planning evidence to be led before the commission.

The commission intends using the Mines, Works and Minerals Ordinance, No 20 of 1968 of SWA, to investigate the

# SWA mining probe resumes next month

22/A B-Day 20/5/85

By BRENDAN RYAN

SWA mining industry within its terms of reference.

The Judge has been on the Natal Bench of the Supreme Court since the last series of hearings were completed in Windhoek in July.

At those hearings, CDM came under the spotlight when the commission looked into the running of the Diamond Board — the Government body set up to monitor the diamond industry.

It was alleged then that

the Diamond Board could not function properly because its most important jobs had been delegated to De Beers' staff.

It was further alleged that CDM had overmined its lease area and also that the company might have indulged in transfer pricing.

Transfer pricing involves understating the value of a diamond so that less tax would be payable to the SWA government. CDM is SWA's major source of tax revenue.

# UN court bid on SWA uranium

NM 27/5/85  
221A  
Blk

**NEW YORK**—The United Nations Council for Namibia is to go to court in the Netherlands to try to halt the processing of uranium from the territory, it was disclosed in New York yesterday.

The council purports to be the 'administering authority' for South West Africa and regards the exploitation of the territory's natural resources as 'unauthorised'.

For the time being, the council's target is Urenco, a multinational company owned largely by the Dutch Government.

But officials in New York contend that the matter is but a test case for the whole issue of the exploitation of minerals in the territory, and that for that reason it is of the utmost importance for future developments in South West Africa.

The proposed suit comes after nearly a decade of investigation and is reported to be 'a new tactic by the council to enforce its authority'.

## Ignored

South Africa does not recognise this 'authority' and until now the council, aware of the inhibitions on its 'power', has mostly limited itself to trying to publicise issues in South West Africa and to trying to whip up international opinion against South Africa.

The council was created in 1967 after a United Nations resolution the previous year had revoked South Africa's mandate to govern the territory. But South Africa has ignored the revocation and retains control of the

territory and its vast mineral resources.

The suit will charge that Urenco is processing uranium mined in South West Africa in violation of a 1974 council decree that forbids exploration, extraction, refining or distribution of South West Africa's natural resources without council permission.

A Urenco spokesman in the Netherlands was quoted yesterday as saying the processing of uranium into nuclear fuel went through many stages and this made it impossible to determine where the original ore came from.

## Charges

He said Urenco processed the fuel only after the uranium had been treated once and converted to uranium hexafluoride.

'We don't know where the stuff comes from,' said the spokesman. 'The customer doesn't tell us.'

According to yesterday's reports in New York, charges in the suit will be that the Urenco plant at Almelo in the Netherlands has been enriching South West African uranium for use in West German nuclear plants.

Urenco, which controls about 7 percent of the world's uranium enrichment market, is a joint

operation of Ultra Centrifuge Nederland, a Dutch Government-owned company, the Government-owned British Nuclear Field Ltd, and Uranit, a private West German concern.

## Neutral

Mr Noel Sinclair, Guyanan president of the Namibian Council, was quoted as saying yesterday that it had been decided to file suit in the Netherlands because of that country's 'favourable legal environment'.

The Dutch Government, unlike the United States and many other countries, recognises the authority of the council and its decrees.

The Dutch Government is reported to have remained neutral on the issue, in spite of its apparent stake in the company's operations.

It is reported that in considering the suit, several council members expressed reservations about it, pointing out that it could provoke counter-claims and that losing it could severely damage the council's credibility, such as it is.

## Fishing

According to Western diplomats at the UN, Soviet delegates were particularly uneasy about the suit, for fear it might set a precedent for legal actions by UN against member-states.

'The Soviets are fishing in the waters off Namibia and they fear they could be next,' one diplomat said.

In spite of the reservations and concern over financing for the suit, 'there was a general feeling that the only alternative was to do nothing — and then the decree would just die by itself,' another diplomat said.

'One does not enact a decree just to have it sent to the archives of the organisation,' said Mr Sinclair. 'Even if the court throws the case out, we still will have made an important political point.' — (Sapa)



# Bid to stop uranium being treated

221A  
E. Post  
27/5/85

NEW YORK — The United Nations Council for Namibia is to go to court in The Netherlands to try to halt the processing of uranium from the territory, it was disclosed here yesterday.

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But officials here contend the matter is but a test case for the whole issue of mineral exploitation in the territory.

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D. Spatch 27/5/85

# SWA uranium: UN to sue Dutch company

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But officials in New York contend the matter is only a test case for the whole issue of mineral exploitation in the territory and for that reason it is of the utmost importance to future developments in SWA/Namibia.

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is reported to be "a new tactic by the council to enforce its authority."

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"The Soviets are fishing in the waters off Namibia and they fear they could be next," one diplomat said. — Sapa

221A) B. Day

25/6/75

## Thirion told of 'overmining'

**WINDHOEK** — Consolidated Diamond Mines overmined at Oranjemund, SWA, in order to meet the quota demands of De Beers SA, former CDM official Gordon Brown said yesterday.

Brown was giving evidence to the Thirion Commission of Inquiry into the misapplication of State funds and resources by the central and second-tier authorities in SWA.

Judge P.W. Thirion began hearing evidence on the territory's Diamond Board and related issues before presenting a final report to government.

According to an SWA Broadcasting Corporation report, Brown said he had been employed by the CDM mine for 17 years and had once held the post of technical assistant to the general manager.

He alleged CDM had overmined in respect of stone sizes and quality.

Overmining could shorten the life of the mine because high-grade ore had to be exploited together with low-grade ore to maintain the economic basis of the mine.

Brown said production in 1963 had been about three times higher than previous years and that overmining had been introduced at that stage.

The usual production of CDM was nearly 103 000 carats a month but De Beers required 125 000 carats.

He had raised the issue with the SWA Administrator-General Willie van Niekerk and had been told it was being referred to the Cabinet. He had not heard anything further about it. — Sapa.

MONDIF  
est is 800

Only diamond mines escape net

# SWA increases company taxes

8/7/85 (221A) B. Day

WINDHOEK — South West Africa has raised taxes on mining companies, other than diamond mines, by an effective two points to 42% and on non-mining companies by the same amount to 44%, Finance Minister Dirk Mudge said last week.

He added when introducing the Budget in the National Assembly for the fiscal year ending March 31 that general sales tax would remain at 9%.

Mudge said spending was set at R1,4bn in fiscal 1986 from R1,77bn the previous year and the deficit be-

fore borrowing was cut to R146,6m from R188,8m the previous year.

Mudge said real gross domestic product fell by less than 1% last year after declining by 4,3% the previous year, but the economy had still not broken loose from the grip of economic stagnation.

There was still no apparent improvement in the real production of the territory's most important sectors, with a negative growth rate last year in agriculture, fishing, all sections of mining and in manufacturing and construction.

The introduction of the Budget was delayed by South Africa's Administrator-General, who presented it in previous years, to enable the new transitional government to deal with it. — Reuter.



• DIRK MUDGE

See the price  
commit itself  
long-term mea-

# A stand-at-ease budget is on the cards in SWA

*f. Day*  
*9/7/85*

By NOEL BRUYNS

**WINDHOEK** — Companies and individuals with business interests in South West Africa need not fear socialism nor rampant nationalisation under the territory's new interim government.

This, at least, is clear from the budget for the 1985/86 financial year.

Minister of Finance Dirk Mudge presented the draft budget to the National Assembly on Friday. The debate began late yesterday.

The budget has already been described as one that will not make waves and nervous capitalists have nothing to fear.

In any event, by law, the budget must be passed by the end of this month, leaving little time for debate and major changes.

"The budget must therefore to a large extent be accepted as a fait accompli," Mudge said in his budget speech.

It is too soon to identify the new interim government's economic policy or strategy. The government of national unity consists of six parties with differing viewpoints.

The Cabinet includes Swanu strongman Moses Katjuongua, who says he is "a convinced socialist ideologically".

However, Mudge identifies himself with a free-market system and would advise the rest of the Cabinet to follow his guidelines.

Windhoek warily awaits effects of SA crisis

# SWA is next in line for the economic crunch

221A B-Day  
18/9/85

THE economic crisis in South Africa is giving South West Africa a massive headache.

With its rich mines and famous karakul pelts, SWA is an export-orientated country.

Secretary for Finance Dr Johan Jones says the country is "doing fairly well" and is earning more in foreign exchange due to the lower rand price.

However, financial experts in Windhoek are concerned a deteriorating economy in SA will lead to a currency crunch for SWA.

SA guarantees loans of R180m by third parties to SWA. It also gives SWA R318m (1984/5) in direct grants, subsidies and other payments.

Jones said recently SWA had "more or less completed our financial borrowing for the year".

However, if Pretoria fails to get its political and economic act together soon, SWA is likely to feel the pinch when Finance Minister Dirk Mudge turns to SA next year to ask for more.

About half the territory's annual budget is generated domestically. The bulk of taxes come from SWA's 9% GST, with the mining industry next in line.

And while SWA is "doing fairly well" because of export earnings, the deteriora-

ANDRE BRUYNIS

tion of the rand has caused its debt redemption and interest to rise by R28,7m to R227,6m.

Jones said SWA was somewhat more successful in getting results than was SA Reserve Bank Governor Dr Gerhard de Kock in his overseas travels.

The manager of a leading Windhoek bank had said he could get foreign credit from an overseas bank not prepared to lend to SA. However, he had had to give the assurance the money would not be passed on to SA.

The West is currently more disposed to help SWA than SA, Jones says.

But overseas banks must have mixed feelings about helping SWA. If SA's credit credibility has become suspect, it stands to reason SA's guarantees for loans to SWA will become suspect also.

As the editor of the Windhoek Advertiser, Joe Putz, said in a recent editorial, "When SA hiccups, we throw up".

On a long-term plan for SWA's economy, Jones told a local newspaper last week: "There is a draft development plan which has been drawn up (the

Draft National Development Strategy for SWA), but decisions have to be made fairly *ad hoc* because, above all, of the uncertain political situation.

"Until we have clarity on where we are going politically, it is very difficult for a long-term plan."

Besides political uncertainty in SWA, uncontrolled borrowing is causing a headache for the country's economy.

A sombre Mudge warned business leaders at the annual banquet of the Chamber of Commerce and Industries in Windhoek last weekend the days of "uncontrolled borrowing are over".

He saw the only solution to the difficulty of raising loan capital as using internally available reserves and savings to finance government deficits and industrial development.

SWA does have potential money-producing resources, but producing the capital outlay to get them going is another headache.

An example are the Kudu gasfields off the SWA coast, which are said to have a "considerable volume of gas".

However, it could take 10 years and enormous capital outlay before the gasfields are ready for production. Test boreholes alone will cost an estimated R12m each.

# SWA 'is good for investment'

(221A) B-Day  
8/10/87

WINDHOEK — South West Africa is one of the most attractive countries for investment opportunities, according to Professor Mike Jones, Director of Studies at the College of Petroleum Studies in Oxford.

Jones was speaking on "Political Risk Analysis — Implications for Strategic Planning" at an Institute of Personnel Management in Windhoek yesterday.

He said multinationals investing in other parts of Africa would not do so in South Africa because of political pressure or possible repercussions.

However, they would consider investment potential in SWA. But the country would have to gain its independence first.

NOEL BRUYNS

"At the moment we do not know with whom we would be dealing — Windhoek or Pretoria, or what would come after independence," Jones said.

Multinationals did not mind whether the government of a country was Marxist or far-right, as long as the country was stable.

Nigeria, for instance, had a consistent foreign business policy despite coups and counter-coups.

Jones said the private sector in SWA should be promoting its investment potential abroad even though it was not yet independent.

# Expel Namibia diamond board, urges report

STAR  
10/10/85  
221A

By Brendan Seery, The Star's  
Africa News Service

WINDHOEK — Sitting in the offices of the Department of Justice in Windhoek is a "voluminous" document which could have serious repercussions for Namibia's mining industry.

The interim report of the Thirion Commission of Inquiry into alleged maladministration and corruption in government — and the one which deals with the mining sector — is complete and being prepared for distribution.

Already the Swapo Democrats, Mr Andreas Shipanga's party, and a representative of the DTA group, Mr Hans Staby, have called for the document to be tabled and discussed in the National Assembly.

Mr Justice P W Thirion's report is the third to be completed during the commission's 2½-year inquiry into the often murky world of Namibia's civil service.

Judging by the sometimes stormy and frequently sensational sessions held during the probe into alleged official irregularities in relation to mining, the latest report should, at the very least, make interesting reading.

A special investigator appointed to examine the workings of the territory's Diamond Board on behalf of the commission made startling submissions in his report and evidence. Mr Martin Grote recommended in a memorandum that the board — which is supposed to be the State's device for

monitoring diamond exports — be disbanded.

Mr Grote claimed to have evidence suggesting that Namibia could have lost revenue on as much as R1 000 million worth of diamond exports between 1978 and 1981.

He added that his research had been severely hampered by the dearth of information on the highly secretive diamond mining industry.

On the basis of diamond prices published annually by the US Department of Mines, Namibia's gems could have fetched up to R214 a carat more than their locally quoted prices, he said.

Diamonds from the territory were being traded, swapped and stockpiled outside Namibia's shores, he alleged.

Mr Grote also claimed that there was a time-honoured "swopping" scheme between De Beer's in South Africa and its Namibian subsidiary, Consolidated Diamond Mines (CDM). Under this arrangement, packages of up to 300 000 carats of Namibia's high-quality stones were regularly exchanged for equal weights of diamonds from the South African company. The Diamond Board had no comparative records of quality, quantity or value of the stones of these "swops".

An official CDM reply to the allegations levelled by Mr Grote was rejected by Mr Justice Thirion as being "an insult to even the lowest intelligence" and not based on facts.



THE THIRION COMMISSION

# Getting to the nexus

The Thirion Commission of Inquiry into corruption and maladministration in Namibia is to hand its long-awaited report on the Namibian mining industry to the territory's Cabinet this week. It is expected to be highly critical of the lack of government control over the territory's minerals, and of the extent to which the situation was exploited by SA and transnational companies.

Mr Justice P W Thirion's report — of more than 300 pages — is partly based on a 800-page secret document drawn up by commission's investigator, Martin Grote, who makes disputed allegations about "over-mining, transfer pricing, tax evasion and minerals leaving the country with very little government control or records."

In the hyperbole of the Windhoek press, the Thirion report has already been labelled a "time-bomb" and "the most important economic document in Namibia's history."

Judge Thirion spent many days listening to the evidence of his investigators and officials such as the Secretary of Finance, Johan Jones, Secretary for Economic Affairs, Piet Kruger, chairman of the Diamond Board, Piet Malherbe, and officials from the offices of Geological Survey and the Mining Commissioner. Fractious, self-styled ombudsman Eric Lang and former CDM-employee Gordon Brown also testified.

Other mining houses that have come under scrutiny are Iscor, Tsumeb Corporation, Rossing Uranium and Anglo-Alpha.

Even while the inquiry was in progress, Judge Thirion criticised the Diamond Board, a statutory body that is intended to monitor the diamond industry. Evidence was led — and never disputed — that the Diamond Board, apparently for purposes of convenience because of the vast distances between the mines and Windhoek, was being run from the offices of CDM and staffed by CDM employees.

If this were never intended in the original statutes by which the board is constituted it seems a fair bet that the judge will recommend to the authorities in Windhoek that it should be reconstituted. He may even call for the head of the chairman, Piet Malherbe, although this may have to be preceded by a more specific inquiry into the chairman's conduct of his mandate and a finding whether or not, by acts or omissions, he prejudiced the interests of the territory. Malherbe is also Namibia's Controller and Auditor-General.

From the judge's line of questioning at the time of the inquiry it is possible he will propose the establishment of a new Department of Mining which would be accompanied by a new set of regulations governing

the relationship between government and the mining houses, as well as vigilant customs checks on minerals leaving Namibia.

The mining houses have largely ignored the commission and no-one tried to present counter-arguments, apart from denying some of the allegations publicly.

The report could also cause another split in Namibia's already-divided "Transitional Government of National Unity" since it will be left to this body's discretion to publish the report or not. Some members of government feel that the report will cause an international outcry because of what may be perceived as SA's dereliction of its stewardship of the territory's resources. Others may prefer full disclosure, warts and all.

Two members of the National Assembly have already tabled motions asking for the report to be made public.

The Minister of Mines, Swapo-D's Andreas Shipanga, was not available for comment as he is visiting Amsterdam and London — where he will be visiting the offices of the Central Selling Organisation as a guest of De Beers.

Without its wide range of minerals, Namibia would have been one of the poorest countries in Africa. In 1983 mining constituted more than 88% of all the territory's exports and 27% of its gdp — a figure that is down from 47% in 1979.

In 1980, about 80% of Namibia's mining output, 45% of its gdp, 75% of its export value and almost 50% of government revenue came from only two mining houses: CDM and Rossing. CDM, part of the De Beers group, mines diamonds at Oranjemund in the south, while Rossing, an affiliate of the London-based Rio Tinto Zinc group, mines uranium in the Namib desert near Swakopmund.

The only other big mining house, Amex-Newmont's Tsumeb Corporation Ltd (TCL), mines copper, lead, silver, arsenic, gold and cadmium at its Tsumeb, Kombat and Otjihase mines. ■

## UNREST

### Cape of no hope

Unprecedented political awareness among coloured students appears to be the main reason for continuing violence in the western Cape, in contrast with a significant cooling down of the situation in other parts of the country.

Just before going to press on Tuesday night, the FM was informed that at least two youths were killed in Athlone by security

force members hiding in a Sats truck.

Much of the turbulence is still happening in coloured areas bordering on white suburbs, keeping it very much alive as an issue in Cape Town. In one of the latest incidents this week, coloured students rampaged along Main Road in Wynberg, a popular shopping area, smashing windows and stoning cars.

Their action was provoked by the arrest of a United Democratic Front (UDF) executive member, Graeme Bloch, while he was addressing about 2 000 scholars at a nearby Wynberg school. Furious children hurled



Riot scene ... spilling over to white suburbs

rocks at policemen as they sped away, then moved into nearby Main Road to smash windows. Frightened white shoppers scurried for cover.

Throughout the week, in coloured areas close to the city centre and in Mitchells Plain on the False Bay coast, there have been protest marches, burning barricades and stone-throwing incidents.

For the first time in the region, shots were fired at the police late last week from behind a burning barricade in Mitchells Plain. No-one was hit.

Cars on the N2 highway near D F Malan Airport were again attacked last week, and a Constantia family narrowly escaped death when their car was hit by a petrol bomb. Police have promised extra patrols on the road, particularly at night.

Countrywide, black schools continue to be on the skids and at least two in Soweto have formally closed down as a result of the unrest now sweeping black townships.

School attendance has been dropping progressively each day and in some instances

# Attempt to restrict US firms operating in Namibia rejected

WASHINGTON — The Reagan Administration has rejected an attempt by Congress to restrict American firms from exploiting Namibia's natural resources.

This emerged at a House of Representatives Foreign Affairs Africa sub-committee hearing on a Bill seeking to prohibit American companies from exploiting the resources without United Nations permission.

The US Assistant Secretary of State for African Affairs, Dr Chester Crocker, said the Bill would give the decrees of the Council for Namibia — a body largely controlled by interests hostile to the US — the force of law in America. This was objectionable to the US Government.

The Bill aimed at giving unprecedented authority to the Council for Namibia which had become "highly politicised" and had tried to exercise its powers in a "highly partisan" way, he said.

But Dr Crocker said the underlying US Government view was that it should not encourage American investment in Namibia.

There was a need, he said, for an investigation into reports of overexploitation and "irresponsible management" by mineral companies in the territory. — The Star Bureau.

221A

STAR

30/10/85

221A J J B L B D  
remains hidden

# Namibia's 'political timebomb' still

By Brendan Seery,  
The Star's Africa  
News Service

WINDHOEK — Hidden from public scrutiny behind closed doors in Windhoek's colonial Tinnetpalast is a bulky document which has been described as a "political timebomb" which could bring about far-reaching changes in the Namibian diamond industry.

The interim report of the Thirion Commission of Inquiry into Alleged Government Corruption and Maladministration — and the one which deals with the mining industry — has been sitting for just over a fortnight in the hands of the cabinet of the multi-party conference (MPC) administration. There have been calls for it to be presented to the National Assembly for debate during the current legislative session, which began last week. However, there is no sign as yet of the debate taking place.

Mr Justice P W Thirion, of the Natal Bench of the Supreme Court, was appointed almost three years

ago to probe the seamier side of the civil service in Namibia.

This report, about alleged government corruption in relation to the mining industry, is the third to have been completed. The other two covered questionable practices in the ethnic administrations.

After reading reports of sensational evidence and sometimes stormy proceedings during the commission's hearings, many here believe Mr Justice Thirion's final report will make interesting reading.

## LOST REVENUE

A special investigator appointed to probe the workings of the territory's Diamond Board in relation to that industry, made startling submissions in his report and evidence to the commission.

Mr Martin Grote told the hearings that he had evidence suggesting Namibia could have lost revenue on as much as R1 000 million worth of diamonds exported from the territory between 1978 and 1981.

Basing his conclusions on figures gleaned from

the annual diamond prices published by the United States Department of Mines, Mr Grote surmised that Namibia's diamonds may have fetched up to R214 a carat more than their locally-quoted prices.

Mr Grote also alleged that Namibia's diamond wealth was being stockpiled outside the territory, in centres like London, whereas normal practice was that surplus production be retained in the country of origin.

He also spoke of a time-honoured practice between De Beers in South Africa and its Namibian subsidiary, Consolidated Diamond Mines (CDM) in which packages of up to 300 000 carats of Namibian stones were exchanged for similar weights of South African stones. In such exchanges, no accurate records of the quality or value of the "swopped" stones were kept.

In addition, claimed Mr Grote, CDM and independent estimates of the life of the diamond mine at Oranjemund might be inflated. He guessed the mines might be worked out by 1991, in contrast to CDM and

other estimates which put its life at between 10 and 50 years.

An official reply by CDM to the allegations levelled by Mr Grote was rejected by Mr Justice Thirion as "an insult to even the lowest intelligence".

CDM decided, shortly after the hearings opened, that it would not give evidence to the commission. The company felt that the judge was exceeding his terms of reference in launching what was a general probe into the whole Namibian diamond industry.

## VISIT TO LONDON

CDM also believed that the publication of highly sensitive information about its production and marketing procedures would have damaging effects not only on the company but on the whole Namibian mining industry.

The company indicated, however, that it would be willing to give evidence to a properly constituted commission of inquiry into the mining industry. At the time the completed report was presented to

the cabinet in Windhoek, Mines Minister Mr Andreas Shipanga and senior government financial officials visited London briefly to look at the De Beers Central Selling Organisation (CSO). Non-committal on his return to Windhoek about the results of the trip, Mr Shipanga pointed out that the visit had been paid for by the authorities in Windhoek and had not been organised by De Beers.

Speculation about the recommendations in the report has been prevalent but, under the Commissions Act, it is an offence to anticipate or comment upon the findings of any commission of inquiry.

It was reported late last month that police had opened an investigation docket concerning possible charges against the Diamond Board chairman, Mr Piet Malherbe, under the provisions of the Commissions Act.

Mr Malherbe was alleged to have made a number of comments about Mr Justice Thirion and the commission's hearings in an interview he gave to a SWABC reporter.

Argus 2/11/85 221A

# Inquiry into mining is a ticking 'time bomb'

**BRENDAN SEERY** of The Argus Africa News Service reports on the background to a controversial judicial inquiry into alleged maladministration in SWA/Namibia

HIDDEN from public scrutiny behind closed doors in Windhoek's colonial Tintenpalast is a bulky document which has been described as a "political time bomb" and which could bring about far-reaching changes in the SWA/Namibian diamond industry.

The interim report of the Thirion Commission of Inquiry into alleged Government corruption and maladministration — and the one which deals with the mining industry — has been sitting for just over a fortnight in the hands of the Cabinet of the Multi-party Conference (MPC) administration.

There have been calls for it to be presented to the National Assembly for debate during the current legislative session, which began last week. However, there is no sign as yet of the debate taking place.

Mr Justice P W Thirion, of the Natal bench of the Supreme Court, was appointed almost three years ago to probe the seamier side of the civil service in the South African-administered territory.

The report about alleged government corruption in relation to the mining industry is the third to have been completed, the other

two having covered questionable practices in the ethnic administrations.

After reading the reports of sensational evidence and sometimes stormy proceedings during the commission's hearings, many here believe Mr Justice Thirion's final report will make interesting reading.

A special investigator appointed to investigate the workings of the territory's Diamond Board in relation to that industry, made startling submissions in his report and evidence to the commission.

Mr Martin Grote told the hearings that he had evidence suggesting SWA/Namibia could have lost revenue on as much as R1 000-million worth of diamonds exported from the territory between 1978 and 1981.

Basing his conclusions on figures gleaned from the annual diamond prices published by the United States Department of Mines, Mr Grote surmised that SWA/Namibia's diamonds may have been fetching up to R214 a carat more than their locally-quoted prices.

Mr Grote also alleged that SWA/Namibia's diamond wealth was being stockpiled

outside the territory, in centres like London, whereas the normal practice was that surplus production was retained in the country of origin.

He also spoke of a time-honoured practice between De Beers in South Africa and its SWA/Namibian subsidiary, Consolidated Diamond Mines (CDM), in which packages of up to 300 000 carats of SWA/Namibia's stone were exchanged for similar weights of South African stones. In such exchanges, no accurate records of the quality or value of the "swapped" stones were kept.

In addition, claimed Mr Grote, CDM and independent estimates of the life of the diamond mine at Oranjemund might be inflated. He guessed the mines might be worked out by 1991, in contrast to CDM and other estimates which put its life at between 10 and 50 years.

An official reply by CDM to the allegations levelled by Mr Grote was rejected by Mr Justice Thirion as "an insult to even the lowest intelligence" and not based on facts.

CDM for its part decided, shortly after the hearings opened, that it would not give evidence to the commission. The company felt that the

judge was exceeding his terms of reference in launching what was a general probe into the whole SWA/Namibian diamond industry. CDM also believed that the publication of highly sensitive information about its production figures and marketing procedures would have damaging effects not only on the company itself but also on the whole SWA/Namibian mining industry.

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ARGUS 11/11/85 (221A) 3

# Fishing in the troubled waters of SWA/Namibia

**BRENDAN SEERY** of The Argus Africa News Service reports from Windhoek on ruthless exploitation of SWA/Namibia's fishing resources

WESTERN capitalist multi-national mining giants are often accused by socialist activists of stripping SWA/Namibia's mineral wealth.

But, in the heavy swells of the South Atlantic, close to SWA/Namibia's coastline, the vast fishing grounds of the nutrient-rich Benguela current are being systematically plundered by Soviet-bloc trawlers.

While the Soviet and East Europeans are the major culprits in over-exploiting a vital resource of a fairly poor Third World country, other countries also find the pickings easy off the arid coast of the sub-continent. Trawlers from South Africa, Israel, Spain, Germany, Japan and Korea have been seen taking advantage of what is one of the world's richest fish larders.

At any given time, according to air and sea observations, there are between 120 and 180 foreign vessels off the SWA/Namibian coast.

A SWA/Namibian delegation will hammer home their feelings on the issue next month

when they take part in a meeting in Spain of the International Conference on South East Atlantic Fisheries (ICSEAF).

Windhoek's new Minister of Agriculture and Sea Fisheries,

Mr Eben van Zijl, intends to put across strongly the case for preservation of SWA/Namibia's fishing resources.

Mr van Zijl said this week that the possibility of securing compensation for SWA/Namibia would also be discussed at the meeting. A fund to compensate the territory had been set up by ICSEAF, but so far only South Africa had made any contributions to it, added Mr van Zijl.

At the heart of the problem is the fact that the ICSEAF countries — with the exception of South Africa — refuse to recognise the 320 km "economic zone" along the South West African coast, which was declared by the now-disbanded SWA/Namibian National Assembly in 1981.

In addition, the foreigners trawling off the SWA/Namibian coast are often no respecters of the 22 km nautical exclusion zone — SWA/Namibia's "territorial waters".

Boats from various countries have been seen as close as 5 km from shore.

At present, there are two types of fishing — excluding lobster catching — off the SWA/Namibia coast. The pelagic industry — anchovies, pilchards and similar fish — is virtually monopolised by South African trawlers, which fish close inshore.

Because the traditional fishing grounds of the pelagic industry are inside the territorial waters of SWA/Namibia and

the South African enclave of Walvis Bay, strict control of catches and fishing methods is exercised.

There are controls on the length of the fishing season, the numbers of fishing licences issued and also on the size of catches.

However, the damage appears to have been done in the "white fish" trawling grounds, where hake, maasbanker and horse mackerel are caught.

A United Nations Food and Agriculture Organisation (FAO) study on fishing off the South West African coast said that the catches of hake and maasbanker had begun to decline rapidly after the deployment of the modern international trawler fleet in the late 1960s.

From a peak of around 600 000 tons in 1972, the catches of hake had dropped to around 100 000 tons annually, said the report, contradicting earlier predictions that the South East Atlantic fishing grounds would be able to sustain indefinitely a yield of 600 000 tons of fish a year.

Under the ICSEAF quota system for hake, SWA/Namibia (through South African trawlers) gets allocated only 6.5 per cent of the catch, or about 46 000 tons annually.

This compares with 375 000 tons of fish hauled out each year by Soviet vessels and the 107 000 tons of hake and horse mackerel harvested by Polish trawlers.

The FAO report commented:

"Much of the fishery resources in the waters off the coast of Namibia are being over-exploited without direct benefit to the Namibian people".

In addition to over-fishing, foreign trawlers are also accused of contravening hake fishing regulations by using nets of smaller than minimum size to catch smaller fish and boost the harvests.

The waters off the SWA/Namibian coast are regularly patrolled by boats reporting to the Department of Economic Affairs in Windhoek.

These patrol boats are empowered under the ICSEAF agreements to ask vessels to stop and undergo examination.

However, on a number of occasions, foreign trawlers have refused to heave to, or have hauled in their nets and sailed away.

Others fishing illegally within SWA/Namibian territorial waters have likewise hauled in their nets and fled out to sea at the approach of the patrol boats.

Soviet and Eastern bloc trawlers also fish extensively in Angolan waters and the issue is known to have been a cause for tension between Moscow and its Marxist African protege.

The Angolans have raised the issue on a number of occasions with their Soviet counterparts with little apparent success.

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# Plundering Namibia's rich fish larder

By Brendan Seery  
The Star's Africa  
News Service

WINDHOEK — Western capitalist multinational mining giants are often accused by socialist activists of stripping Namibia of its mineral wealth.

However, in the heavy swells of the south Atlantic close to Namibia's coastline, the vast fishing grounds of the nutrient-rich Benguela current are being systematically plundered by Soviet-bloc trawlers.

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## COMPENSATION

A Namibian delegation will hammer home their feelings about the issue next month in Spain, when they take part in a meeting of the International Conference on Southeast Atlantic Fisheries (Icesea). Windhoek's new Minister of Agriculture and Sea Fisheries, Mr Eben van Zijl, intends to put across strongly the case for preserving Namibia's fishing resources.

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# Mini small-mining boom in SWA

**WINDHOEK** — The weak rand has caused a mini boom in small mining in SWA.

Atlas Copco SWA managing director Peter Edmunds said his company, which specialises in compression air and mining equipment, had received a number of requests in the past six months for small compressors and petrol-driven rock drills.

"The inquiries came from the ordinary man who wants to sell his

**NOEL BRUYNS**

farm, for instance, to begin prospecting," he said.

This was because minerals were fetching lucrative prices overseas because of the rand-dollar exchange rate.

Edmunds said there was "a whole array" of minerals and semi-precious stones in the Namib desert and elsewhere in SWA.

Next month the company is

holding a two-day symposium on small mining, after receiving numerous inquiries on drilling and rockbreaking techniques.

Topics to be covered include: claims procedures; prospecting, exploration and evaluation; underground mining methods; drilling and surface mining; SWA mining law; sampling, assaying and concentration; mineral processing techniques; and marketing of minerals.

# Farm exports could reap R2,5bn

**SOUTH AFRICAN** agricultural exports could earn a record R2,5bn this year, depending on the weather and the rand-dollar exchange rate, SA Agricultural Union economist Koos du Toit has estimated.

The weather and the rand-dollar exchange rate, he said, would be important contributory factors in pulling the economy out of recession.

Export earnings in 1980, 1981,

**GERALD REILLY**

1982 and 1983 averaged slightly more than R2bn.

In 1984 they fell to R1,8bn and the figure for last year was R2,2bn.

However, if the rand continued to appreciate against the dollar and other currencies, the R2,5bn estimate would have to be revised.

The season for summer grain farmers had started well, and a 10-

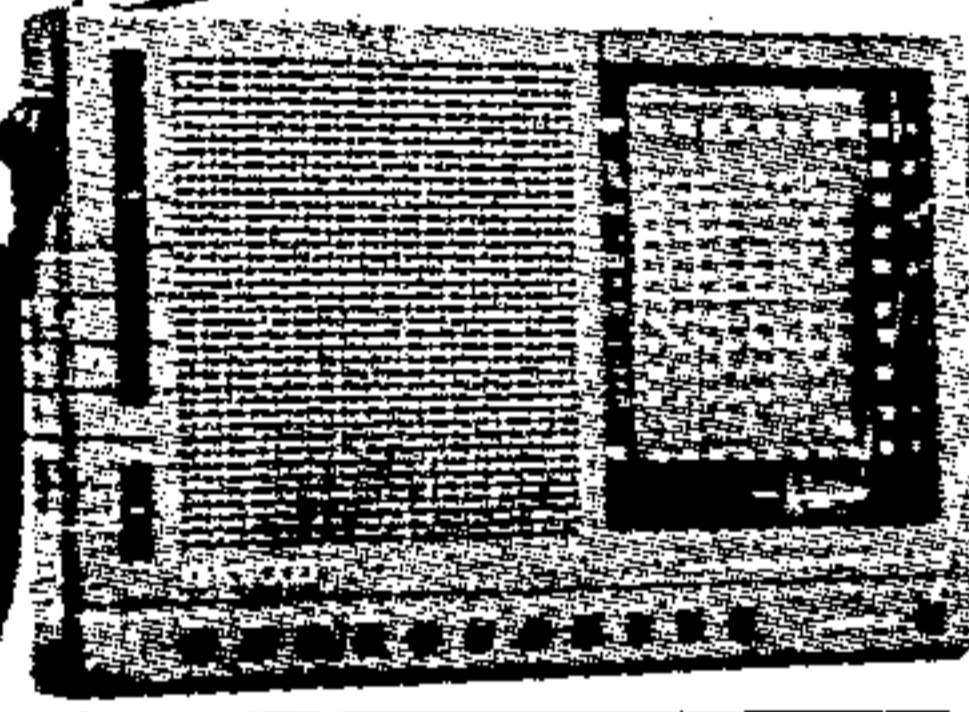
million ton crop was a possibility.

This would leave an exportable surplus of at least 3-million tons, which could earn up to R800m.

But even if the rand dropped to 35 US cents, maize would still sell at a loss.

The major reasons for an expected maize export loss, Du Toit said, were escalating production costs, a heavily over-supplied world market and a price slump.

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# Journalist acquitted

**PIPPA GREEN**, an Argus journalist charged with contravening the Gatherings and Demonstrations Act, was acquitted in the Cape Town Magistrate's Court yesterday.

Green was arrested on November 7 outside The Argus building in St George's Street, while holding a placard saying "Blackout: Journalists protest."

Magistrate M J Tolken said Green went out to protest after 12 of her colleagues had picketed. Evidence was that police were aware of the protest.

As far as she was concerned, her actions could not have been unlawful because the others had not been arrested.

Green had consulted legal advisers, who told her the law was not clear as to whether the picket would be legal or not. — Sapa.

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Political comment in this issue by Nigel Bruce. Newsbills by Neil Jacobson. Headlines and sub-editing by...

# Time ripe for mines

NOEL BRUYNS

WINDHOEK — With the rand weak the time might be ripe for development of new small mines in SWA.

This was the message from SWA Mining and Commerce Minister Andreas Shipanga who said a variety of minerals, including semi-precious stones, were fetching attractive prices.

Large concerns were in general not interested in mining small mineral deposits which often could be operated economically by only small operators.

Shipanga said small mines played an important role in creating jobs.



# Shocks loom in SWA mine probe

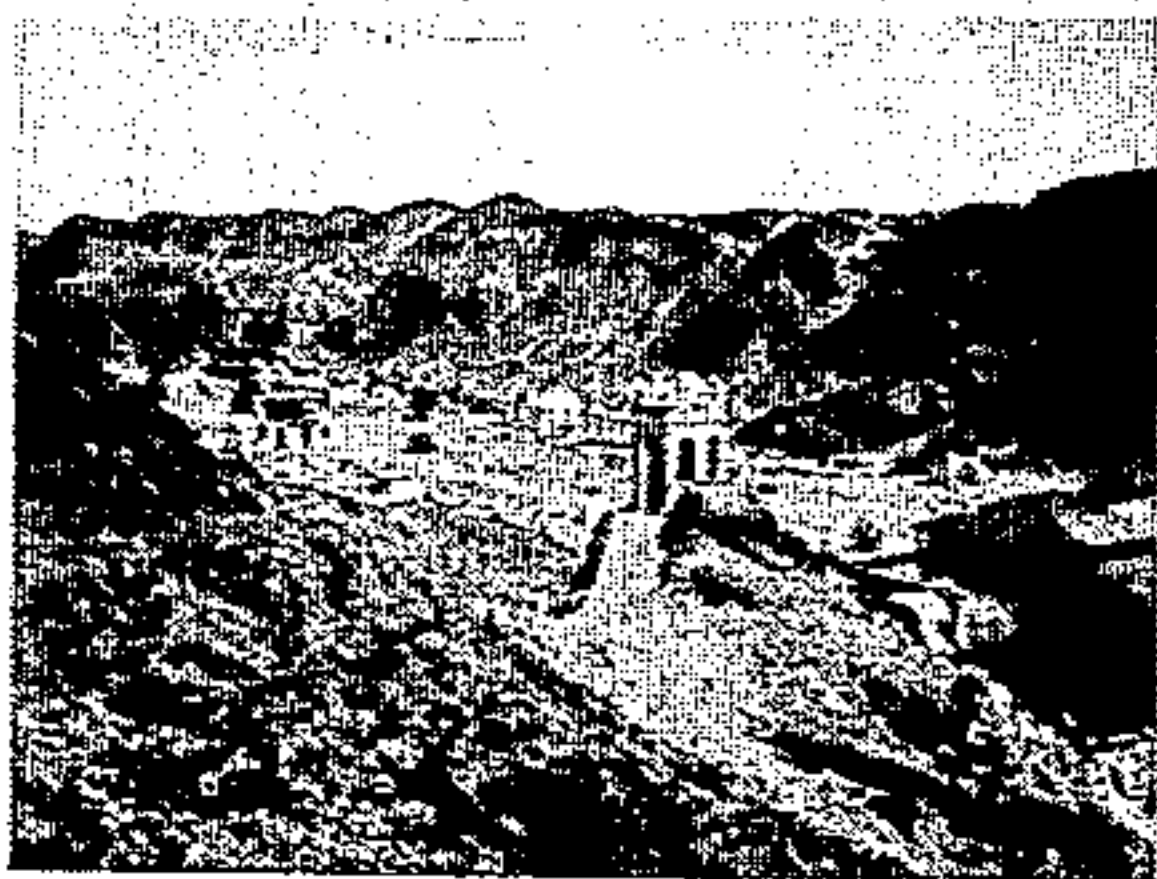
Weekend Argus  
Africa News Service

221A

WINDHOEK. — The report of the Thirion Commission of Inquiry into allegations of government maladministration and corruption in relation to Namibia's mining industry is to be tabled for discussion in Windhoek's National Assembly during its next session later this month.

A statement issued by Minister of Mines, Mr Andreas Shipanga, said the Cabinet of the Multi-Party Conference Government had reached the decision this week, but was still considering the Thirion report.

The commission, headed by Natal Supreme Court Judge Mr Justice P W Thirion, was set up to probe all allegations of civil service irregularities in the territory. After looking at the various "ethnic authorities", the judge turned his attention to the mining industry.



A Namibian mine.

During evidence much of the attention was focused on the diamond mining industry, which is monopolised by Consolidated Diamond Mines (CDM), a subsidiary of the mining giant De Beers.

CDM itself refused to give evidence to the commission, arguing that the judge was exceeding his terms of reference in examining the diamond industry. The mining company also argued that publication of what it called "highly sensitive information" about its ore reserves, marketing techniques and production figures would have an adverse effect not only on it, but on the entire Namibian mining industry.

A number of allegations were made in evidence during the sittings of the commission in Windhoek. Among these was a claim that Namibia may have been losing revenue on as much as R1 000-million worth of diamonds in exports from the territory.

It was also alleged that a portion of Namibia's diamond wealth was being stockpiled outside the territory, and that the life of the CDM workings at Oranjemund was much shorter than the company admitted.

A former CDM employee, Mr Gordon Brown, claimed last year that he was compiling evidence about allegations that the company was carrying out a deliberate plan to strip Namibia of its diamond resources before it becomes independent.

# Namibia's diamond reserves overmined for 20 years — judge

STAR

221A

1/3/86

The Star's Africa News Service  
WINDHOEK — The Thirion Commission report commented at length on the operations of Consolidate Diamond Mines (CDM), the De Beers subsidiary which in Namibia holds a monopoly on diamond production.

Justice Thirion concluded the company had been overmining the diamond ore reserves at its Sperregebiet (diamond area) claims on the coastline of southern Namibia for at least 20 years.

This "excessive depletion" of the ore reserves had been carried on between 1963 and 1983, with the exception of some years. The judge said the over-exploitation had been done with the aim of maximising profit and to meet "excessive production targets" set for the company by De Beers and by the Central Selling Organisation, which handles all international diamond sales.

According to Mr Justice Thirion's findings, such over-mining was in direct breach of an agreement between CDM and the Namibian administration which gave the company exclusive mining rights in the Sperregebiet.

This agreement, known as the Halbscheid Agreement, was extended in 1941 and again in 1953 to give CDM a monopoly on diamond extraction until December 2010. Under the terms of the agreement, CDM was entreated to mine as "thoroughly and economically as possible" and not with "a view to exhausting the superficial and more valuable deposits to the detriment of the low-grade deposits".

That CDM was engaged in "preferential depletion" of the higher grade deposits meant it had contravened the Halbscheid Agreement, the judge decided.

He added: "The probabilities are that the effect of the excessive depletion of the deposit will be to shorten the life of the mine."

The commission heard evidence from investigator Mr Martin Grote and from Mr Gordon Brown, a former employee at the Oranjemund site.

Mr Grote said he estimated the life of the workings at Oranjemund may have been exaggerated in estimates. He suggested the site might be effectively worked out as early as 1990, compared with estimates which put its life at between 10 and 50 years.

## MAXIMISING PROFITS

In his evidence to the commission, Mr Brown said CDM's mining policy changed to one of "maximising profit" in the mid-1970s. Ore treatment increased from 8,5 millions tons in 1967 to 16,9 million tons in 1980. Eventually, the company was working round the clock, with three eight-hours shifts and using four crusher plants, Mr Brown testified.

He added that the mine management had, in 1981, informed the CDM board of directors that overmining was causing revenue to fall sharply.

In his conclusions, the judge asked: "Can Namibia afford to allow a mine which makes such an important contribution to the state coffers as CDM to determine its own rate of depletion of the deposit, or worse, to have that rate of depletion dictated to it by outside interests which for reasons of their own might want to exhaust the CDM deposit before mining other deposits controlled by it in other countries?"

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221A

# Diamond ore overmined, says report

Argus Africa News Service

WINDHOEK. — For more than 20 years, the De Beers SWA/Namibian subsidiary, Consolidated Diamond Mines (CDM) has been overmining the territory's diamond ore reserves, says a commission of inquiry into the mining industry.

The report of the Thirion commission of inquiry was released here today.

The commission's report said CDM had been overmining to maximise profit since 1963. With the exception of a few years during that time "excessive depletion" of grade and stone size of diamonds occurred.

The excessive depletion of the diamond ore reserves had taken place because of excessive production targets set by De Beers and the Central Selling Organisation, the agency that handles diamond sales throughout the world.

This large-scale mining of the ore body round the CDM workings at Oranjemund was in contravention of a mining agreement negotiated between CDM and the then administration of the territory of South West Africa in January 1923.

The agreement was extended in 1941 and in 1953, giving the company exclusive rights to mine diamonds along the desolate Atlantic coastline of southern SWA/Namibia.

The commission, headed by Natal Supreme Court judge Mr Justice Pieter Thirion, concluded that the excessive depletion of the ore reserves by CDM had been aimed at the more valuable deposits at the expense of the lower-grade ores.

Inquiry digs deep — and  
comes up with ...

8/3/86

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221A

# Startling report on SWA mining

Weekend Argus  
Foreign Service

WINDHOEK. — There is "something rotten" in SWA/Namibia's mining industry.

As hundreds of millions of rands worth of minerals and profits flow out of the country annually, the Government in Windhoek has little control over what is happening and, in many cases, no knowledge of whether or not it is being "ripped off" by multinational mining corporations.

This is the startling, and grim, picture painted by the final report of the Thirion Commission of Inquiry, which was presented to the National Assembly in Windhoek this week by Mines Minister Mr Andreas Shipanga.

Commission chairman Mr Justice Pieter Thirion had harsh words of criticism for the civil servants supposedly keeping an eye on mining.

There was among these people, the judge noted, "a naivete and inability to conceive the possibility that a multinational corporation could stoop to any impropriety".

He added: "The pretence of the multinational corporation that it is incapable of abusing its power, convinces the unwary that there is no need for control."

Among the findings of the commission about mining practices in SWA/Namibia:

- The De Beers group's Namibian subsidiary, Consolidated Diamond Mines (CDM), which holds a monopoly on diamond production, has been "overmining" its claims for years, significantly reducing their long-term life and profitability.

- De Beers itself effectively controls "all aspects of the mining and marketing of the territory's gems."

- SWA/Namibia may have

lost revenue on hundreds, if not millions of rands worth of diamonds which were exported and sold for higher prices overseas than those which were quoted locally.

- CDM holds a mining grant on 3-million ha of some of the world's richest diamond fields for an annual rental of R812.40 — a sum which has remained unchanged in 64 years.

- The territory's Diamond Board is composed of unqualified officials and employees of either CDM or De Beers and has no control over the export or sales of Namibian gems.

- Transfer pricing — where exported minerals are sold at a lower than prevailing price, as one of the ways of repatriating profits from SWA/Namibia — is rife among the multinationals.

- Despite sales of hundreds of millions of rands of minerals annually, many mining companies pay little or no tax because of slack enforcement of income tax rules or because of overly-generous allowances granted them by the Government.

The commission's report and findings will be closely studied in both SWA/Namibia and overseas.

In his report, Judge Thirion suggested that a detailed national mining policy be compiled and that the State's control over minerals be considerably strengthened.

He commented: "SWA should not wait for independence before realising that its mineral resources are a blessing and have to be exploited with care and circumspection if the highest possible return is to be obtained from them."

Mr Shipanga says the document has been carefully studied by the Cabinet of the multi-party conference administration in Windhoek and many of the suggestions could form the basis of a national mining policy which is at present being formulated.

221A

218

# CDM accused of overmining

**Own Correspondent**  
WINDHOEK. — CDM, a subsidiary of the South African diamond-mining giant De Beers, deliberately overmined its workings in the Sperrgebiet of SWA/Namibia, according to the report of the Thirion Commission into mining.

The report, tabled in the SWA National Assembly yesterday, was highly critical of CDM for trying to mine to maximum profit in the short term without regard to the future.

The commission, chaired by Natal judge Mr Justice Thirion, received evidence from a senior employee of CDM, Mr Gordon Brown, that SWA/Namibia had lost

R2,65 billion in diamond ore from overmining by CDM.

Company officials have claimed privately that the report's treatment of CDM was harsh and one-sided.

Mr Justice Thirion said the commission was satisfied that there had been excessive depletion of reserves of diamonds by CDM in several years from 1945.

He said that in the life of mine forecasts from 1971 to 1982 mention of overmining was made in almost every forecast.

"Overmining at close to 100 percent was reported to CDM's board of directors for the 1981 and 1982 financial years."

Mr Justice Thirion said the effect of the excessive depletion of the diamond deposits will probably be the shortening of the life of the mine and a detrimental effect on its profitability towards the end of its life.

## Board role

Mr Justice Thirion recommended that production should be geared to the market and the SWA/Namibian State should have a say in the setting of production quotas.

The role of CDM on the Diamond Board of SWA/Namibia was also questioned in the report.

It said that one of the functions of the board was to collect export duties and that CDM was by far the most important payer of duty.

## Secretary

"It is therefore not advisable that the board, on which CDM is represented, should be responsible for collecting of export duty," Mr Justice Thirion said.

Nor should the "ridiculous situation be allowed to continue where the secretary of the board, who is also a CDM employee", had to assess on behalf of the State the export duty to be paid.

Evidence was that when you telephoned the Diamond Board in Windhoek someone answered "CDM".

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221A

# De Beers rejects Thirion allegations

Own Correspondent

JOHANNESBURG. — De Beers has rejected allegations of excessively depleting SWA/Namibia's diamond fields as the Thirion report claims.

De Beers accused Mr Justice Pieter Thirion of compiling the lengthy report without calling for evidence or explanation from De Beers Consolidated Diamond Mines (CDM). He had also failed to visit the mine or inspect its records, a statement from the mining house said.

However, the judge said yesterday that CDM had been fully aware of the commission's activities. "The inquiry was conducted in public. At one stage when it appeared likely that evidence would be given concerning CDM, its senior counsel was present," he said.

Although the mining house was still studying the report yesterday, it rejected the findings relating to the conduct of its affairs.

The report said overmining at close to 100 percent was reported to CDM's board of directors for the 1981 and 1982 financial years. A former senior employee of CDM, Mr Gordon Brown, claims that as a result of the overmining, SWA lost R2,65-billion in diamond ore.

CDM denied overmining the territory. "In fact, through the introduction of new mining methods we have rendered previously unpayable ground as payable," the statement from De Beers said.

De Beers said it remained confident that it would be able to satisfy any impartial inquiry — by appropriately qualified investigators — that its mining policies had never resulted in any mining reserves becoming unpayable.

CDM is preparing a statement to submit to the SWA/Namibian transitional government.

De Beers confident it can satisfy impartial inquiry

# Depletion of SWA diamonds is denied

10/3/88 New way  
DIA

**JOHANNESBURG—** The giant De Beers mining house has rejected the finding of a judicial commission that it over-exploited South West African diamond reserves.

A statement by Consolidated Diamond Mines, a De Beers subsidiary, said the company was confident it could satisfy an impartial inquiry that its policies did not deplete the reserves.

'CDM rejects the commission's findings relating to the conduct of its affairs,' the statement said.

'The company remains confident of being able to satisfy any impartial inquiry by appropriately qualified investigators that CDM's mining policies and practice have at no time rendered unpayable any known diamond-bearing ore reserves in the Sperrgebiet which otherwise would have been capable of being mined at a profit.

'On the contrary, previously unpayable ground has been rendered payable by the successive introduction of innovative and cost-effective new mining

methods, whose impact will be to leave the minimum number of diamonds unmined at the end of the life of the mine.'

The commission's finding that excessive depletion in respect of grade and stone size occurred, showed 'not only the failure by State officials to exercise control and supervision but also the need for such control and supervision because of the alleged prejudice to the State'.

The commission's investigations were broadened and the report focused on

CDM rather than the State.

'It is particularly unfortunate that in reaching conclusions on the complex and technical subjects of mining economics and life-of-mine planning the commission should have failed to call for evidence or explanation from the mining company itself.'

The statement pointed out no finding was made on the possibility of transfer pricing on the sale of CDM's diamond production.

'CDM contends that it was entirely within the means

of the commission to have satisfied itself that the allegation was unfounded, and to have rejected it'

On the question of the deductibility against CDM's taxable earnings of expenditure on deepsea prospecting, the statement said the commission commented on the subject of confidential negotiations between the State and CDM.

It has been agreed that deductibility against CDM's deductible earnings of expenditure on marine prospecting should be subject to certain limitations. — (Sapa)

10/3/86

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221A

# CDM response to Thirion report

De Beers and CDM are still studying the Thirion report. This is a lengthy document containing inter alia recommendations concerning the future of the Namibian mining industry.

Insofar as De Beers and CDM are concerned, the Commission has addressed itself to three main issues, namely observance of obligations contained in the Halbscheid Agreement, in particular whether there has been a breach of Clause 3 in the form of excessive depletion of reserves; the possibility of "transfer pricing" on the sale of CDM's diamond production (on which no finding was made); and the deductibility against CDM's taxable earnings of expenditure incurred on deep-sea prospecting.

CDM rejects the Commission's findings relating to the conduct of its affairs and a detailed statement is being prepared by CDM for submission to the Transitional Government of National Unity.

The interim report explains that the purpose of the examination of the first of these issues, resulting in the finding that "excessive depletion in respect of grade and stone size occurred", was to show not only the failure by State officials to exercise control and supervision but also the need for such control and supervision because of the alleged prejudice to the State. The focus of the Commission's attention therefore must be presumed to be the adequacy or otherwise of supervision and control by the State. However, the Commission's investigations were broadened and the report is presented in a manner that focuses on CDM, rather than the State. It is particularly unfortunate that in reaching conclusions on the complex and technical subjects of mining economics and life-of-mine planning the Commission should have failed to call for evidence or explanation from the mining company itself, or to have visited the mine or inspected its records.

The Company remains confident of being able to satisfy any impartial inquiry by appropriately qualified investigators that CDM's mining policies and practice have at no time rendered unpayable any known diamond-bearing ore reserves in the Sperrgebiet which otherwise would have been capable of being mined at a profit. On the contrary, previously unpayable ground has been rendered payable by the successive introduction of innovative and cost-effective new mining methods, whose impact will be to leave the minimum number of diamonds unmined at the end of the life of the mine.

It will be remembered that CDM since 1981, with the concurrence of the SWA/Namibian Administration, has closed the No. 3 conglomerate crushing treatment plant, the 50 g sampling plant, two field screening plants and the 100 g sampling plant in response to conditions in the diamond market.

In dealing with the allegation against CDM and the De Beers group of transfer pricing, the Commission has refrained from coming to any finding. CDM contends that it was entirely within the means of the Commission to have satisfied itself that the allegation was unfounded, and to have rejected it.

On the issue of marine prospecting, the Commission has commented upon matters which, at the time of writing, were the subject of confidential negotiations between the State and CDM and which have still to be finalised. As part of the negotiations it has been agreed that the deductibility against CDM's taxable earnings of expenditure on deep-sea prospecting should be subject to certain limitations acceptable by the State.

De Beers and CDM were encouraged by the press release of 13th February 1986 issued by the Ministry of Economic Affairs in Windhoek, inter alia giving assurances that the mining industry and all other interested parties will be consulted in the drafting of a mining policy; that it is not the Cabinet's intention to over-regulate the mining industry, and that it is not the Cabinet's intention to alienate any of the present rights held by prospecting and mining concerns. De Beers and CDM will of course co-operate in the consultative process, and where necessary enter into or continue negotiations with a view to ensuring that the State is satisfied with the conduct of the Company's affairs.

Windhoek  
10th March 1986



# Controversial Thirion report receives attention

WINDHOEK — The three-year investigation by the Thirion Commission of Inquiry into alleged government corruption and maladministration in Namibia is probably the most important independent probe in the history of the territory.

On Friday, the final and most talked about report of the commission was placed before members of the National Assembly in Windhoek by Mines Minister Mr Andreas Shipanga.

The eight-volume report and recommendations was compiled by Natal Supreme Court judge, Mr Justice Pieter Thirion, after an exhaustive investigation of civil service inefficiency and corruption in relation to Namibia's mining industry.

Appointed in November 1982, the commission looked at a number of areas where there were woodworms in the civil service.

In a session of hearings in 1984 and 1985 in Windhoek, the com-

mission turned its attention to the position of the State in relation to the mining industry. Much of the evidence, presented in open hearings, was accorded wide coverage in the local and overseas Press.

Much of the commission's work centred on the activities of the De Beers mining giant, whose subsidiary, Consolidated Diamond Mines (CDM) has a monopoly on diamond production in Namibia.

The company refused to give evidence to the commission, arguing that Judge Thirion was exceeding his terms of reference in probing the diamond mining industry.

When the completed report was delivered to the Multi-Party Conference (MPC) government cabinet in Windhoek late last year, few believed it would ever see the light of day. However the document will, according to Mr Shipanga, be used as a possible basis for a future mining strategy for the country.

## 'Diamond industry controlled by De Beers'

The Star's Africa  
News Service

WINDHOEK — In spite of the "trappings and facade of state control", the Diamond Board was totally ineffective in controlling the export and sale of Namibia's gems, Judge Thirion found in his report on an inquiry into alleged government corruption in Namibia.

He said the control of "all aspects" of the diamond industry, from the production site to the sale on the overseas market, was in the hands of De Beers.

Under its present structure, the Diamond Board is made up largely of Consolidated Diamond Mines (CDM) or De Beers employees who act as "agents" for the board. However, the board's "purported control" remained "a sham" because of this, concluded Judge Thirion.

"The board is composed of members with divergent interests to protect but in any event they are all opposed to any state regulation of the production of diamonds".

### GEMS SWOPPED

The commission had heard evidence from investigator Mr Martin Grote that there was little or no control or accurate records of diamond exports and revenues. He estimated Namibia may have lost revenue on as much as R1 000-million worth of diamonds which were exported between 1978 and 1981.

Mr Justice Thirion recommended the present Diamond Board be reconstituted to become a body of people appointed by the state to "represent the interests of the state".

Its members, he suggested, should be drawn from the departments of finance and economic affairs and include at least one person appointed for his special knowledge of the diamond industry.

CDM refused to give  
evidence official

Own Correspondent

WINDHOEK. — CDM was given the opportunity of presenting evidence to the Thirion inquiry into state control of the mining industry in SWA/Namibia, but refused, the judicial commission's chief investigating officer, Mr A G Visser, said yesterday.

He was asked to comment on a statement by Consolidated Diamond Mines which rejected the commission's findings.

Mr Visser said CDM had "been afforded every opportunity to present evidence while the commission was sitting, but through its legal representatives had refused".

The commission found that CDM, a subsidiary of De Beers, had overmined its deposits in breach of the agreement giving it mining rights, and had entered into

certain agreements with other De Beers subsidiaries to avoid taxes.

CDM said in a statement at the weekend that it rejected the findings relating to the conduct of its affairs.

"It is particularly unfortunate that in reaching conclusions on the complex and technical subject of mining economics and life of mine planning, the commission should have failed to call for evidence from the company itself, or to have visited the mine or inspected its records."

The SWA Minister of Mines, Mr Andreas Shipanga, said here yesterday a government White Paper on the Thirion report would be introduced in the National Assembly once an interdepartmental committee had studied its proposals and made recommendations to the cabinet.

# SA may be implicated in Namibian report

By David Braun,  
Political Correspondent

CAPE TOWN — The Department of Mineral and Energy Affairs is investigating the possibility of South African implications following the release of the Thirion Commission's probe into Namibia's mining industry.

The Commission found last week that Consolidated Diamond Mines, a subsidiary of De Beers, had been overmining the territory's diamonds to a detrimental

extent.

The implication has been made that South Africa, in allowing this to happen, has maladministered the territory.

De Beers has since slammed the report and denied its allegations.

A spokesman for the South African Department of Mineral and Energy Affairs said yesterday it was not yet clear to what extent the South African Government could be expected to take responsibility for any overmining.

In the first instance, he pointed

out, Namibian mines have traditionally fallen under Namibian mineral laws and not South Africa's, even when the territory was directly administered from Pretoria.

Secondly, Namibia had been self-governing for some time.

The department had not had the opportunity to go through the lengthy Thirion report to see if it did have any implications for South Africa.

Once it had, there could be a statement, he said.

# Windhoek intends moving rapidly to alter mine laws

12/3/76 STAR 221A  
By Brendan Seery,  
The Star's Africa News Service

WINDHOEK — As multinational companies cry "foul", the Windhoek Government is going ahead with a White Paper on possible amendments to existing legislation — in the wake of startling revelations by the Thirion Commission of Inquiry last week about mining in the territory.

Though he would not be drawn on the contents of the White Paper, Mines Minister Mr Andreas Shipanga promised: "The mining story will never be the same again in this country."

He added that the government would move quickly, because the commission's recommendations were so clear that "we need no further head-scratching".

The commission — headed by Natal Supreme Court judge Mr Justice Pieter Thirion — suggested that widespread amendments be made to existing legislation, including:

- Reconstitution of the territory's Diamond Board so that the interests of the State are represented more fully and the administration has more control over diamonds during the time they are extracted, sorted, and sent overseas for sale.
- Tightening-up of the procedure for issuing prospecting permits and the granting of mineral rights, to prevent "landlocking" — the practice of tying up claims with no intention of exploitation, so that other prospecting is excluded or monopolies maintained.

## TIGHTENING EXPORT RULES

- Revision of existing mining leases and contracts so that "realistic" rentals are paid for mining sites.
- Imposition of a "royalty" on all minerals mined in the territory, rather than relying on irregular income tax payments as compensation to the State for the loss of a non-renewable natural resource.
- Tightening-up of export regulations which permit large quantities of "samples" to leave the country without hindrance, and which keep no effective control on the shipping out of normal mineral exports.
- Closer monitoring by State geologists and other experts of the activities of mining companies.
- Examination of an "over-generous" tax system which allows mining companies to off-set much of their expense against their income, and therefore pay reduced taxes.
- Thorough investigation into the practice of "transfer pricing" — where multinationals either sell exports to outside affiliates at lower than ruling world

prices, or import goods and service from affiliates at higher than normal rates. This is one method, Mr. Justice Thirion found, that multinationals operating in Third World countries use to move their profits out of the host country, or to avoid exchange control regulations.

Mr Shipanga and his colleagues have to tread a fine line in formulating their new national mining strategy.

While it is obvious from the commission's findings that the State has little control and little knowledge of the activities of the mining houses operating on its soil, the transitional government cannot impose so rigid a mining code that potential investors will be scared off.

Multinationals such as Consolidated Diamond Mines (CDM), a subsidiary of De Beers, and Tsumeb Corporation, which is largely American-owned, have already rejected the commission's findings.

## MAKING THE MOST OF RESOURCES

Both claim they were not given an opportunity to defend themselves when the commission was carrying out its probe — a charge rejected by Government officials. Tsumeb has even gone as far as to suggest that a panel be appointed to review the commission's conclusions.

What is clear is that the authorities in Windhoek will have to make some moves towards controlling the mining companies and ensuring that the State gets the most out of its own resources.

If the commission's findings are accepted at face value, there would be few who would not understand an independent government wanting to nationalise the multinationals to halt the probable exploitation of the country.

Mr Justice Thirion himself gave this ominous warning when making his findings in the report: "The pretence of the multinational corporation that it is incapable of abusing its power convinces the unwary that there is no need for control".

The judge suggested that the base of a national mining policy should be the premise that the minerals belonged to the people of the country, and that any exploitation should benefit those people.

State controls on the mining sector should also ensure that there was a transfer of technology from multinationals to locals, that repatriation of profits was "slowed down", and that reinvestment of profits by multinationals was promoted.

**ECONOMICS**

AKG 12/3/86 (221A)

# SWA to get a shake-up in its diamond industry

**BRENDAN SEERY** of The Argus Africa News Service reports from Windhoek on pending changes to SWA/Namibia's mining laws

AS the multinational companies cry "foul", the Windhoek government is going ahead with compiling a white paper on possible amendments to existing legislation in the wake of last week's startling revelations about mining made by the Thirion Commission of Inquiry.

Although he would not be drawn on the contents of the white paper, Mines Minister Mr Andreas Shipanga promised: "The mining story will never be the same again in this country".

The transitional government, he added, would move quickly, as the commission's recommendations were so clear that "we need no further head-scratching".

The commission — headed by Natal Supreme Court judge Mr Justice Pieter Thirion — suggested that widespread amendments be made to existing legislation, including:

□ The reconstitution of the territory's Diamond Board so that the interests of the State are more fully represented,

and that the administration has more control over the diamonds during the time they are extracted, sorted and sent overseas for sale.

□ The tightening-up of the procedure for issuing prospecting permits and the granting of mineral rights to prevent "landlocking" — the practice of tying up claims with no intention of exploitation so that other prospecting is excluded or monopolies maintained.

□ The revision of existing mining leases and contracts so that "realistic" rentals are paid for mining sites.

□ The imposition of a "royalty" on all minerals mined in the territory, rather than relying on irregular income tax payments as compensation to the State for the loss of a non-renewable natural resource.

□ The tightening-up of export regulations which permit, at present, large quantities of "samples" to leave the country without hindrance, and which keep no effective control on the shipping out of normal mineral exports.

□ The establishment of a Department of Mines, so that all matters concerning mining can be brought under one authority.

□ Closer monitoring, by State geologists and other experts, of the activities of mining companies.

□ An examination of an "over-generous" tax system which allows mining companies to off set much of their expense against their income and therefore pay reduced taxes.

□ A thorough investigation into the practice of "transfer pricing" — where multinationals either sell exports to outside affiliates at lower than ruling world prices, or import goods and service from affiliates at higher than the normal rates. This is one method, Judge Thirion found, that multinationals operating in Third World countries use to move their profits out of the host country or avoid any exchange control regulations.

It is not known at this stage how many of the recommendations of the commission will be

accepted by the government in Windhoek and incorporated into law. Minister Shipanga and his colleagues have to tread a fine line in formulating their new national mining strategy.

While it is obvious, from the findings of the Thirion Commission, that the State has little control and little knowledge of the activities of the mining houses operating on its soil, the transitional government cannot impose so rigid a mining code that potential investors will be scared off.

Multinationals such as Consolidated Diamond Mines (CDM) which is a subsidiary of De Beers, and the Tsumeb Corporation, which is largely American owned, have already expressed their rejection of the findings of the commission.

Both companies have claimed they were not given an opportunity to defend themselves when the Thirion Commission was carrying out its probe — a charge which has been rejected by government officials here.

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**T**HE INVESTIGATION of the Namibian diamond industry by the Thirion Commission has set off a dispute that, sooner or later, was bound to happen. The ties between industry and Government are just too cosy.

Ralph Nader's investigations in the US showed that government agencies tended to develop symbiotic relationships with the industries they are supposed to regulate, and that both parties become increasingly resentful of any public "interference".

It is a formula for public relations disaster when, as must happen sooner or later, a Nader or a Thirion comes along.

The Namibian diamond industry, represented mainly by CDM, the De Beers subsidiary, has been a classic case. The situation reached in 1985, as explained to me by industry officials, was this:

Responsibility for the public interest in the industry was assigned to the Diamond Board of South West Africa (DIBOSWA), which was created in 1939 to sort, evaluate and sell Namibia's diamond production.

**D**IBOSWA consisted of a majority of government appointees, but also had two representatives of CDM. Its chairman, Pieter J Malherbe, the Auditor-General of Namibia, has — in keeping with Nader's findings — evinced a strong hostility to the Thirion Commission.

In fact, he went so far, in a tape-recorded interview with the South West Africa Broadcasting Corporation last year, as to denounce Judge Thirion as biased and to call his investigation a witchhunt. He was formally rebuked by the judge.

DIBOSWA's task of sorting and evaluating the diamonds was vital. Since there was no free market in uncut diamonds, there was no other way to determine the tax value of CDM's production. But DIBOSWA proved incapable of performing its duty, and contracted with the Dia-

# Government's cosy interest in diamonds

mond Producers' Association (DPA) to do so on its behalf.

DPA includes representatives of De Beers, CDM and the Diamond Corporation (a subsidiary of De Beers) and one man who must represent both the SA government and the State Aluvial Diggings of the northern Cape Province. At this point the interests of producers and government merge completely.



**KEN OWEN**

Namibia, too, had a DPA representative, a retired medical practitioner and farmer, Dr Jan Lombard. He was appointed by the government to represent the smaller Namibian producers in DIBOSWA, which in turn appointed him as its representative in the DPA.

DIBOSWA did try to supervise the DPA's performance. The supervision was exercised by the secretary of DIBOSWA, a part-time employee whose full-time job was as manager of De Beers Services, a Windhoek subsidiary of De Beers.

He had the assistance of a number of agents at Oranienburg, all of them part-time employees whose full-time jobs were with CDM. They had to ensure that stones from the mines were properly sealed in packets every week to be flown to Kimberley. There the packets were opened under the supervision of the SA Police and various officials.

At Kimberley, ownership of the dia-

monds passes to the Central Selling Organisation, the international cartel that performs the indispensable function of ensuring a stable price for the gems.

It operates through two companies: PUTRA, a purchasing and trading company, buys the diamonds; and DITRA, a diamond trading company, sells them in London. For this service, the CSO takes a flat fee of 10% of the value of the diamonds.

PUTRA, registered in SA, gets 80% of the fee (or 8% of the value of the gems) and pays tax to the SA government. DITRA, a British company, gets 20% of the fee (or 2% of the value of the gems) and pays tax in Britain.

In Kimberley, DIBOSWA's interests were tended by a local agent, Fred Roussouw, who was also the chief evaluator for the DPA. Roussouw functioned, too, as chief evaluator for the SA government. Half his salary was paid by the government and half by the DPA representing the diamond producers.

It is not clear which of these roles prevailed, but Roussouw told Thirion that he would "probably fall off his chair" if he ever received an instruction from DIBOSWA.

Roussouw had too few assistants to cope with the task of sorting and evaluating the immense flood of diamonds that came through Kimberley. The task was therefore delegated under contract to a company called Valco, a subsidiary of De Beers.

Valco's staff assigned each of the CDM gems to one of nearly 7 000 categories based on colour, weight, clarity

and so forth. It did so by comparing each gem with a standard sample of diamonds which is kept in Kimberley, each sample representing a category to which a value was assigned by the Central Selling Organisation.

Roussouw and his staff checked Valco's work on behalf of DIBOSWA, an important task because the values assigned were not only those at which the CSO would buy and sell the diamonds in London — they were also the values which ultimately determined the taxes paid by CDM.

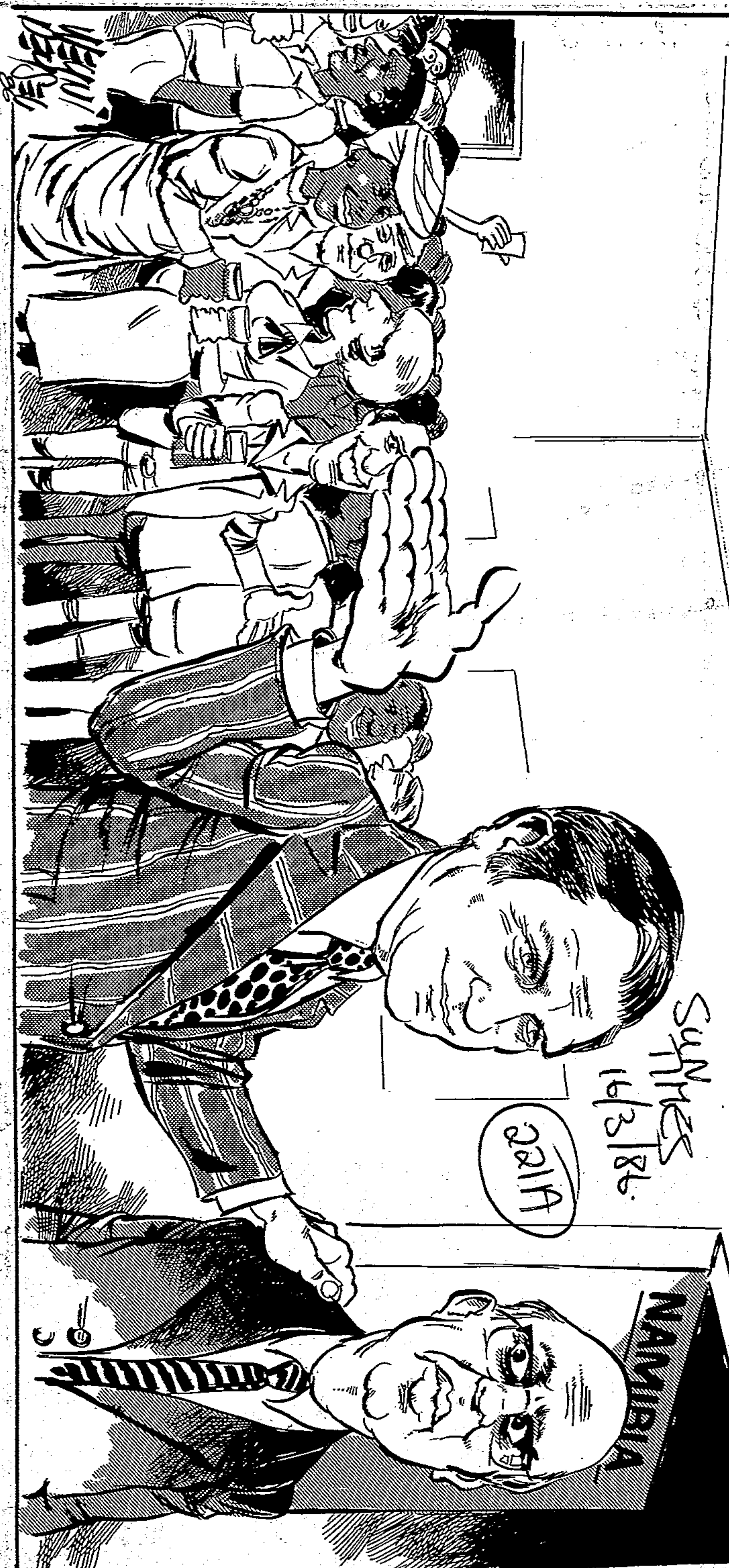
Once the value was settled and ownership of the gems passed to PUTRA, the diamonds were sealed in packets and sent to DITRA in London, and offered for sale.

A final check was carried out in London on behalf of DIBOSWA to ensure that the stones did not miraculously increase in value in mid-flight. DIBOSWA's London agent, who monitored the progress of the CDM gems until they were finally sold by DITRA, was also an employee of DPA, the producers' association.

So powerful is the De Beers group of companies, and so unassailable its reputation for integrity, that nobody in the industry has ever questioned these arrangements.

The SA government does not have a matching reputation. Even before Thirion, public suspicion was aroused when a case came before the courts following an assertion that a former Air Force officer was promised diamond concessions for unspecified services to the government.

The diamond industry can only hope that if any official gets caught up in such scandal, he will not be wearing his industry hat.



**SOUTH AFRICA'S** problems, a common argument runs, are unique. And thus should be its solutions.

But there is another country where the same peculiar ideology of apartheid has been applied over many decades.

There, too, the people have been ruled with the same iron hand by the same peculiar tribe: the Afrikaners.

Indeed, Namibians have for years blamed South Africa for using Namibia as an experiment. If this is true, then it seems South Africa has not learnt much.

Namibia makes a valuable comparison for South Africa because in the last 10 years it has embarked

# NO, WE ARE NOT UNIQUE.

# SEE HOW THE

# AFRIKANSERS

establish a "strong man" image through strong-arm tactics have in fact been the most counter-productive action over the last two decades.

The SADF has played a very prominent role in the shaping of South Africa's Namibia strategy, and in many ways is literally running the country.

And it has made mistakes. Its involvement in local politics has often turned to disaster. Its assessments, and consequently its advice to the South African Government, have often been off mark.

A cautionary lesson about an increasing military role in South African politics is thus sounded. Another Namibian lesson is that

SUMMES  
16/3/86

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16/3/86

on the dismantling of apartheid — something South Africa is now in the process of doing.

It, too, is struggling with the arguments of statutory group classification or voluntary association, white fears and black nationalist expectations, racial prejudice, an armed struggle, and hostility between "co-opted" blacks and those wanting to break the system down.

There are, obviously, vast differences between the two countries. The main one is that South Africa is infinitely more industrialised and urbanised than Namibia, but there are also big differences in tribal and ethnic constitution, in the land/people ratios and in history.

Nevertheless, it seems a worthwhile exercise to analyse what lessons our northern colony has for us.

## Tolerance

An important Namibian lesson has been that the ridding of pass laws, homelands, exclusive residential areas and segregation in public facilities has taken away a lot of the hatred and frustration in Namibia.

There is a remarkable racial tolerance in at least Windhoek and the bigger towns that was not the case 10 years ago.

This has been the biggest single factor counting against Swapo's efforts to mobilise the masses against the Government. There is just no immediate and strong "cause" to rally around.

The dismantling of apartheid in Namibia has other lessons for South Africa. In Namibia it has been made a criminal offence to refuse anyone access to public facilities, hotels and restaurants on grounds of race.

This met with initial strong opposition in the rural areas and smaller towns where, if the principle of "local option" had been applied, apartheid would have been alive and well.

But the scrapping of apartheid without simultaneous economic advancement of blacks has meant that Namibian blacks don't feel apartheid has been scrapped.

Frequently black Namibians claim apartheid is alive and well — but would still not be able to point to any single act of forced segregation.

The Group Areas Act was scrapped years ago in Namibia. Most professional black people and members of the higher income groups, as well as political leaders, now live in the better suburbs of "white" Windhoek.

In the middle class and lower middle class white suburbs there have been very few black people

# OF NAMIBIA

# TACKLED

# APARTHEID!



By  
**MAX DU PREEZ**  
Political Correspondent

buying houses — mainly because fairly good housing is so much cheaper in the black and coloured townships.

And Namibians of all colours and persuasions claim there has been no friction or problems in "mixed" neighbourhoods.

Another old belief, namely that the creation of a black middle class weakens the "liberation struggle", seems to be true of Namibia.

Windhoek has a fairly large black middle class, including many of the country's political figures, and they have become remarkably moderate as their socio-economic position and prospects have improved.

## Ability

The man most responsible for breaking down apartheid, the Democratic Turnhalle Alliance's Dirk Mudge, says the ability of whites, and especially of Afrikaners, to accept rapid and fundamental change is totally underestimated.

He was the man whose slogan it was in political electioneering that "racism is a bigger threat than communism". And at least half the whites are now behind him. One lesson Namibia holds, however, implies the explosion of a popu-

lar belief — that "blacks always follow the strong man".

Swapo, Namibia's equivalent of the ANC, has been thoroughly beaten on the battlefield and is presently a shadow of itself 10 years ago.

Yet there is no sign that the movement's internal political support has waned in the least.

## Credibility

What is more, despite recent evidence of serious power struggles in the external Swapo leadership and maltreatment of cadres in camps, the external leaders are seen as the real leaders and are hero-worshipped by the people inside.

This is partly true because of the security forces' low credibility among the population.

This has happened despite the South African military's expensive campaign over years to get to the hearts and minds of the people, especially in the war-torn northern areas.

Hatred for the South African security forces still accounts for the single most important unifying factor among black revolutionaries. The security forces' attempts to

In the bud withers. Namibia had several experiences of white terrorism, but after a few detentions and a number of court cases there is virtually no trace of it left.

Namibia is ruled by a transitional government made up of parties in the Multi-Party Conference.

Some of the Cabinet members, such as Swanu's Moses Katjuongua and Swapo-D's Andreas Shipanga, were, until recently, militant nationalists with strong Marxist and Maoist leanings.

## Puppets

But their coalition with the DTA and the conservative whites in the National Party which, under the circumstances, has been a truly remarkable step towards national reconciliation, has cost them their credibility among many blacks to a point where they are now seen as South African puppets by many people.

Namibia's biggest immediate headache is its clumsy and unpopular ethnic ("own affairs") second-tier governments.

They are administrative and financial disasters which have developed into corrupt little empires.

In the eyes of many blacks, it is an excuse for whites to remain separate, to keep their schools exclusive and to wield most of the power through their financial muscle.

The Namibian experience also makes it clear that enough attention should be given to symbolism.

Many things in the life of the ordinary black man have changed fundamentally over the last decade and there is little chance that a Swapo government can improve their living conditions after "liberation".

Yet many blacks still feel enslaved and oppressed, despite the fact that they have a predominantly black government.

What they seem to need is a symbolic gesture or happening to release that emotional feeling of "being liberated".

A pressing question now facing Namibians, however, concerns leadership.

Many are now asking whether they can afford to do without the leadership qualities of the external Swapo leadership. The dilemma, in the South African context, is equally acute.



# Zimbabwe mining scheme could be Namibia model

The Star's Africa  
News Service

WINDHOEK — The Zimbabwean Government's policy of aid for small-scale mining ventures could be used as a model for future assistance to minor mineral producers in Namibia.

The Thirion Commission of Inquiry, which has recently submitted its report on State involvement and control over mining in Namibia, looked at the system in Zimbabwe when making recommendations for the future of the small-scale mining

sector in the territory.

A letter from the Zimbabwean Geological Survey Department to its counterpart in Windhoek in 1983 outlined several ways in which the Harare government helped small miners. These included:

- Free geological consultancy services. State geologists to help in mapping, sampling, mineral identification and other mining requirements.
- Processing of samples for assay purposes.
- Free reference library and the sale of official reports and

maps to any interested parties.

- The granting of loans to small producers to get them on their feet financially.

In his recommendations, Thirion Commission chairman Mr Justice Pieter Thirion said that the Namibian Department of Geological Survey should have its staff increased so that it could render a similar service to small-scale mines in Namibia.

Judge Thirion also suggested that a loan scheme, similar to that in operation in Zimbabwe, be introduced in Namibia but with stricter conditions.

1925 B DAY 221A  
**Mine defused in Namibia**

WINDHOEK — Security police at Tsumeb defused a limpet mine at a level crossing on Sunday.

SWA Railways Police Commissioner Heinrich Schutte said the explosive device, of unknown origin, was placed on the rail tracks. He doubted whether it would have exploded as it was old and rusted — Sapa.

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221A CAPT. TINKS 30/9/82

# De Beers denies 'stripping' Namibia's riches

Own Correspondent

JOHANNESBURG. — De Beers last night strongly denied claims made in a British television programme that the company was "secretly stripping" Namibia of its diamond wealth.

Televised on Monday night, Thames Television's award-winning investigative programme "World in Action" accused De Beers and its Consolidated Diamond Mines group of threatening the future of Namibia and its people by over-mining at

CDM's operation at Oranjemund.

It said De Beers feared the loss of generous concessions and power granted by SA.

In a statement released yesterday, De Beers said it was "completely untrue to allege that De Beers/CDM overmined and secretly exported diamonds in anticipation of Namibia's independence.

"At no stage has CDM conducted mining operations other than in terms of its mining lease, nor has it mined higher grade reserves to the detriment of the life of the

mine."

The British TV programme quoted former CDM manager Mr Gordon Brown and top Namibian businessman Mr Eric Lang to back the argument that if the alleged bleeding of wealth from Namibia continued it could create a human tragedy.

Mr Lang said that if Namibia received its independence without international aid, "we would have massive starvation — Namibia would turn into the Ethiopia of Southern Africa".

*S/Times 30/8/87 221A*

# Stepchild Namibia beats SA's growth

IN spite of prolonged political uncertainty, South West Africa/Namibia's economy has been growing more rapidly than South Africa's.

Namibia achieved a growth rate of 3.5% in 1986 and the forecast is 2.5% to 3% for the current year, say Department of Finance officials in Windhoek.

This welcome performance follows 10 continuous years of recession, in which the Namibian economy shrank by a cumulative 10%.

With most of Namibia's gross national product going into exports, the mining industry has been the key player in the territory's improved fortunes.

## Uranium

Rossing, the RTZ group's uranium producer, has made a vital contribution both to exports and Government revenues, thanks to the rand devaluation and to long-term uranium contracts at favourable prices.

Consolidated Diamond Mines, an offshoot of De Beers, is recommissioning plant shut down in 1982. The buoyant diamond market has spurred the reopening.

Diamond output will rise relatively slowly, says John Richards, executive director of CDM, because higher prices enable mining operations to revert to areas of greater overburden. The overall effect will be to extend CDM's life — now expected to continue at least until the end of the 1990s.

A go-ahead is also likely soon for the Anglo American group's gold prospect near Karibib in the north.

Tsumeb, the territory's other major mining concern, is suffering from a mixture of low base-metal prices, labour troubles and the high cost of inputs — for instance, coal which has to be railed from SA.

Namibia depends on SA for most of its imports. At present this is detrimental for goods such as sugar or

fuel, for which it has to pay well above world prices.

Windhoek economist Rainer Ritter says Namibian manufacturers have been refused import permits for German steel.

But Henning Snyman, of Swanlu, representative of farmers, says prices obtained in SA for Namibian beef more than offset the high cost of farm inputs.

## Good life

Farmers mention large purchases of game and cattle ranches by foreign investors, particularly Germans. Most farms have changed hands for R50 to R80 a hectare.

Last January, members of Namibia's Transitional Government met the SA Reserve Bank to seek a ban on farm purchases in Namibia through the financial rand. The result is that foreign investors in Namibia may now use only commercial rands.

According to Frankfurt banker Klaus Hoffmann, the Germans — they keep a low political profile in Namibia in spite of their strength in farming, trading and general business — believe that as long as SA remains entrenched on the Angolan border, they will be able to enjoy life in Namibia.

Should a Swapo government come to power, the Germans calculate that Bonn will build a large embassy in Windhoek, pour in funds and adopt the new state. Thus they believe they have an each-way bet.

SA farmers have also been setting up into southern Namibia where they can use the proceeds of their SA disinvestment to buy a spread two or three times as big.

Black economic activity is increasing.

Throughout Ovamboland there is substantial informal trading, some traders on their stalls under the maroela trees are said to net more than R300 a day. South African Defence Force spokesman says: "The Ovambo are the greatest capitalists

in Southern Africa".

In Katutura, the township bordering Windhoek, there is also considerable trading activity. Both the black-run municipality and the central government turn a blind eye to infringements of health regulations, and trading licences are relatively easily obtained.

Charles Truebody, of the Private Sector Foundation, says: "In the past six or seven years, there has been a major groundswell of black entrepreneurial activity".

Namibian politicians are aggrieved at what they see as Pretoria's abrupt decision to cut SA's grant in aid from R508-million to R308-million this year, after the higher figure had been published in the SA Budget estimates.

Namibia's Minister of Commerce and Mines, Andreas Shipanga, says: "They cut the grant because we did not toe the line."

Another setback for the Transitional Government's revenues was the absence of any increase in transfers under the Customs Union Agreement, although Pretoria lifted payments to members such as Swaziland and Transkei by 23%.

## Border posts

The explanation is that Namibia, although a de facto member of the Customs Union, is not independent and cannot demonstrate the amount of merchandise it imports because it has no border posts.

The question of border posts is being investigated. Department of Finance officials say there are 33 road or rail crossings into Namibia

Richard Rolfe reports from Namibia



and costs of a border service would be high.

But the number of people employed directly by the government is excessive, says Dr Ritter. He says that although Namibia has 42 000 public servants in the first and second tiers of government, the comparable number in Botswana, with its similar size economy, is less than half.

## Exceptional

Dirk Mudge, Namibia's Minister of Finance, says grant aid from SA will be treated as exceptional revenue rather than being relied on to meet general government outgoings. Mr Mudge thinks the economy is "going well" and regards the resumption of growth, along with continued scrapping of racial barriers, as the main achievements of the two-year old Transitional Government.

But Mr Mudge appears depressed by Namibia's inability to make sustained progress towards independence and, like many other Windhoek politicians, he fears that Pretoria may reimpose direct rule.

But he says: "I am not sure SA would be interested in repeating this mistake."

Although he thought until recently that Pretoria had in mind two years before full independence was granted, the time frame had now lengthened — "it seems remote at this stage."

SOLID Doors has won Cashbuild's annual Royal Suppliers Shield for best company sales growth measured against inflation. From July 1986 to June this year, Solid Doors increased sales to Cashbuild by

## Royal Solid

107%. In the same time average price increase of a little more than 3% was recorded.

# Struggle on to 'cut the wire'

221A

## SOUTH CORRESPONDENT

A LEGAL battle is set for court between more than 4 000 striking workers and the management of a mining company in northern Namibia with both sides frantically preparing court applications.

The entire workforce of three mineral mines owned by the Tsumeb Corporation Limited (TCL), downed tools at the stroke of midnight on Sunday, July 26.

The general manager of TCL, Mr Bob Mciring, condemned the strike as illegal while majority shareholders, Goldfields of South Africa, announced the dismissal of the striking workers.

The employees, who are mainly unskilled and semi-skilled migrant workers from Ovamboland, are refusing to consider themselves dismissed.

They have not handed in their identity cards nor have they drawn the wages owing to them.

The workers have submitted a list of 12 demands, which revolve mainly around wage increases, improved conditions and a policy statement from TCL management condemning the war being waged in northern Namibia.

The management have attempted to get a court application to have the workers evicted from the TCL hostels.

Legal representatives of the workers have prepared a counter-application to have the dismissed employees reinstated, claiming that the dismissals are illegal in terms of the conditions of the Employment Act.

While a stalemate position has been reached, however, the strike has shown that trade unions could become

a new force against South African domination of the territory.

The strike is the latest and largest in a rash of boycotts, demonstrations and work stoppages since Swapo revived the National Union of Namibian Workers (NUNW) last year.

On May Day this year NUNW organised rallies throughout Namibia attracted 35 000 of the country's 1.3 million people — the biggest demonstration in the country's history.

A two-month-old boycott of white stores preceded the current miners' strike. And in the past two months a wave of strike have rocked the Windhoek meat-packing industry and the lobster factories around the port of Luderitz.

Worker grievances, like those expressed in the current industrial unrest, have historically fuelled the na-

tionalist movement in Namibia.

The industrial and commercial union ICU, South Africa's first major trade union body, had a significant presence in the Namibian fishing industry and the docks of Walvis Bay in the 1920s.

The food and canning worker's union, one of the most militant and oldest unions in South Africa, was also very active in the fish-packing factories in the 1950s.

Even Swapo, recognised by the United Nations as "the representative of the Namibian people", has its roots in the country's labour conflict.

SWAPO was launched in 1960 out of the Ovamboland People's Organisation (OPO).

The OPO was formed specifically, although not exclusively, to fight for an end to the contract labour system the workers called "odalade" (the

wire) because of the way it bound them to one employer at extremely low wages.

In 1971 Swapo helped organise the historic massive general strike by 14 000 workers in 22 towns and 12 mines which won some reforms to "the wire" contract labour system.

The strike served as an inspiration for the huge strike wave which hit South Africa two years later in 1973, which in turn sparked the growth of the militant trade union movement.

The demands of the current Namibian miners' strike echo those of 1971 — an end to contract labour, better wages, freedom to choose where to work and where to live, and a right to a normal family life in the towns — and serve to reinforce the widespread view of SWAPO as a major factor in the struggle to "cut the wire".

*Deer*  
South 13-19/8/87

# High earnings at stake in fishing dispute

221A  
26/7/86  
Cape Times

By AUDREY D'ANGELO  
Assistant Financial Editor

INTENSIVE lobbying, and delicate negotiations, are in progress as fishing companies registered in South West Africa/Namibia but with head offices in Cape Town fight to retain lucrative quotas.

The quotas giving in-shore fishing rights in SWA/Namibian territorial waters expired last December, after 25 years, and were renewed for only one year.

Now the transitional administration in SWA/Namibia is preparing to make a decision about them, and fishing interests there are stepping up a campaign for a smaller share to be allocated to companies regarded as being controlled from SA.

The stakes are high, particularly as the quotas include those for lobsters which are exported to the US and Japan and paid for in dollars, as well as for pelagic fish.

Alex Römer, financial director of the Cape Town-based Oceana Fishing Group (Ocfish), which is part of the Barlow Rand conglomerate, said yesterday: "We have been involved in discussions."

Ocfish owns 54% of Sea Products (Seaswas), registered in Luderitz.

In the interim report for the six months to

March, the Ocfish directors forecast earnings of 130c a share for the current year, ending in September.

Of this, 35% is expected to come from Seaswas, which is forecast to earn 180c a share in the current year.

Römer stressed that Seaswas paid its full taxes in SWA/Namibia and provided employment there.

"It is only money paid in dividends which finds its way into SA."

## Taxes

The same point was made by the chairman of two SWA/Namibian-registered companies, South West Africa Fishing Industries (Swafish), registered in Luderitz, and Willem Barendsz (Willbarz), registered in Windhoek, Robert Silverman.

"They are registered in SWA/Namibia and pay their taxes there," he said.

"They are listed on the Johannesburg Stock Exchange and anyone can buy their shares, including people who live in SWA/Namibia as well as people living in SA."

The joint chairman of Suiderland Development Corporation, registered in Cape Town and with major interests in fishing, Dr P Neethling, said that the ball was in the court of SWA/Namibian officials, who were

in the course of deciding about the allocation of quotas at the end of the season.

"They have been having discussions with the SA authorities. I imagine there has been a fair amount of lobbying."

● Our Johannesburg correspondent writes that representatives of Flag — the Fishing Licence Action Group — visited Johannesburg this week for talks with lawyers.

It was planned to hold further talks in Cape Town today and tomorrow.

SWA/Namibian fishing industry officials say SA-controlled companies control 11 of 12 pelagic concessions, all three crayfish quotas and 92% of the hake quota off their coast.

They want a drastic redistribution giving SWA/Namibian fishing companies 80% of concessions between the Orange and Cunene rivers, and SA companies 20%.

They claim that the advantages enjoyed by SA-controlled companies has forced much of the local fishing industry out of business, with the loss of hundreds of jobs.

While they are prepared for SA-controlled companies to continue operating in Namibia, they insist it must be as junior partners in local fishing concerns.

R64m 6/3/87  
SWA <sup>DD</sup>  
mine? <sup>(221A)</sup>

WINDHOEK — The Anglo-American group is to make an initial investment of more than R64 million in the establishment of SWA/Namibia's first gold mine between Usakos and Karibib in the eastern central part of the territory.

The initial R64 million investment is to be used over the next few years for the formation of infrastructure, SWABC radio reported.

However, an Anglo American Corporation spokesman said in Johannesburg that no go-ahead had been given for a mine in the area.

The group said last year that a "preliminary appraisal" was under way. — DDC

... ..

# Namibia finds new cash source

WINDHOEK — Namibia had managed to obtain alternative finance to balance its national Budget after a R200m cut-back by SA, Finance Minister Dirk Mudge said yesterday.

He would not elaborate on the sources or nature of the funds.

*3/7/87*  
Mudge called a news conference to emphasise that the 7c petrol price increase in Windhoek from Wednesday had nothing to do with efforts by the transitional government to replace the revenue lost through the 40% reduction in aid from Pretoria.

— Sapa. (221A)



21.7.18  
3/Day  
**Cash leaking  
from Namibia**

**WINDHOEK** — Namibia's gross domestic investment was about 250% less than gross domestic savings, which indicated that large amounts of money were leaving the country, Finance Minister Dirk Mudge said yesterday.

According to a SWABC news report, Mudge said gross domestic savings of R972m were generated last year, but investments totalled only R382m.

It was essential that the territory progressed on the road to economic independence, which required sacrifices from everyone, Mudge said.

— Sapa.

(22/A)

*CPC-Telet 6/6/87*  
**Rossing shareholding 2214**

WINDHOEK. — Reports that Iran owned a 10% shareholding in Namibia's Rossing Uranium could not be confirmed or denied here yesterday. "It is Rossing's policy not to disclose the names of its shareholders or clients and any such information must come from the shareholders or clients themselves," a Rossing spokesman said of the reports carried by a local newspaper, The Namibian, and quoting a London Observer report of May 17.

# SA helps prevent the 'robbery' of Namibian fish

STM

221A

25/5/87

The Star's Africa News Service

WINDHOEK — If it were not for the international influence of South Africa, the "robbery" of Namibian fish resources off its coast would be even greater, says Windhoek's director of Sea Fisheries, Dr Jan Jurgens.

Addressing a meeting of the Wildlife Society in Windhoek on Wednesday night, Dr Jurgens said that member countries of the International Conference on South-East Atlantic Fisheries (ICSEAF) were cur-

rently pulling out 1,3 million tons of Namibian fish a year. And these figures were false ("lieg syfers"), Dr Jurgens said.

At any one time, there were between 150 and 200 foreign vessels catching fish within a 200-nautical-mile "economic zone" off the coast of Namibia.

However, these countries — including the USSR, Spain, Japan, West Germany, Poland, Bulgaria, Rumania, South Korea, Portugal, France and East Germany and South Africa — refused to recognise this economic zone off the Namibian coast, although it was common practice throughout the rest of the world.

Dr Jurgens said that without South Africa's input, this year's catch quota would have been 100 000 t higher than it actually was.

The estimated value of the fish caught in Namibia's "economic zone" was almost R900 million a year, said Dr Jurgens.

He said the Sea Fisheries Department in Windhoek operated two patrol boats and last year carried out 390 inspections of foreign vessels to ensure that correct fishing procedures were being followed.

221A 34487  
B/Day

## Namibia rethinks fishing issues

CHRIS CAIRNCROSS

CAPE TOWN — Namibian authorities are having to re-view the demands imposed on SA-owned fishing companies over pelagic and rock lobster quotas.

The demands were originally made to ensure that Namibians got a more meaningful and direct stake in the territory's marine resources.

The newly formed trust fund set up to handle the income from the 4 000 ton pelagic fish quota held for Namibian interests has also hit snags, with the three trustees appointed to look after its affairs resigning *en masse*.

No official reason has been given for their departure, but fishing industry sources in Windhoek surmise that they were unable to see eye to eye with the authorities' "confused thinking"

Pending the appointment of new trustees, it has become the responsibility of Namibia's Director of Sea Fisheries, Jan Jurgens.

A further difficulty is that the authorities cannot decide what to do with the income accruing to the trust. This year it will amount to at least R1,2m from the pelagic fish quota alone.

The administration apparently remains determined to see the Namibianisation of SA-owned fishing operations in the territory, but has been forced to backpedal on an original demand that the three companies with rock lobster quotas, two of which are listed on the JSE, make 30% of their issued share capital available to Namibians.

The demand is viewed with considerable concern, say sources within the companies concerned.

It is, however, an option that is being kept in the wings and could be brought centre stage unless the industry comes up with an acceptable alternative proposal within the next few weeks.

ST 12/14/87 (221A)

# THEY KILLING ENHANCED



Thousands of buck which do not fall to hunters' guns die of starvation because there is no grazing

## Bid to stem slaughter of game on farms in Namibia

**NAMIBIAN** game farmers hope to reap a grim harvest worth thousands of rands soon when hunters again flock to the territory's "killing fields". Once-rich populations of game have been decimated there by years of drought and overhunting.

The burning question, when the hunting season opens on June 1, will be whether the number of animals to be killed during the 90-day bloodletting can be controlled.

And hunters hoping for an illegal kill have been warned: "Roadblocks will be set up to monitor your slaughter."

"This season, permits will be checked and heavy penalties will be imposed on those breaking the law."

"The illegal slaughter has to stop," a senior conservation official said.

But farmers interviewed by the Sunday Times this week were unmoved by the warning.

"The department is full of nonsense," said a border region farmer's wife.

"We farmers don't like the way they are interfering," she said after offering me several heads of springbok outside the hunting season.

"How many do you want?" She said that she and her husband would "hire" their hunting licence to me after the season ended.

### FUNNEL OF DEATH

Tough new measures to halt illegal hunting were introduced after shock revelations last year that herds of oryx and springbok were being decimated in illegal slaughtering fields' created

## of game on farms in Namibia

### Special report by SYBRAND MOSTERT

Directorate of Nature Conservation in the country.

Conservation officials had found herds of starving oryx fenced in on private land, waiting for the hunters' bullets.

The game had been illegally lured from State property to private land.

Mr Joubert said the oryx and springbok herds roamed freely on State property in the proclaimed Nos 1 and 2 diamond areas.

These two areas fall in a 600km-long and almost 100km-wide protected stretch which runs along the coast north from the border with South West Africa.

Hunting is not allowed in this coastal area and game which strays on to private land can legally be claimed as the property of the farmers.

"Due to the drought and hard economic times many farmers illegally lured the herds on to their land," he said.

Some farmers had constructed watering holes close to border fencing and placed salt licks next to the fencing to lure game over the line.

bakkies, they would pluck game off at their leisure.

Mr Joubert said conservation officials could not estimate for how many years this slaughter had been taking place.

It is also difficult to say how many farmers were involved. We know of three, but suspect that many more were involved.

The hunters had come from all over South Africa, and the meat was usually taken back to South Africa, as were the heads of the slaughtered animals as "trophies".

Ironically, he added, game hunted in this way which managed to escape the rifles faced almost certain death by starvation.

"The grazing on State land is good. But on a lot of the farms there is no food whatever."

Unable to cross the fences back into State land, herds of game died of starvation.

Mr Joubert said conservation officials had once found a herd of 500 starving oryx trapped on a farm.

The farmer refused to sell the game as he



A grim harvest... horns, hides and birds confiscated at police roadblocks

Pictures: HANNES SMITH

Cont.

12/4/87 221A

by elaborate fencing systems which forced animals into a "funnel of death".

Advertisements have been placed in South African magazines by game farmers inviting hunters to shoot thousands of head of game on their farms — a process over which conservation officials admit they have little control.

But this will be the first time formal control over the number of animals to be shot will be exercised by the State in a vast area where informal counts estimate that the game population has dropped in the south-western region from 52 000 to 12 000 in five years.

Conservation officials emphasised that they were not acting against legal, controlled hunting but were only out to stop the illegal, uncontrolled slaughter.

"The slaughter is a slap in the face for South West Africa," said Mr Jan Joubert, chief liaison officer for the

Gates had also been built into the fence, and in some cases entire sections of the fencing dropped.

"We found places where funnels — two converging fences running over two or three kilometres had been built.

"The opening, which was about three kilometres wide, would face on to the fence separating the farm from State ground, and the border fence would be dropped to allow game to get onto the farm.

### INVITED GUESTS

"When enough game — we are talking about up to 500 animals — were on the farm they would be driven through the funnel, which narrowed down to a three-metre gap.

"The farmers and his invited 'guests' would be waiting at the gap.

"Then, standing on their

hunters would arrive before the animals died of starvation.

### WIDER POWERS

"Ninety-nine percent of the farmers see the game as a valuable economic unit which must be looked after."

But there is hope for the herds of South West Africa.

After an international outcry when the death camps were publicised by a Windhoek newspaper last year, new legislation was rushed through to give conservation officials wider powers to stem the slaughter.

"Previously our hands were tied as the game legally belonged to the farmer, but now we can act," Mr Joubert said.

Before the new legislation, hunters were allowed to kill as much game as the farmer granted them.

All that was needed by the hunter was a letter from the farmer stating that he had received permission to shoot on the farm.

There was no limit to the number of animals shot.

With a price of between R50 and R300 a head of game at stake, some farmers had been only too happy to sign herds of game

away to oblivion.

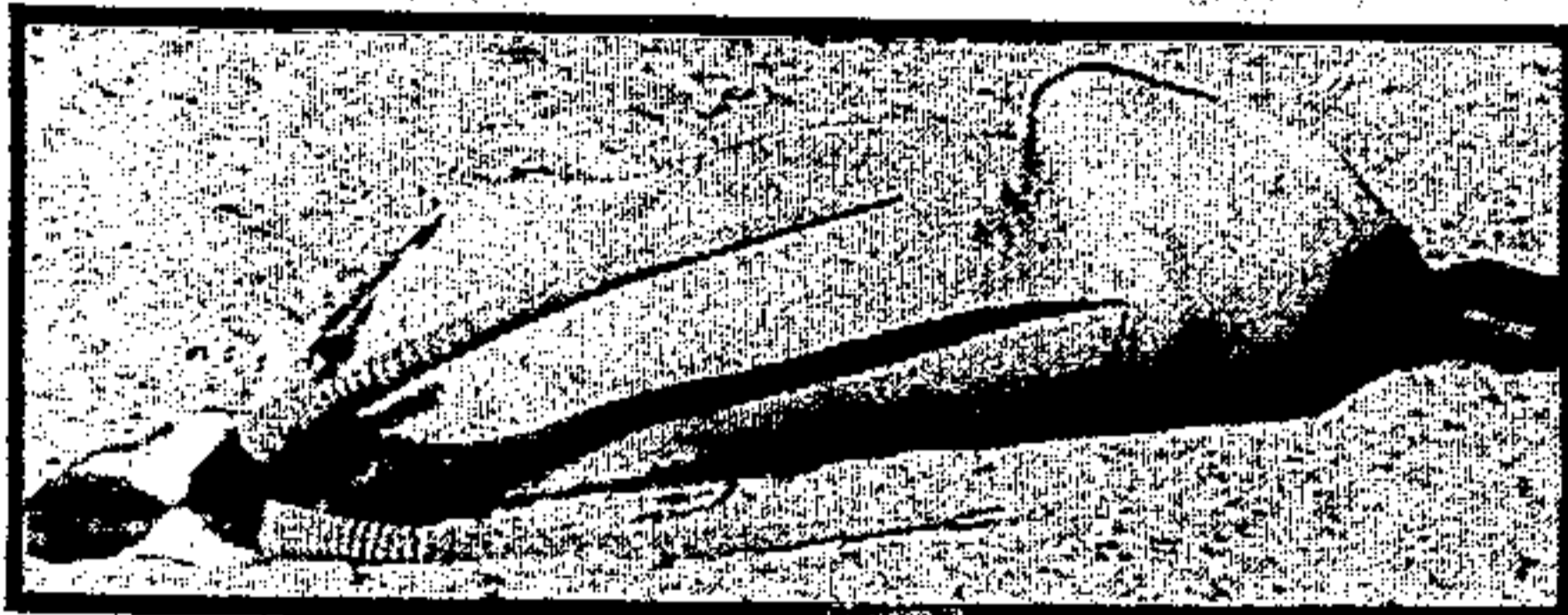
It was estimated that one farmer — whom conservation officials know — lured State game onto his farm and into the death camps illegally — made nearly R500 000 in one hunting season.

Exact how many head of game died in the camps is under dispute.

According to Dr Theuns van Wyk, of the Department of Nature Conservation, the count of 12 000 gazelle in the two diamond areas this year is accurate.

Under the new law, funnels have been outlawed, fences are mandatory and hunters will now be forced to obtain a permit from nature conservation for the amount of buck they are allowed to slaughter.

Control of the number of animals slaughtered will now pass out of the arbitrary hands of the farmers into those of nature conservation — if the new permit system can be implemented effectively.



Buck trapped on a farm — 40 000 were killed in five years

quarters in Wynberg.

*Cape Times 3/4/87 221A 216*

# Namibia diamonds plan

WINDHOEK. — A mining expert from Cape Town, Gordon Brown, has proposed a comprehensive package deal to the Namibian transitional government for marketing the territory's diamonds.

In terms of the proposal an additional R30m income would be produced on annual sales of R400m of the Oranjemund gemstone production in southern Namibia.

Brown said in a statement here yes-

terday that the formal written offer, submitted on February 18, included the establishment of a Namibian-controlled diamond valuating company initially staffed by diamond sorters from Europe.

On Monday this week, CDM (Pty) Ltd announced that Namibia's diamond sorting and valuation would be moved from Kimberley, where the facility had been since 1934, to Windhoek in 1989 at an estimated cost of R10m.



# SWA fishing quota trust flounders

3/13/87 Bl Day 221A

CAPE TOWN — Efforts by the Namibian administration to set up a trust company to handle the 4 000t fishing quota granted to the territory's independent commercial fishermen have hit troubled waters.

The three independent trustees appointed to handle the trust's affairs have summarily resigned.

No reasons have been given, but Windhoek sources surmise it must be connected to fundamental problems over the way in which the trust is supposed to operate.

This is given currency in that no finality has been reached on how the quota is to be handled, processed, and financed; or where stocks are to be held — even though the

CHRIS CAIRNCROSS

1987 season is already in full swing.

The supposition is that those SA fishing companies which have a presence in Namibia — and the only facilities to process any fish caught in the territory's waters — will be called upon at some time to tender for the job of processing and selling this quota.

But no decision has yet been made on this question, with all parties concerned kept in the dark.

The administration has also still to decide on how far it is going to press for the "Namibianisation" of those fishing operations held by SA interests.

Initially it had stressed that earnings made out of harvesting a Namibian resource should be held within the territory and invested in other ventures in SA.

It also said the companies concerned must move their operations from the SA enclave of Walvis Bay to Windhoek.

The storm of protest these proposals evoked have, apparently, forced the politicians in Windhoek to think again.

But how far they are now prepared to back-pedal is still unclear.

The Namibian Cabinet is due to meet today or tomorrow and the concerns of the fishing companies are said to be one of the hot issues on the agenda.



# Gem operation moves to SWA

221A B/Day 31/3/87

**WINDHOEK** — The sorting and valuation of diamonds mined at Oranjemund in southern Namibia by CDM (Pty) would be transferred from Kimberley to Windhoek in 1989, CDM said yesterday.

It was estimated the total cost of the move would be R10m.

CDM said the transfer had been decided on after consultations between the company and the Namibian transitional government.

The new operation would be accommodated in a CDM Windhoek building which had been planned for sorting and training activities.

Oranjemund's diamond production had been sorted and valued in Kimberley since 1934, together with diamonds from other mines, for sale through the De Beers-controlled Central Selling Organisation (CSO) in London.

"Particular care will be taken to ensure the present high level

of expertise continues to be applied to the sorting and valuation of CDM's diamonds, which are of superior quality and value," the statement said.

The sorting in SA of diamonds from Namibia had come under severe criticism in recent years, particularly in evidence before the Thirion Commission of Inquiry into alleged malpractices in the SA controlled territory.

In its statement, CDM said the Namibian transitional government had indicated it wanted to

appoint its own independent diamond evaluator.

Initially, the new arrangement would mean that experienced diamond sorters would be seconded to Namibia while residents were being recruited and trained to take over the task.

□ The Namibian transitional government would embark on a world-wide search for a diamond expert to check and evaluate gemstones, the Department for Economic Affairs said in Windhoek. — Sapa.

NAMIBIA

## Cracking the whip

Namibian moves towards greater economic independence are sending shock waves through the boardrooms of several South African companies. Fishing concerns stand to be the hardest hit, but De Beers also stands directly in the firing line.

On the fishing front, it seems that the transitional government is tired of watching millions of rands flowing out to SA each year. Between 1960 and 1985, South African fishing companies are estimated to have made some R800m (at 1975 prices) in after-tax profits from fishing off Namibia's coast.

Now Windhoek has put its foot down and is insisting that at least some benefits are ploughed back into the economic development of the country.

Accordingly, from January 1 pilchard quotas granted to South African companies were chopped — from 91% of the total allowable catch they had held for 25 years, to 66%. Namibian companies, such as Consortium Fisheries, have received more favourable treatment.

With SA taking the major share, the industry's GDP contribution in 1985 was a mere R36,8m (1,4% of the Namibian total) and the tax take amounted to R6,7m in the year to March 1986. The main reason for the low figures is that Walvis Bay — where most catches are delivered and processed — falls under SA.

Bottom line profits of South African companies are likely to be affected by the new quota regime — so much so that SWA

Fishing Industries (Seaswa) has warned shareholders of a possible "substantial reduction in the company's income from both our pelagic and lobster fishing operations."

Namibia has been able to move on the fishing issue because in December 1985 the concessions granted to a number of companies expired. The agriculture department's Directorate of Sea Fisheries decided to investigate and the concessions were extended for a year to allow time for a study by consultants under director Jan Jurgens.

The upshot is a new dispensation, effective from January 1, which gives the transitional government the right to allocate Namibia 86% of the total allowable catch and SA 14%.

At the same time, the concession period has been cut to seven years for pilchards and five years for lobster. Further, quotas awarded to individual companies will be carefully worked out on an annual basis to take account of each firm's contribution to Namibia's economy.

"Those giving something back," explains Jurgens, "will be dealt with more favourably." Criteria include investment, job creation, training and employee benefits such as medical aid and pensions.

On the mining side, De Beers and diamonds are likely to be next on the list. Official consideration is now being given to the report of the Thirion Commission of Inquiry into diamond mining, which found that inadequate income tax was paid as most development and exploration costs could be written off against profits. It also found that there had been over exploitation of diamond reserves.

Consolidated Diamond Mines (a subsidiary of De Beers with a monopoly of diamond mining in the country) rejected the commission's findings.

Thus the next step in the diamond saga is still awaited, but transitional government finance secretary Johan Jones stresses that there is no "Namibianisation" programme as such. Nor, he says, is there any hostility to South African companies' investments in the Namibian economy.

Jones says an inter-departmental committee is drawing up a White Paper on mining strategy and on the Thirion Commission recommendations. This is likely to be submitted to government by June and will include findings on "whether Namibia and the government is getting its fair share of mining activities."

But "fishing is an exceptional case as all companies but one are South African. Mining is different as the amount of capital investment required is so large that we recognise the need for outside involvement," he says.

Fundamentally, however, old perceptions are dying. As Jurgens says: "We are no longer regarded as a fifth province — and systems must change."

For some South African companies, it means the long and easy ride in Namibia is finally over. ■

FM 27/3/87

# Namibia clamp on SA firms is welcomed

By JEAN LE MAY

PROFESSOR Wolfgang Thomas, former professor of economics at the University of the Western Cape and now Western Cape director of the Small Business Development Corporation, has welcomed the Namibian transitional government clampdown on South African and foreign companies operating in Namibia.

"It is a very good move, particularly as far as the fishing companies are concerned," said Thomas, an expert on the Namibian economy.

"There is little doubt that the fishing companies have been extremely opportunistic over the years.

"I have long recommended the development of a genuine Namibian fishing strategy, giving sufficient scope to Namibian shareholding in all major fishing and fish-processing companies, to be combined with a long-term national industrial development strategy".

Roger Hulley, PFP spokesman on Environment and Water Affairs, said there was no doubt the Namibian fishing resource had been "hammered, both inshore and internationally."

"One of the problems is that it is impossible to enforce the 300-kilometre limit and there is a free-for-all out there, with foreign fishing fleets competing for a dwindling resource."

The transitional government has made it clear it expects the South African-based fishing companies to plough a proportion of their profits back into the country's economy.

The new catchword, "Namibianisation", and the cuts in fishing quotas to subsidiaries of South African groups has particularly alarmed three fishing companies — William Barendz, South West Africa Fishing Industries (SWAFISH) and Sea Products SWA (SEASWA).

Shares have come under pressure on the JSE and all three companies have warned shareholders to exercise caution.

They said a reduction in their fishing quotas imposed by the Namibian authorities could lead to a decline in the companies' incomes.

The new policy was tantamount to nationalisation and the reduction of quotas could lead to a loss of jobs.

# Namibia bans farmland bargains

## Stals: SA won't follow curbs on foreigners

By BARRY STREEK and JANE ARBOUS

SOUTH AFRICA is unlikely to follow Namibia's ban of the use of the weak financial rand by foreigners to buy up farmland at bargain prices, the Director-General of Finance, Chris Stals said yesterday.

Stals said there was no reason to change "at this stage" the South African 50% commercial rand/50% financial rand formula which was introduced a year ago for overseas buyers.

He believed that the Namibian move was an effort to encourage development as many of the farms there were left unproductive and used for hunting only.

### Millions poured in

The interim government cabinet said in a statement that the reason for the decision was "to eliminate unfair competition in which inhabitants of the country find themselves in comparison with foreigners using the aid of the financial rand for the purchase of farmland.

"In practice, foreigners were placed in a position to make use of the financial rand for as much as 50% of the purchase price of farmland."

In SA foreigners have poured in millions of rands to take advantage of the

weak position of the financial rand to buy property, listed securities and businesses.

### Historic farms

In the Western Cape, historic farms, such as Wilde Paardejacht and Deneguer in the Klein Drakenstein area and Neetlingshof in the Stellenbosch area, have been sold to foreigners in recent years.

The system here has been criticized because of the advantage it gives to foreigners over local investors.

The Namibian decision is, however, the first move taken in Southern Africa to counter the negative effects of the financial rand practice.

The Namibian cabinet said it had decided that in principle it would be its policy "not to allow foreigners to use the financial rand for the purchase of farmland, but that the financial rand may be used for the erection of fixed improvements on farmland owned by foreigners".

Applications for the purchase of farmland by foreigners would also be considered against the background of this policy by a committee of expert officials from various government departments.

Exceptional cases would be referred to the cabinet, the statement said.

## DINGS

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### RESULTS

Dings Limited for the financial

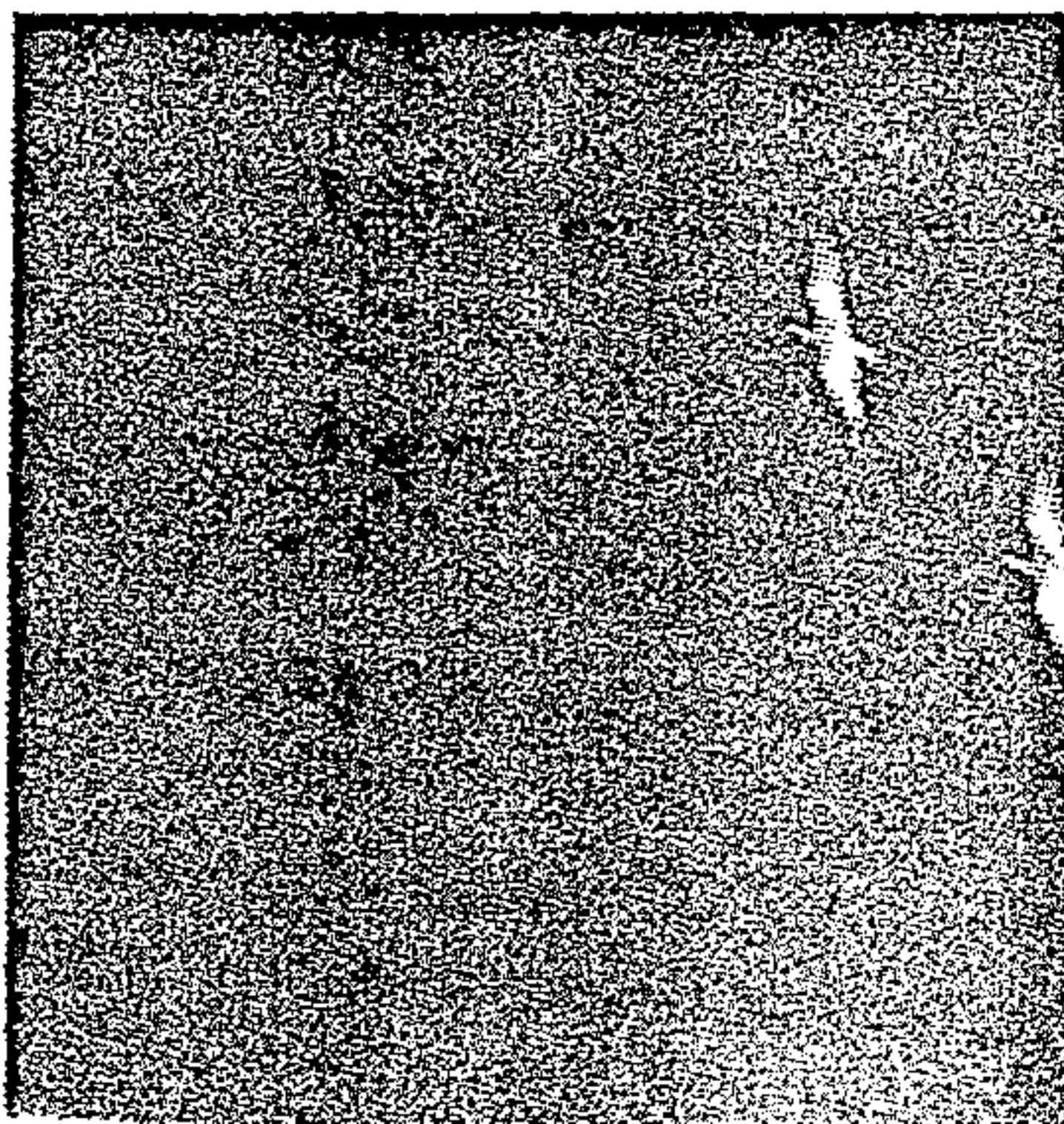
10 months to 31 December 1988	12 months to 28 February 1988
R'000	R'000
160 770	18 742
20 206	1 299
3 900	335
16 306	964
3 019	188
13 287	776
470	-
12 817	776
210	250
12 607	526

## Closing gold prices

(In \$ an ounce)

LONDON:	ZURICH:
405,00-405,50	403,00-406,00
Fixing am: 404,85	
Fixing pm: 405,00	

— Reuter



OPIC Trade 7/3/87

# The fight is on for Namibian businesses

221A

*South African companies are gearing up to cope with Namibian demands that some of the profits from the area's natural resources are to be ploughed back.*

From BRIAN JONES

WINDHOEK. — "Namibianization", the new catch word of Namibia's transitional government (TG) when it comes to exploitation of the territory's natural resources, is unlikely to seriously disrupt South African companies.

But the initiative appears certain to gain momentum following this week's developments in the fishing industry.

Ministers have been dismayed at the extent to which profits, taxes and investment have crossed the Orange River or gone overseas.

Four of the main sectors which concern the TG are fishing, mining, insurance and agriculture; and the government has made it clear that it expects South African and foreign companies operating in Namibia to plough back into the territory's economy something of what they take out.

But while Namibia is "trying to get some benefit from its own resources," as one official put it, South African companies are worried that the new policy will affect their operations in Namibia.

## cautioned shareholders

Reaction to "Namibianization" by three South African fishing companies operating in Namibian waters led to their shares coming under pressure on the JSE this week.

Willem Barendsz, South West Africa Fishing Industries (Swafish) and Sea Products SWA (Seaswa) cautioned their shareholders to exercise care in their dealings.

They said a reduction in their fishing quotas imposed by the Namibian authorities and other restrictions could lead to a decline in the companies' incomes.

Fishing companies said Namibia's new fishing policy was tantamount to nationalization and the reduc-

**Oceana**  
**will**  
**rather**  
**pay tax**

OCEANA Fishing Co CEO Walter Lewis has suggested to Namibia's director of sea fisheries, Jan Jurgens, that fishing companies should be charged 54% tax, instead of the present rate of 44%, and the extra 10% put into an industrial development corporation.

"I think that would be fairer than trying to get us all to compete to show who is doing the most for the country," he said yesterday.

"It is impossible for us to plough all our profits back into SWA/Namibia, because we have shareholders — some of them pensioners — who expect a fair return.

"Without a fair return, SWA/Namibia cannot expect continued foreign investment in the country."



Walter Lewis ... "shareholders expect a fair return".



Andreas Shipanga ... "not helpful to utter threats".



Pieter Neethling ... "quota is a privilege".

## Fish quota cuts don't bother KK

By AUDREY D'ANGELO

CUTS in the fishing quotas awarded by the Namibian authorities this year to subsidiaries of groups based in Cape Town have not distressed Pieter Neethling, joint chairman of Kaap Kunene.

Once a public company, Kaap Kunene — which employs nearly 800 people in Namibia — is now

back a more substantial proportion of profits into uplifting the Namibian communities.

Neethling said yesterday: "Fishing is still our main business and our quotas this year are not as big as they were in the past.

"But a quota is a privilege, not a right, and if we are given one at all we should be thankful. We are not complaining."

In the past three years his company has built three community centres at Katutura, Khomasdal and Luderitz, at a total cost of more than R600 000, and a fourth is under construction.

The company also runs a feeding scheme offering 2 000 meals a day to toddlers and schoolchildren from needy families and delivers food parcels to elderly and handi-

210

Lewis said the Oceana group's subsidiary Sea Products SWA (Seaswa) had done a great deal to improve life for its employees.

Seaswa, South West Africa Fishing Industries (Swafish) and Sarus, a private Namibian company holding a large quota, had together spent about R400 000 on housing in the past three years, he said.

Seaswa and Swafish have had their quotas of pelagic fish and rock lobster drastically cut by the Namibian authorities this year.

Lewis said the fishing industry in Namibia was now in a confused state. It was, for instance, not clear what arrangements would be made for the quota of 2 800 tons of fish allocated to private fishermen to be processed.

Shareholders were bought out by the Neethling and Du Preez families more than three years ago with the explanation that a private company could plough

He said he thought it was important to 'give something back to Namibia and I think we have done a tremendous amount for the country and the people.'

Neethling believes the private sector should do more to uplift disadvantaged communities in South Africa as well as in Namibia.

# 'Namibianization' not a threat

INSURANCE giants Old Mutual and Sanlam, diamond mining company CDM and Anglo American Corporation of SA are not worried by the prospect of 'Namibianization'.

Old Mutual and Sanlam both said they had already ploughed millions of rands back into the Namibian economy.

A spokesman for Anglo said it had spent nearly R10 million on prospecting in the Navachab farm area but the results of a feasibility study would not be known until September.

"Until we have a gold mine to talk about, it does not make sense to discuss a purely speculative suggestion that it might be 'Namibianized'."

A spokesman for CDM, a wholly owned De Beers subsidiary, said: "No policy of Namibianization has been announced and we are not afraid of nationalization by this government — its official policy is to encourage private enterprise and a free market economy."

"Our diamond mine at Oranjemund — an old-established one dating back to 1920 — is the only one operating but we spend about R15 million a year on prospecting."

He said the company employed about 5 000 people, nearly all Namibians.

"The only South Africans or foreigners we employ are those with skills not available in Namibia."

"But we do not just sit waiting for Namibians to develop these skills. It is long established policy to employ Namibians whenever possible and we give bursaries and run training schemes."

Mike van Greunen, GM (individual life) of Old Mutual, said that, with a market share of 50%, it was by far the biggest insurer operating in SWA/Namibia.

It had decided late last year to issue all future policies sold in the territory in SWA/Namibian currency.

Continued on page 17

Current Namibian Cabinet Chairman, Mining and Economic Affairs Minister Andreas Shipanga, said he was surprised at the reaction by the fishing companies. He said there was no intention to chase South African companies away or to nationalize them, but if the fishing companies "feel threatened by Namibians wanting a stake in our own marine resources, that is their own indaba."

## Genuine grievances

"If they want to blackmail this government by saying they will have to fire workers then we view that in a serious light. It is not being helpful to utter threats," Shipanga said.

He added that if the companies have genuine grievances they should have approached the Namibian government to discuss them.

Shipanga said the South African companies were probably also reacting to the fact that a 4 000-ton pelagic fish quota had been given to a newly formed Namibian public company while Willem Barendsz was refused a quota and those of Swafish and Seaswa were reduced.

The aim of the new company was to give ordinary Namibians the opportunity to acquire shares and derive some benefit from the fishing industry.

Director of Sea Fisheries, Jan Jurgen S, reiterated that there was no intention of nationalizing the fishing industry, but added that the government would examine the extent to which companies reinvested in Namibia, employed Namibian staff and trained local people.

Continued on page 17

Continued from page 15  
pointed out that in some cases crews were not up from Cape Town denying employment to plans or fishermen in the SA enclave of Walvis Bay. Shipanga was reluctant to provide details of future measures as these were still prepared in a Government White Paper based on findings of the Thirion Commission of Inquiry into the fishing industry. It is clear, however, that action will be taken to ease the amounts flowing to the Namibian state as from mining. The commission accused the CDM Diamond mining subsidiary of De Beers of overmining, said certain companies were guilty of transfer pricing and recommended various changes to mining tax legislation which would increase Treasury revenue. In his budget speech last year Finance Minister Dirk van der Merwe said the government hoped the White Paper would lead to a more responsible mining policy in which will ensure that the country will not only enjoy full benefit of its mineral resources, but will also be able to determine the extent of its mineral reserves to promote a stable and expanding mining industry.

gain prices. Many of these farms are left unproductive and used for hunting only. The Cabinet announced this week that foreigners would no longer be able to use the Financial Rand to purchase land in Namibia, in order to eliminate unfair competition with the inhabitants of the country. Shipanga commented that although the government owned land reform it did not propose to appropriate nationalise farmland.



"By taking this step, we will have to cover liabilities brought about by such policies by building up assets in the territory.

"Old Mutual is already a meaningful factor in the economic life of the territory.

"In the year to June 30 the society generated a total cash income of some R32m for residents of the territory.

"The greater part of this — R21m — was in the form of benefits paid to policy-holders.

"Although Old Mutual has been under no obligation to acquire assets in the territory, it has invested about R80m there over the years.

"These investments are mainly in government stock, properties and local companies."

Van Greunen said Old Mutual realised that independence for SWA/Namibia was inevitable and wanted to carry on business in an independent state.

"We have been doing business in SWA/Namibia for some 65 years and realise that enormous challenges lie ahead, but also see the possibility of a great future."

A spokesman for Sanlam said it had an extensive presence in the territory and had invested in many areas including property, loan mortgages and government securities.

Jurie Wessels of the Life Offices Association said it would be easier for insurance companies to invest in SWA/Namibia than in the independent countries such as Transkei and Ciskei because there was more industry there.

He pointed out that in some cases crews were brought up from Cape Town denying employment to Namibians or fishermen in the SA enclave of Walvis Bay.

Regarding mining, Shipanga was reluctant to provide details of future measures as these were still being prepared in a Government White Paper based on the findings of the Thirion Commission of Inquiry into the Mining industry.

It is clear, however, that action will be taken to increase the amounts flowing to the Namibian state coffers from mining.

The commission Accused the C D M Diamond mining subsidiary of De Beers of overmining, said certain companies were guilty of transfer pricing and recommended various changes to mining tax legislation which would increase Treasury revenue.

In his budget speech last year Finance Minister Dirk Mudge said the government hoped the White Paper would "Lead to a more responsible mining policy which will ensure that the country will not only enjoy the full benefit of its mineral resources, but will also be able to determine the extent of its mineral reserves and to promote a stable and expanding mining industry."

Mudge also hinted at moves aimed at insurance companies and similar organisations, saying the government also wanted "To mobilise surplus funds in the economy of S W A/ Namibia and to see to it that they are applied locally as far as possible, by gradually taking the necessary steps to bring about a greater degree of domestication of financial institutions."

Shipanga said the government did not want to dictate to insurance companies "But they make their money here and take everything out leaving only petty cash."

He pointed to the example of Old Mutual which last year decided that premium income from policies would not go to South Africa but would remain in Namibia, resulting in investment of millions of rands.

The Transitional Government has for some time been concerned at the ease with which foreigners have been able to take advantage of the exchange rates and the Financial Rand to snap up Namibian farms at bargain prices.

Many of these farms are left unproductive and used for hunting only.

The Cabinet Announced this week that foreigners would no longer be able to use the Financial Rand to buy farmland, in order to eliminate unfair competition with the inhabitants of the country.

Shipanga commented that although the government favoured land reform it did not propose to appropriate or nationalise farmland.

# Anglo plan for Namibian gold mine?

CAPE TIMES 6/3/87

21A  
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JOHANNESBURG. — The Anglo-American group is to make an initial investment of more than R64 million to establish Namibia's first gold mine on Navachab farm between Usakos and Karibib in the eastern central part of the Territory, SWABC radio news reported in Windhoek yesterday.

The Chairman of the transitional Cabinet, Mr Andreas Shipanga, visited the site yesterday and was informed of Anglo-American's plans by company officials who accompanied him.

## 200 jobs

The initial R64 million investment is to be used for the formation of infrastructure, creating 200 jobs immediately.

Anglo-American has spent nearly R10m on prospecting in the area in the last two years.

The Secretary of Water Affairs Pedro Maritz said earlier that his department was planning and designing a R30m water supply network to be used for mining the gold ore.

Water requirements for the new mine were estimated at 3m cubic metres a year.

However, an Anglo American Corporation spokesman said in Johannesburg yesterday that no go ahead had been given for a mine in the area.

## Shallow deposit

It was announced in the group's annual report last year that a "preliminary appraisal" was under way, and initial indications pointed to a small, low grade, shallow gold deposit.

A feasibility study is now in progress to assess the economic viability of the deposit and should be complete by September. Any decision on whether to proceed will be taken then. — Own Correspondent and Sapa

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A LONG-TERM "Namibianisation" process was the result of local dissatisfaction with the lack of benefits put back into the territory's economy, a senior government spokesman in Windhoek said yesterday.

# Namibia wants greater benefits

S/3/8/1  
221A  
B/Day

But at present there were no concrete plans by government to enforce such a process, Finance Secretary for Namibia Dr Johan Jones said.

Jones was commenting on reports from Windhoek that far-reaching steps would effectively nationalise the country's fishing industry and were part of an attempt by the transitional government to domesticate economic resources.

Sapa reports the Namibian transitional Cabinet has decided not to allow aliens to use the financial rand to buy farms in the territory.

This was to eliminate unfair competition against inhabitants, since the use of the financial rand allowed foreigners to

## DIANNA GAMES

pay in effect as little as 50% of the real purchase prices of farmland, the Cabinet said.

The financial rand would still be used for the construction of improvements on farms owned by foreigners.

The Namibian government was reportedly examining the extent to which companies reinvested profits and employed and trained local staff.

Jones told *Business Day*: "There is pressure from the people who feel that the country should get the benefit of our

● To Page 2 →

# Namibia wants greater share of own assets

own industry. This means 'Namibianisation', but not nationalisation."

But, he said, it was a low-level exercise to localise many areas in which SA dominated the economy, such as fishing, mining and insurance.

Namibia owned 86% of the fishing resources off the Namibian coast but derived minimal benefit from this, Jones said.

He said all insurance companies in Namibia were SA-based and only one had introduced a Namibian policy.

Regarding the mining industry, he said the amount of capital required made it very difficult for "anyone to get a foot in

the door". ← ● From Page 1

In 1983, minerals constituted more than 88% of all the territory's exports and 27% of its gross national product (GNP).

Sanlam MD Pierre Steyn confirmed yesterday the company had an extensive presence Namibia. But he said such a process would not apply to Sanlam as it had invested in many areas of the economy, including buildings, loan mortgages and government security, and had local people employed in its operations.

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Fears of nationalisation

# Storm over Namibian fishing move

B / Day  
4/3/87  
22/A

CHRIS CAIRNCROSS

NAMIBIAN authorities are taking far-reaching steps which will effectively nationalise the country's fishing industry, signalling a renewed effort on the part of the transitional government to domesticate economic resources.

Windhoek correspondent BRIAN JONES reports that financial interests in the fishing, insurance and mining sectors could be affected in coming months.

Yesterday, a major storm over Namibian fishing quota issues was gathering as SA fishing companies reviewed what they saw as Namibian attempts to effectively nationalise assets or, at least, the operations of SA companies active in the area.

Although the row initially occurred between the companies concerned and the Namibian authorities, the issues involved are potentially detrimental to relations between the SA government and the Namibian Cabinet.

Namibian Mining and Economic Affairs Minister Andreas Shipanga said last night his government had no intention of driving away SA fishing or mining companies but "our people must also have a stake in the country's natural resources".

SHARE PRESSURE

THE share prices of Willem Barendsz, South West Africa Fishing Industries (Swafish) and Sea Products SWA (Seaswa) came under pressure yesterday after the latest reshuffle of pelagic and lobster fishing quotas by Namibian authorities.

Moreover, the chairmen of the three companies have cautioned shareholders to exercise care in their dealings.

They say that at this stage they are unable to quantify the financial effects of the latest developments in Namibia.

He said his government was considering forming a Minerals and Energy Corporation through which the "man in the street could acquire shares".

Namibian Sea Fisheries' director Jan Jurgens said there was no plan to nationalise the fishing industry but government was examining the extent to which companies reinvested in the territory, employed Namibian staff and trained local people.

Jurgens said: "Namibia owns 86% of the fishing resources off the Namibian

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P.T.O.

B/Day 4/3/87

# Namibian fishing storm

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From Page 1

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coast and we want to derive some benefit from it."

The row seems set to bring into question the status of Walvis Bay, the SA-owned port from which most fishing operations are conducted. This would lead to government involvement at the highest level.

An SA fishing executive said yesterday the demands "boil down to a de facto form of nationalisation", in that companies were being pressured to move their local offices to Windhoek, from Walvis Bay, and replace their SA staff with Namibians.

As well, part if not all of the profits earned from their fishing activities must be ploughed into other ventures in Namibia.

In what is seen as a direct threat to SA companies retaining fishing rights, the Namibian administration has apparently warned companies they will be issued with a list of pre-conditions covering the quotas granted which they will have to strictly abide by.

Major multi-million-rand investments — including a R40m canning factory at Walvis Bay — have been put on the line as a result of the uncertainties surrounding these demands.

The seriousness of the situation burst into the open yesterday when two of the quoted fishing groups — Willem Barendsz and Sea Products (SWA) — found it necessary to issue a warning to shareholders, published in several newspapers yesterday, that their earnings could be affected and caution should be exercised in their share dealings.

Walter Lewis, MD of the Oceana group which has a controlling interest in Seaswa, said yesterday the decisions by the Namibian authorities were incomprehensible, had left everything hanging in the air and were certainly likely to

discourage other foreign companies from investing in the territory.

At this stage all the company could do was to "hang in there and wait for matters to crystallise".

Government sources in Cape Town confirmed yesterday the problems facing the companies had come to their notice and were being investigated.

A source said it was a complicated and extremely sensitive situation which had not progressed to a level where any interchange had occurred between the two countries.

Serious differences between Namibian interest groups and SA fishing companies, which have traditionally operated in Namibian waters over many years, came to the simmer last year when the issue of allocating fishing rights came up for review.

The main contention from local interest groups was that Namibia marine resources must be used for the benefit of the country, and were not there to be "given away" to foreign companies.

The retort from SA fishing companies was that they paid taxes in Namibia, had Namibian shareholders and a substantial amount of their profits earned from fishing were retained in the territory.

The Namibian authorities announced 86% of the 1987 quota rights in December, with SA fishing interests facing sharp reductions in their allocations, or none at all in the case of one company — Willem Barendsz, which was previously a quota holder — while Namibian interests, which have yet to form a company, were granted a quota for the first time.

It was left to the SA authorities, after an agreement with Namibia, to allocate the remaining 14%. These were granted last week.

## AIRLINE MOVEMENTS

Johannesburg to Cape Town			2215	2315	SA592	East London to Johannesburg		
Dep	Arr	Flight	Johannesburg to Port Elizabeth			0800	0920	SA400
0100	0305	SA397	0630	0800	SA421	1710	1830	SA411
0645	1045	SA345	0735	1005	SA401	Frankfurt to Johannesburg		
0645	1040	SA347	1100	1330	SA419	1630	1100	SA241
0730	0935	SA303	1405	1550	SA411			

NAMIBIA - GENERAL  
ECONOMY 1988.

# Alleged R350m IDB probed

1/02/88

Dispatch

22/A

JOHANNESBURG — A SWA/Namibian police team arrived here at the weekend to begin investigations into allegations of an alleged R350 million diamond swindle in the territory.

Chief Inspector Derick Joubert confirmed in Windhoek that the head of the SWA detective branch, Brigadier Fouche, and Colonel Meintjes arrived to join in discussions with Pretoria's SAP gold and diamond branch.

The investigations follows disclosures in a letter believed to have been drawn up by a member of the Transitional Government.

It alleges a diamond smuggling syndicate run by Portuguese residents of Windhoek "buys diamonds worth R350 million a year on the black market".

According to the letter foreign currency brought into South Africa as financial rands was used to "bankroll" the illicit diamond deals.

A spokesman for De Beers, of which Consolidated Diamond Mines (Pty) Limited is a subsidiary in SWA, said: "If the issue relates to a theft of diamonds, dealt with outside the official channels, this would be regarded as illicit diamond buying and is a matter for the police". — DDC

# Namibian gas bonanza

WINDHOEK — Extraordinarily good results were obtained from the third test hole in the Kudu off-shore gas fields near Luderitzbucht in southern Namibia, the chairman of Swakor, Mr Skerf Pottas, said here yesterday.

Initial tests indicated a combined gas flow of 43,5 million cubic feet a day from two gas-bearing sandstone layers in the borehole.

A gas flow of 12 million cubic feet a day was considered sufficient for production purposes, Mr Pottas said in a statement.

The test hole was drilled to a depth of 4 526 m into the sea and two gas-bearing sandstone layers with depths of 60 m and 10 m were encountered.

Mr Pottas said the test results were similar to those found in the first Kudu test hole drilled in 1974 and indicated the two holes were situated in the same gas reservoir, but said it was not possible to determine the extent of the gas fields at this stage.

Swakor would, in consultation with Soekoer and other experts, submit further proposals for the surveying and development of the Kudu gas fields to the Namibian transitional Cabinet, he said. — Sapa.

# We will stay until Cubans quit — P W

By David Braun,  
Political Correspondent

South Africa will not allow Namibia to hold independence elections, nor will the SADF pull its forces out of the territory until Cuban troops are out of Angola, President Botha made clear last night.

On the eve of the four-nation talks in London on Angola and Namibia, Mr Botha said he wanted to warn against optimism because all over the world there were mischief-makers who wanted to destroy every effort to bring about better conditions in southern Africa.

## Withdrawal of forces

The talks — between South Africa, Cuba, Angola and the United States — begin in Britain today.

They are expected to centre on the withdrawal of Cuban and South African forces from Angola as a prelude to ending the civil war in the country, and also to implement the United Nations plan for Namibian independence.

Mr Botha said during the debate on his Budget vote in the House of Delegates last night that South Africa had no claim on Namibia, and he would like to see the territory prosper until it achieved independence.

"But we cannot have foreign troops dictating to South West Africa the way in which it should acquire its independence.

"South Africa is a regional power with interests in southern Africa. We believe it is in the interests of South West Africa as well as the whole of southern Africa that the Cubans must go.

"We said right from the beginning that the Cuban presence in Angola is contributing to the civil war in

that area. What is more, the Cuban presence is also crippling the economic future of that country."

Mr Botha said that in talks he had held with African leaders who came from different countries to consult him in recent weeks, he had said peace could come to Africa, especially southern Africa, if the Cubans went.

"The moment the Cubans go it will be a different ball game in southern Africa. The whole situation will turn for the better because southern Africa cannot go it alone without the technological support, expertise and other support of South Africa."

Earlier in his speech Mr Botha said Namibians were the most subsidised community in Africa and probably in the world.

The territory had a population of about a million, but received about R1 000 million in assistance from South Africa every year to keep it going.

Earlier yesterday the Department of Foreign Affairs admitted that the South African delegation to the talks flew in greatest secrecy to Britain at the weekend.

The whereabouts and movements of the high-powered delegation, led by Foreign Affairs director-general Mr Neil van Heerden, are still strictly secret.

On the eve of the talks:

- Cuba is reported to have injected up to 10 000 new troops into Angola.
- Unita rebels claimed to have shot down two Soviet-built Angolan Air Force jet fighters in fighting around the central town of Cuemba, and said they had killed 67 government troops.

But yesterday senior South African Foreign Affairs sources dismissed the reported influx of up to 10 000 Cuban troops as "pre-talks tactics".

● See Page 15.

# Dutch defend imports of uranium

221A  
Stars 1/1/88

The Star's Foreign News Service

ROTTERDAM — The Dutch government says it cannot be accused of using illegally imported Namibian uranium in an enrichment process at a plant in Holland because the origin of the uranium cannot be proved.

This is one of the points made in its written deposition in a civil case at The Hague which it is defending. The deposition was filed this week by legal experts at the foreign ministry.

The government, which runs an uranium enrichment plant in Almelo, Holland, in partnership with Britain and West Germany, was sued on July 14 last year by the UN Council for Namibia.

The council accuses the Dutch state, the company Urenco-Nether-

lands, and the plant Ultra-Centrifuge Netherlands (UCN) of "collaboration in the international and illegal plunder of Namibian minerals".

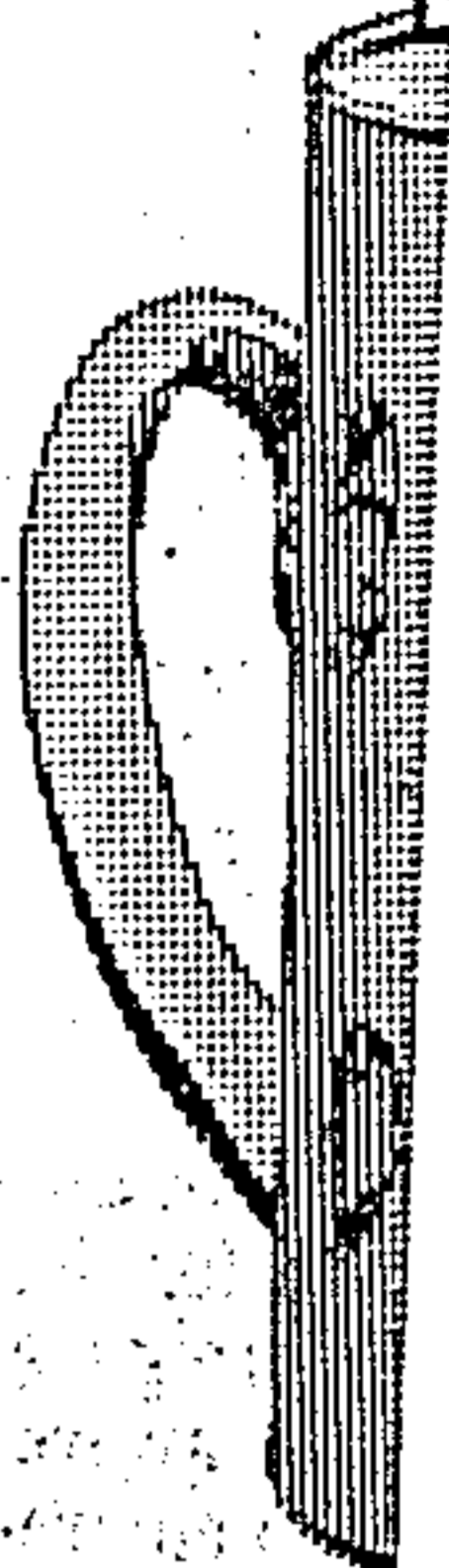
This is the first time a UN body has filed such a lawsuit against any government, and anti-apartheid activists regard it as a test case.

The deposition says that although the government officially recognises the council, it does not accept that it has any legal standing over the matter within Holland.

It said the council cannot prove that the plant enriches Namibian uranium because the products used in the chemical process come from a variety of countries.

The deposition said Namibia's uranium industry provided only 10 percent of the world market.

1 Litre  
Cut Glass  
Jug





**Kudu optimism**

The third test hole drilled in the Kudu offshore field in Namibian territorial waters near Luderitzbucht has yielded "extraordinarily good results," according to Swakor chairman Skerf Potas.

While a flow of 12m cubic feet a day is considered sufficient for commercial exploitation, the well just brought in flowed at 43,5m ft<sup>3</sup>/day. But even this rate reflected the limits of capacity of the drill pipe and other equipment, not the estimated potential of the well, which could test at much higher figures — perhaps as much as 75m.

The latest well (situated 4 km to the south

FINANCIAL MAIL APRIL 29 1988

of the discovery well) intersected two gas-bearing strata with depths of 60 m and 10 m respectively. The gas-bearing zones are slightly deeper than the discovery well — commencing around 4 850 m below sea level, compared with around 4 300 m.

The producing zones just brought in can be correlated with the strata intersected by the original well — suggesting an extensive field has been discovered. Its full extent will only be known after further drilling.

What use could eventually be made of the gas remains a matter for speculation. Potas says possibilities include:

- The simplest — use the gas to power an electrical generating plant for Namibia;
- Liquefy the gas for transport by refrigerated tanker to overseas markets; or
- Use it to establish a synthetic liquid fuels plant like that being built at Mossel Bay.

Another theoretical possibility — to pipe the gas to SA — would be contingent on developing a sizeable market.

Finally, exploitation of the gas field could be hampered by the uncertainty over independence for the territory. In addition, the current phase of low world oil prices does not favour synthetic fuel ventures.

Synfuel plants' capital needs run to billions. Within SA itself, there are several synfuels prospects which would compete with Kudu for government money — and none would involve the Namibian political risk.

On the other hand, in the unlikely event of an early settlement of the independence issue, international assistance and capital could undoubtedly be mobilised for the development of the Namibian gas resource.

In short, no one should get over-excited about the find — however much gas is lying under the seabed. ■

# Namibian taxpayers Star 11/6/88 heave a sigh of relief

221A

The Star's Africa News Service  
Taxpayers in Namibia were all smiles yesterday when the territory's Finance Minister, Mr Dirk Mudge, announced in his 1988/89 budget that there would be no tax hikes for the coming year.

But he sounded an ominous warning: "Unless an unexpected windfall appears from somewhere, it seems highly unlikely at this stage that the end result next year will again be so favourable."

Namibia's finance supremo revealed that the 1988/89 budget made for provision for a deficit of R774,6 million, with expected income being R1 170,8 million from own sources, and expen-



Mr Dirk Mudge . . . sounds ominous warning.

diture being R1 887 million.

The 1988/89 figures compare with a 1987/88 final realised surplus of R150 million.

## ALLOCATIONS

Mr Mudge said the Namibian "budget problem" was becoming more and more difficult every year.

He blamed a persistent drop in South Africa's budgetary allocations to the territory and rapidly rising claims being made on available resources by community services.

The South African allocation had dropped from 35,3 percent of the appropriated current and capital expenditure in 1986/87 to 17,6 percent this year.

He added: "I am not sure that the serious financing problem which this causes for us is adequately appreciated, both here and in the RSA."

Mr Mudge said the year had been characterised by sustained economic growth, associated with steady domestic demand and with inflation duly under control.

# Namibia looking at tax harmonisation with SA

Star 3/6/88

Argus Africa News Service

2219

WINDHOEK — The proposals of the Margo Commission on Tax are being studied in depth by government officials in Namibia, with a view to "possible tax harmonisation", says the Territory's Finance Minister, Mr Dirk Mudge.

In his Budget speech this week, Mr Mudge said that although Namibia had its own tax system, any tax reform in South Africa would have a "direct influence" on policy decisions here.

This was because all countries in the southern African region were economically interdependent, and also because there was already a double taxation agreement between Namibia and the Republic.

The Margo Report, said Mr Mudge, was "interesting" and contained some "far reaching tax proposals."

He remarked, however, that a number of the recommendations made by the Margo Commission were already in force in the tax structure on this side of the Orange River.

For instance, Namibia has for some years followed a policy of not exempting basic foodstuffs from GST, but has instead applied a system of direct subsidies to keep the prices of items like brown bread and milk at realistically low levels.

The further proposal by the Margo Commission that married couples be taxed separately, has been in force here for almost a decade. Mr Mudge remarked that the loss of revenue to the State exchequer had been absorbed "long ago" and administrative problems with the separate system had been "almost completely overcome."

In Namibia, attention had been given to the lowering of personal income tax scales since 1980 — a step also suggested by the Margo Commission.

Mr Mudge said the top marginal rate had been 58 percent in Namibia in 1979, but was now only 42 percent. He noted, however, that the negative effects of "bracket creep" were constantly being monitored by his financial experts.

The Finance Minister also disclosed that his Department had been holding talks with the South African authorities about recent legislation in the Republic concerning the taxability of interest received from investment by inhabitants of Namibia.

After these talks, it was decided to draft legislation in Windhoek which would provide that interest and dividends earned by Namibian individuals and companies on locally-generated capital invested outside the Territory would be taxed here, "insofar as it was not already taxed."

# Namibia's spies and 'spooks' get more cash

Star 6/6/88  
Brendan Seery,  
The Star's Africa  
News Service

2217  
WINDHOEK — Spies, "spooks" and other members of the murky netherworld of the intelligence community have not been forgotten in the Namibian Budget allocations this year.

In fact, a glance at the money available for "secret services" and intelligence operations — revealed in the detailed breakdown of proposed

expenditure for 1988/89 — shows that there has been an overall increase of 23 percent on last year.

Intelligence and secret services are this year allocated R8,98 million, compared with R7,28 million in 1987.

Leading the way in increased expenditure for undercover operations is the Security Secretariat of the Transitional Government, which came into being last year.

Its overall budget has

been boosted from R544 300 to R844 100. But the portion provided for "secret services" goes up by 250 percent from R100 000 to R350 000.

The military has also been given a large increase for "secret services".

Under the Defence vote, the allocation for such services goes up 110 percent from R1,2 million to R2,53 million.

The total defence bud-

get was raised from R181,97 million to R212,74 million.

The police budget goes up from R136 million to R147,49 million.

The Department of National Intelligence sees its allocation trimmed from R4,58 million to R4,5 million.

And where does all this money go?

Even if we knew we couldn't tell you — it's a secret.

# Aid cuts not new to Namibia

## SA 'weaning' for years <sup>Star 2-16/88</sup> (221A)

politically independent and operated its own customs and excise system and border controls its income from that source would be higher.

Against a background of shrinking income from the South African quarter, Windhoek still has to find funds to run the South African-instituted, apartheid-style "ethnic administrations."

This year, these bodies — which are often accused of corruption, maladministration and inefficiency — will swallow up R447 million of the budget.

Allocations for the SWA Territory Force (effectively controlled by Pretoria) and the SWA Police (nominally controlled by Windhoek) come out of the budget with much of the money allocated — around R700 million for 1988/89 — going to the counter-insurgency war against Swapo.

### Transports costs too

The "weaning" process means that money will also have to be found in this year's Namibian budget to pay for the assets of the SA Transport Services, which are to be taken over by the Namibian National Transport Corporation on July 1 this year.

Finance Minister Mudge has warned of belt-tightening ahead for Namibians because of the budgetary constraints.

Presenting his 1988/89 financial plan to the House of Assembly earlier this month, he said that next year the country would face the hard choice of either increasing taxes or drastically cutting expenditure, particularly crucial social services.

"Whatever is decided, it will be unpleasant and unpopular," said Mr Mudge, remarking that such sacrifices were part of the price Namibia would have to pay for its independence.

The Star's Africa News Service  
**WINDHOEK** — When President Botha threatened in Parliament on Monday to cut financial aid to Namibia, he did not say that, effectively, South Africa has been doing just that for some years.

The process of "weaning" the Namibia financially began in the early 1980s, when the authorities in Windhoek began drawing up their own budgets, and has accelerated since then.

### 17,6 percent of total

Pretoria cut its budgetary aid to Windhoek by R200 million in 1987/88, contributing R308 million.

This amount remained the same for the 1988/89 budget — effectively 17,6 percent of Windhoek's total budget expenditure of R1 945,6 million.

The bulk of revenue earned by Namibia comes from its own resources in company and personal income tax, government income and customs dues from the Southern African Customs Union.

This year income from all these "own sources" totalled R1 170,8 million.

After allowing for loan commitments of R58,4 million, Finance Minister Dirk Mudge was left with a budget deficit of R774,6 million for 1988/89. He financed this in part by using the R308 million South African budgetary contribution.

The rest of the deficit was financed through an overdraft with the Reserve Bank.

Pretoria determines the income due to Namibia through the Southern African Customs Union — this year increased by R42 million to R392 million after talks between the two governments.

Many observers believe that if Namibia were



# Budget will be slashed, <sup>221A</sup> warns Mudge

The Star's Africa  
News Service

WINDHOEK — The chairman of Namibia's Owambo administration, Mr Peter Kalangula, has been warned that if he does not stop demanding the withdrawal of South African forces from the country, his administration's budget will be slashed.

The warning came from Windhoek's Finance Minister, Mr Dirk Mudge, and followed threats by President Botha earlier this week to cut Pretoria's financial contribution to Namibia.

Mr Mudge told the National Assembly in Windhoek that the continual demands by people like Mr Kalangula for the withdrawal of South African troops from northern Namibia could lead to Pretoria deciding to further cut its allocation to the territory.

## 3 men hanged for murders

Pretoria Bureau

Three men were hanged in Pretoria yesterday, according to a spokesman for the Department of Justice. They were Piet Mkhonto (32), Johannes Otto (40) and Dawid Johannes Booysen (23), sentenced to death for different cases of murder.



AFRICA

By BRENDON SEERY, Argus Africa News Service

WINDHOEK. — When President Botha threatened in Parliament on Monday to cut financial aid to Namibia, he did not say that, effectively, South Africa has been doing just that for some years.

The process of "weaning" the territory financially began in the early 1980s, when the authorities here began drawing up their own budgets, and has accelerated since then.

Pretoria cut its budgetary aid to Windhoek by R200-m in 1987/88, giving a donation of R308-m. This amount remained the same for the 1988/89 Budget, effectively only 17,6 percent of Windhoek's total budget expenditure of R1 1945-m.

The bulk of revenue earned by Namibia comes from its own sources — company and personal income tax and government income and customs dues from the Southern African Customs Union.

This year income from all these "own sources" totalled R1 170-m. After allowing for loan commitments of R58-million, Finance Minister Dirk Mudge was left with a Budget deficit of R774-m for 1988/89.

# SA's cutback of financial aid to Namibia dates back to early '80s

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Pretoria determines the income due to Namibia through the Southern African Customs Union — this year increased by R42-m to R392-m after talks between the two governments.

Many political observers believe that if Namibia were politically independent and operated its own customs and excise system and border controls outside the Customs Union, its income from that source would be higher.

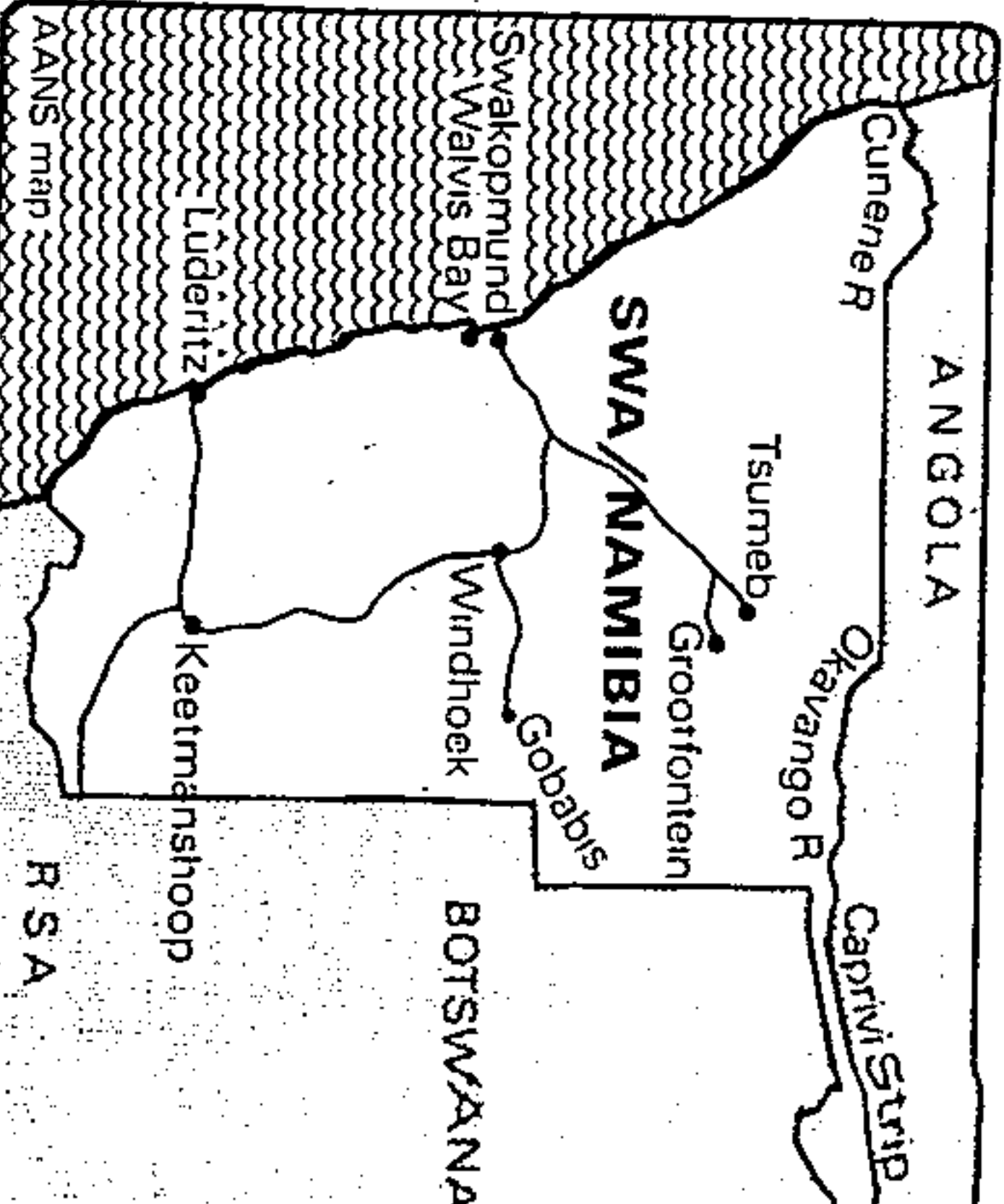
Against a background of shrinking income from the South African quarter, Windhoek still has to find funds to run the South African-instigated, apartheid-style "ethnic administrations".

This year, these bodies — which are often accused of corruption, maladministration and inefficiency — will swallow up R447-m of the Budget money.

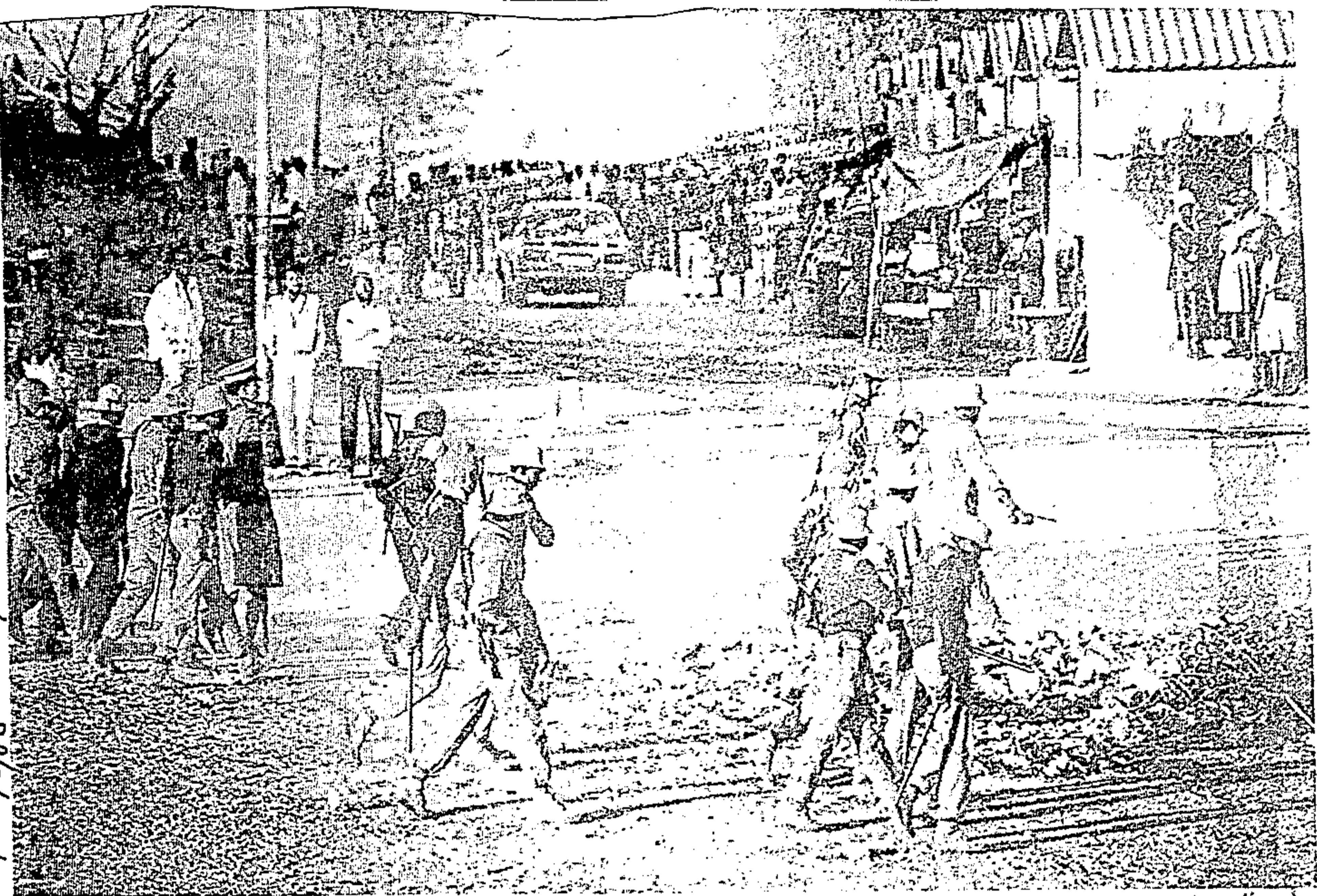
The allocations for the SWA Territory Force (still effectively controlled by Pretoria) and the SWA Police (nominally controlled by Windhoek) come out of the local Budget, with much of the money allocated (about R700-m for 1988/89) going to the counter-insurgency war against Swapo.

The "weaning" process means that money will also have to be found in this year's Namibian Budget to pay for the assets of the SA Transport Services, which are to be taken over by the Namibian National Transport Corporation on July 1. The public transport sector is a regular consumer of taxpayers money in losses.

Finance Minister Mudge warned of belt-tightening ahead for Namibians because of the budgetary constraints. Presenting his 1988/89 financial plan to the House of Assembly earlier this month, he said that next year the country would be faced with the hard choice of either increasing taxes or drastically cutting expenditure, particularly in the crucial social services area.



24-396/88 W/Pravil



# Beer drought as Namibia strike bites

Koevoet alert — the feared unit leaves the north to patrol through Katutura township, Windhoek during a two-day strike this week  
Picture: JOHN LIEBENBERG

By MARK VERBAAN,  
Windhoek

221A HOTELS and restaurants ran out of beer during Namibia's two-day strike this week, and white employers and their families took to doing their own manual work.

The vast majority of businesses and industries in the country were affected by the strike, on Monday and Tuesday, in protest at the presence of South African troops.

Managements of the Rossing uranium mine near Swakopmund and the CDM diamond mine at Oranjemund kept the plants running, but production ground to a standstill. Although no official figures are yet available, it is estimated both mines lost millions of rands as a result of the strike.

The TCL copper mine at Tsumeb was hardly affected; mine management had threatened its work force with dismissal if any stayed away.

The Namibian authorities maintain the strike was a failure, but a spokes-

man for the National Union of Namibian Workers, the umbrella body under which the territory's most powerful unions fall, said this week the call for protest action was heeded by workers "in all the major towns at all main places of employment" throughout the country.

On behalf of their 60 000 members, the unions last week called on the interim government cabinet to meet their demands, including the removal of police and army bases from the vicinity of schools in Namibia's war-torn north, the release of detainees and an end to police violence in the townships. Union officials this week accused the interim government of provoking the stayaway by ignoring the demands.

"Although the issues have not been resolved, it does not mean the demands will fall away," said one union leader this week. "We are already planning a national campaign to get South African troops out of our country."

There were no incidents of violence related to the strike. However, a pamphlet drawn up and distributed widely by the unions showed signs it had been tampered with. A paragraph had been added to the end of the pamphlet claiming that all employees staying away could collect R15 at the union offices, the Council of Churches or *The Namibian* newspaper.

Meanwhile hundreds of workers gathered at union offices in Katutura township, outside Windhoek, on Wednesday, complaining they had been dismissed after joining the stay-away. Union officials confirmed each case would be taken up.



221A

# National production halts with two-day Namibian stayaway

By KERRY CULLINAN

NAMIBIA was this week hit by the biggest stayaway in its history, following a call to workers from the major unions to protest against SADF bases near schools, detentions and the presence of police in the townships.

Monday and Tuesday were indentified as stayaway days by the Swapo-affiliated National Union of Namibian Workers. About 40 000 stayed away.

NUNW shop stewards decided to call the stayaway last Saturday in solidarity with pupils who have been protesting against the SADF bases near their schools.

According to NUNW official Gabriel Ithete, the stayaway was 100 percent successful at Oranjemund's CDM Diamond Mine and Rossing's Uranium Mines. The companies

involved confirmed production at the two mines had come to a standstill.

"Here in Windhoek, about 90 percent of businesses and factories have been closed," said Ithete, who added that stayaway figures had been consistent on both days.

NUNW also claimed that Swakopmund, Luderitz and Walvis Bay were severely hit by the stayaway and that the northern towns of Oshakati

and Ondangwa - where there is a large SADF presence - were brought to a standstill.

Meanwhile, Sapa reports that the Minister of Civic Affairs and Manpower in Namibia's transitional government claimed that 70 percent of workers had ignored the call.

The report also said police had reported no incidents of violence during the stayaway.

## Confidence in Namibian economy

# Sanlam invests R42m in Windhoek project

By AUDREY D'ANGELO  
Financial Editor

SANLAM is investing R42m in a 12-storey shopping centre and office block in the heart of Windhoek — the latest in a growing number of SA companies and institutions to see good business prospects in Namibia.

One of its top executives confirmed yesterday that the insurance giant had confidence "in the long and short-term future" of the Namibian economy.

Details of the project, due for completion by May 31, 1990, were announced in Windhoek yesterday by Hendrik Bester, Sanlam assistant GM in charge of the property division.

He said it was the largest investment made in Windhoek so far this year. It would be Sanlam's largest property investment in Namibia.

Sanlam carries out insurance

business in the country but its senior manager, properties, Eddie Engelage, said that in spite of this source of funds it would not have made a fixed investment of this size unless it had confidence in Namibia's economic future.

"The only way one can get a return on a capital investment of this type is through rents".

Sanlam considered things were looking up in Namibia. People were more confident in general, business was flourishing and there was plenty of money about.

"Things are working out well between the different race groups and this has resulted in a feeling of stability. The uncertainty which made people hesitate to invest in the country, resulting in a shortage of shop and office space at present, has gone," said Engelage.

"Before we invested such a

large sum we conducted a detailed feasibility study and we are confident that we shall be able to let the offices and shops in a very short time."

Work started on the project, designed by architects Stauch & Partners, at the beginning of this month. There will be ground floor shops with a lettable area of about 3 700 m<sup>2</sup>, about 13 500 m<sup>2</sup> of lettable office space and three levels of parking, accommodating 230 cars.

A statement issued by Sanlam said there was "considerable potential" for letting office space in Windhoek. Independent consultants forecast a demand for an additional 45 000 m<sup>2</sup> by 1990.

The new building is not the first property investment to be made by Sanlam in Windhoek. It also owns two apartment blocks and an office building in Bulow street, with a combined market value of R5m.

Old Mutual is also investing in a shopping centre and office block in Windhoek.

It is building a R33m complex in the city centre which is due for completion in August 1990.

When the project was announced last month Old Mutual property investment manager Stuart Findlay said major SA retail chains were showing interest in renting accommodation there.

Another major Cape-based company, Trenchor, announced last week that it was introducing a twice-weekly express freight service between Cape Town and Windhoek to cater for increased demand.

## BREWERIES

### Brew-sing battle

It may be small beer to SA Breweries (SAB), but to Windhoek-based South West Breweries (SWB), 1% of the SA beer market is a prize indeed.

Despite controlling 90% of the Namibian beer market, SWB has never made much of a dent in SA. Now, with a new marketing and distribution programme and increased production capacity, the company hopes to step up SA penetration with its Windhoek beers.

Ambitions are limited, however. The company isn't planning a head-on fight with SAB, which accounts for more than 99% of SA beer sales.

"Our target in SA is only about 1% of the market, but we intend establishing a strong presence in the premium sector," says SWB marketing director Ernst Ender. "We know there is growing consumer demand for quality beer from an independent source and we aim to satisfy that demand."

SWB increased turnover by 23% last year, with the main growth in SA. In the first five months of 1988, volume sales rose by 28% over the corresponding 1987 period. Its main SA sales are of lager, export and draught, but it also produces special and light.

In its efforts to increase SA sales, SWB is distributing more of its own products. It had a distribution arrangement with Gilbeys, but Ender says: "We have reached a stage where it is in the best interests of the trade and consumers that we establish our own infrastructure."

SWB took over distribution of its canned and bottled beers in the western Cape in April-May and on the Witwatersrand in June. Gilbeys continues to distribute for SWB in Natal for the time being, while the brewery itself supplies direct to the eastern Cape. It has distributed its own draught beers independently for some time throughout SA.

"We are detecting a more positive reaction from the trade as a result of SWB dealing with stockists more directly," says Ender. However, he doesn't intend dropping Windhoek beer prices in order to sell more. He argues that "discerning" drinkers are prepared to pay more for the product.

To meet anticipated extra demand, SWB is investing R4,5m to increase brewing capacity by more than 50%. Current production is split between lager (70%), export (11%), special (9%), draught (8%) and light (2%).

Nine German-built, 240 000l stainless steel tanks, each weighing 14,7 t, were landed at Walvis Bay recently for installation at SWB's Windhoek brewery. The fermenting/lagering tanks will come into operation in September.

Even then, SWB production won't remotely rival that of its SA rival. Current capacity is below 500 000 hl (50 Ml). Even with 50% extra, it doesn't begin to compare with SAB's 19m hl (1,9bn l) capacity — which will increase to 22m hl once its current R750m expansion programme is complete.

But SA remains an important — even vital — market for SWB. And while SAB may not like to be called a "monopoly" — beer division MD Graham Mackay prefers the term "temporary sole supplier" — anything that increases the options available to drinkers is to be welcomed. ■

# It's looking up in Namibia

By JIM FREEMAN

IN WINDHOEK, they say that at one time or another, the whole world walks down Kaiser Street.

However, since 1978 when political instability began to shake the foundations of life in Namibia, many people could think of better avenues to explore than Windhoek's main thoroughfare.

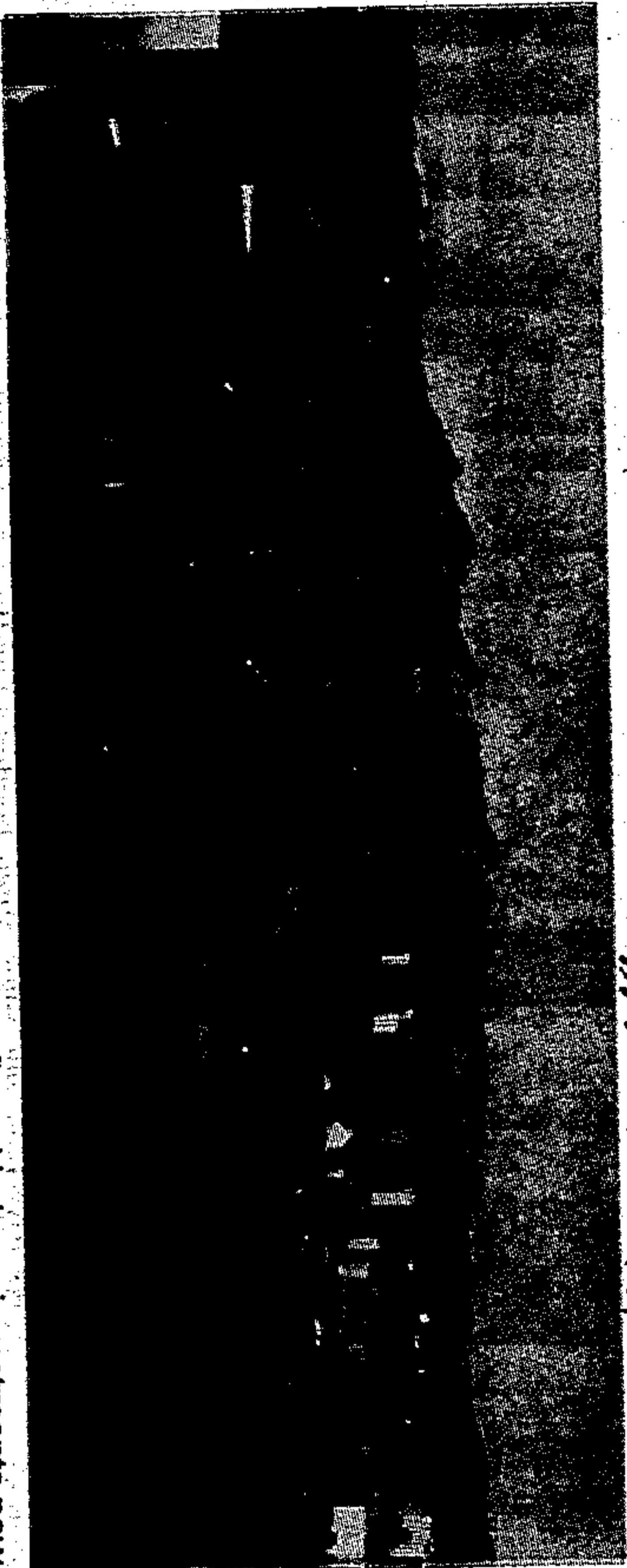
Coupled with political insecurity was the drought, and the trickle of people and companies leaving Namibia became almost the only steady flow in the territory.

Now, in the face of independence and peace in Angola, there is a new bluish of confidence forming on the cheeks of Namibian economic life.

Sanlam announced earlier this week that the company was investing R49m in a new office complex in the centre of Windhoek, the company joining the ranks of Old Mutual and local giants Olthaver and List, in showing their confidence in the territory's future.

Also in the pipeline is a multi-million rand investment by a major international hotel group — probably Sheraton — to build a huge hotel-casino complex in the centre of the Namibian capital.

As the value of the rand crashed in 1985, the vast desert paradise



**RENEWED CONFIDENCE** . . . in Namibia's economic future is reflected in huge investments now being made in Windhoek, the country's capital. Picture: JIM FREEMAN

suddenly became the fashionable place for a get-away-from-it-all holiday for the city-bound dwellers of Western Europe.

Virtually overnight, Namibia's tourist trade became a growth industry for the first time in history.

It took foreigners to shake Namibia out of its economic apathy. If people from abroad had confidence in the country, why should

not the population itself?

According to the territory's Secretary for Finance, Dr Johan Jones, the political pessimism of the late '70s and early '80s had led to a tremendous negative growth in the economy.

As companies disinvested and people left the country to escape what they thought was imminent anarchy, a residential and indus-

trial backlog began to build up.

This grew and grew until 1985, said Dr Jones, until the time when the upswing caught the public flat-footed. There was a sudden demand for housing and services — and they were nowhere to be had.

Dr Jones said the home-building industry has boomed over the past three years, but the emphasis has now switched from residential

needs to a demand for larger shopping complexes and office accommodation.

He added that in the first quarter of this year, the number of buildings erected in Namibia had increased by 52.7% on the number in the corresponding period last year.

Of these, 75.3% were residential buildings and only 16% non-residential.

Dr Jones said the shift in emphasis was clear from the number of building plans approved in the first three months of 1988: 91.5% up on the same time in 1987.

While the demand for housing had increased by 68.8%, the need for industrial and business facilities has increased by a phenomenal 149.3%.

"Public enthusiasm has begun to trickle through to the business sector," he says.

The president of the Namibian Chamber of Commerce, Mr Dick Hattinck, said the inauguration of Namibia's Transitional Government of National Unity had done much to revive the flagging economy.

"While they have done little of note on the constitutional front, they have done a fair job of administering the day-to-day activities of the country and this has boosted the confidence of businessmen," he said.

2214  
App & Twi's 30/7/88

3/8/88 (19) (22TA)

Govt received ore shipment in spite of a UN ban

B/Day

# Britain admits getting Namibian uranium

LONDON — The British Government has finally admitted receiving a shipment of 1 100 tons of uranium from Namibia in defiance of a UN ban — although it claims the ore was not for military use, the London Guardian reported yesterday.

The newspaper said the statement came after months of denial in the House of Lords, where Labour peer Lord Hatch had been questioning the Defence Ministry since a Guardian article in December disclosed the shipment was discussed at a Cabinet meeting in 1976 and agreed upon by the then Labour government.

First Foreign Office Minister Lord

Glenarthur and Defence Procurement Minister Lord Trefgarne twice denied any knowledge of the contract, said the Guardian.

“But at a meeting with Lord Hatch last week, Lord Trefgarne...conceded the shipment had been received.

“The UN has banned the import of raw materials from Namibia while it is under SA control. Although Britain refuses to accept the ban, it is embarrassing to the government to be accused of breaking internationally-accepted sanctions.”

Lord Hatch said: “I was convinced that the government was not telling the whole truth when successive Ministers said they knew nothing about the contract.

“Now they are saying the uranium was delivered between 1977 and 1984 but not for military purposes.

“The wording of their answers makes me doubt whether we still have the whole truth.”

The Guardian said government had told Lord Hatch the uranium was imported under Euratom safeguards designed to prevent nuclear materials imported for civil use being diverted to the military programme.

“However, Canada and Australia believe the safeguards are so full of loopholes that they insist on Britain signing agreements expressly forbidding diversion of their uranium to the military programme,” said the newspaper. — Sapa.

BY TONY ALLEN-MILLS

Colonial status curtails Namibia's ability to exploit its rich waters.

# Namibia robbed of valuable resource

41818 (221A)  
Star

On a clear day at Walvis Bay you can see 10 000 flamingos.

It is a world far removed from the bloody conflicts of southern Angola and the endless manoeuvring over Namibian independence. Yet the calm is deceptive. The South African-controlled harbour of Walvis Bay — the only viable commercial port on the Namibian coast — lies at the centre of a grievous scandal rooted in Namibia's unwanted colonial condition. As the politicians untangle the constitutional future of this browbeaten territory, some of the world's most powerful nations are recklessly plundering Namibia's fish.

## No protection

The plight of the Namibian pilchard and other associated species perfectly illustrates the incalculable damage that Namibia has suffered through its precarious status as an illegally-occupied South African colony. Deprived of sovereignty, the territory has no protection from international law.

The Atlantic waters off Namibia's coast are cooled by the Benguela current, flowing north from Antarctica. The sea is rich in nutrients and boiling with fish. But Namibia's abilities to exploit one of the world's most valuable marine resources has been severely curtailed by its colonial status.

The leading long-range fishing fleets of western and eastern Europe have for years ignored Namibia's claim to its own 200-mile fishing zone.

## Lion's share

Unable to compete with the well-equipped fleets of the Soviet Union, Romania and Spain, Namibian fishermen have largely been restricted to surface shoals of pilchard and anchovy close to shore.

If Namibia were independent, it could justly lay claim to a lion's share of the south-east Atlantic's magnificent resources of deep-sea hake, said by fishing experts to be the richest in any ocean.

According to figures released by the Namibian Fisheries Department, the Soviet Union pillaged 455 000 tons of fish from Namibian waters in 1986, nearly 39 percent of the total catch.

Between them, the Soviet Union, Spain and Romania accounted for 64 percent of all fish caught in the 200-mile zone. Namibian vessels, flying of necessity the South African flag, accounted for only 17 percent.

## 'It's ours'

Dr Jan Jurgens, the Namibian Director of Fisheries, calculated this week that the total annual market value of Namibian fish caught by foreign fleets was R1.5 billion to R2 billion.

"We consider that belongs to us," Dr Jurgens said.

Nor do Namibia's fishing problems stop with foreign plundering. Its fishing industry is based at Walvis Bay, a South African territorial enclave that in an independent Namibia would become Pretoria's equivalent of Gibraltar.

The historical South African claim to the enclave is effectively unshakeable and even the most fervent Namibian nationalist agrees that Pretoria is unlikely to yield, or be dislodged from the strategically vital port.

## Profits shared

In the past, this meant that the industry's tax revenues went to collectors in Pretoria, not Windhoek. Commercial profits were of necessity shared with South African firms. Until the beginning of last year the Namibian people saw little benefit from its most valuable natural resource after diamonds and other minerals.

"We need our own port," Dr Jurgens said. There is a natural harbour further south at Luderitz where a modest rock lobster fishing fleet is based. But Luderitz is small and remote and the bulk of the Namibian population lives far to the north.

Dr Jurgens is looking at possibilities for a new port on the northern coast closer to Angola. But the costs are prohibitive and the environment hostile.

## Impose limit

An internationally-recognised Namibian government would immediately impose a 200-mile fishing zone and begin negotiations for the licensing of foreign fleets wishing to fish in Namibian waters.

Dr Jurgens said this would immediately bring Namibia additional revenue of up to R55 million a year.

But before the exploitation ends, South Africa has to be persuaded to set Namibia free. — The Independent News Service.

2218

BUSINESS

COLONIAL STATUS CURTAILS NAMIBIA'S ABILITY TO EXPLOIT ITS RICH WATERS

From TONY ALLEN-MILLS

ON A clear day at Walvis Bay you can see 10 000 flamingos.

Large flocks of pink birds trawl their beaks through the shallow waters of a quiet lagoon. It's a blissful spot, one of the only placid havens on a 1 600-kilometre stretch of Namibian coastline renowned for the treachery of its waters and the desolate emptiness of its desert shores.

It is a world far removed from the bloody conflicts of southern Angola, and the endless manoeuvring over Namibian independence. Yet the calm is deceptive. The South African-controlled harbour of Walvis Bay — the only viable commercial port on the Namibian coast — lies at the centre of a grievous scandal rooted in Namibia's unwanted colonial condition. As the politicians untangle

the constitutional future of this broad ocean territory, some of the world's most powerful nations are recklessly plundering Namibia's fish.

The plight of the Namibian pilchard and other associated species perfectly illustrates the incalculable damage that Namibia has suffered through its precarious status as an illegally-occupied South African colony. Deprived of sovereignty, the territory has no protection from international law. In no other sphere of Namibian influence has that vulnerability been more cruelly exploited than its fishing rights.

The Atlantic waters off Namibia's coast are cooled by the Benguela current, flowing north from Antarctica. The sea is rich in nutrients and boiling with fish. But Namibia's abilities to exploit one of the world's most valuable marine resources has been severely

curtailed by its colonial status. The leading long-range fishing fleets of Western and Eastern Europe have for years ignored Namibia's claim to its own 200-mile fishing zone.

Unable to compete with the well-equipped fleets of the Soviet Union, Romania and Spain, Namibian fishermen have largely been restricted to po-lagic catches — surface shoals of pilchard and anchovy — close to shore.

If Namibia were independent, it could justly lay claim to a lion's share of the south-east Atlantic's magnificent resources of deep-sea hake, said by fishing experts to be the richest in any ocean. But Namibia has no power to enforce its claims and South Africa has never shown any inclination to send its navy against the Russians.

According to figures released by the Namibian fisheries department, the Soviet Union pillaged 455 000 tons of fish from Namibian waters in 1986, almost 39 percent of the total catch. Between them the Soviet Union, Spain and Romania accounted for 64 percent of all fish caught in the 200-mile zone. Namibian vessels, flying largely the South African flag, accounted for only 17 percent.

Jan Jurgens, the Namibian director of fisheries, calculated this week that the total annual market value of Namibian fish caught by foreign fleets was R1.5-billion to R2-billion. "We consider that fish belongs to us," Dr Jurgens said. "The rights those fleets claim in our area is based on a technically — that Namibia has no recognised government and no right to extend its fishing zone. It suits them to ignore the presence and existence of Namibian sovereignty."

Nor do Namibia's fishing problems stop with foreign plundering. Its fishing industry is based at Walvis Bay, a South African territorial enclave that in an independent Namibia would become Pretoria's equivalent of Gibraltar. The historical South African claim to the enclave is effectively unshakable, and even the most fervent Namibian nationalist agrees that Pretoria is unlikely to yield or be dislodged from the commercially and strategically vital port.

All the factories that process the Namibian pelagic catches are based on South African soil. In the past this meant that the industry's tax revenues went to collectors in Pretoria, not Windhoek. Commercial profits were of necessity shared with South African firms. Until the beginning of last year the Namibian people saw little benefit from its most valuable natural resource after diamonds and other minerals. Namibia's much-abused international administration has since taken a series of regulatory measures to divert revenues from Pretoria's coffers. In particular it awards fishing quotas only to companies registered and thereby taxable in Namibia. It insists that the fish products — mainly canned pilchards, fishmeal and fish oil — be marketed from within the territory.

It is also seeking to "Namibianise" the fishing fleet by re-serving jobs for Namibian citizens. "We want the industry's money circulating in our economy, not South Africa's," Dr Jurgens said. But Namibian dependence on South African port facilities at Walvis Bay remains a problem. "We need our own port," Dr Jurgens said. There is a natural harbour further south at Luderitz, where a modest rock lobster fishing fleet is based. But Luderitz is small and remote and the bulk of the Namibian population lives far to the north.

Dr Jurgens is looking at possibilities for a new port on the northern coast closer to Angola. But the costs are prohibitive and the environment hostile. The coast north of Walvis Bay is littered with shipwrecks. The question of a new port will not be easily resolved. But Dr Jurgens believes the solution to the more damaging problem of foreign exploitation is simple, if elusive. "It can only come with independence," he said. An internationally-recognised Namibian government would immediately impose a 200-mile fishing zone and begin negotiation — probably through the International Commission for South-East Atlantic Fisheries — for the licensing of foreign fleets wishing to fish in Namibian waters. Dr Jurgens estimated that such a move would immediately bring Namibia additional revenues of up to R50-million a year — much more in the longer term as the Namibian fleet expanded to fish its own waters. In addition, Dr Jurgens said, Namibia would seek compensation for the years of plunder by foreign fleets. "We will not recognise the historical fishing rights of any of those countries pillaging our resources," he said. "At the moment we get nothing — not a single cent from any of the countries fishing our waters. But before the exploitation ends, South Africa has to be persuaded to set Namibia free. — e The Independent News Service.

# Nujoma on the Namibian economy

CAR 712A

19/8/88

221A

Own Correspondent

LUSAKA. — Swapo would not implement wholesale nationalization of the Namibian economy if it came to power, Swapo leader Mr Sam Nujoma said in Zambia yesterday.

He added, however, that it was "in the interest of the Namibian nation for certain enterprises and companies as a whole to become publicly owned".

Mr Nujoma said that if a Swapo government had to nationalize there would be adequate compensation. While ruling out full nationalization, he said there would be land reform through "redistribution".

Mr Nujoma said it was Swapo's lack of skilled manpower that made immediate wholesale nationalization impractical.

As far as the fishing sector goes: "Our government will seek some share in some of the existing factories or create new factories to provide employment for our people with the help of other countries who will have the skill and manpower to help us in putting up those structures."

The same approach would apply to the mines.

Right now Namibia's economy was mixed up with that of South Africa, Mr Nujoma said. He rejected claims that Namibia's was economically dependent on South Africa. "The dependence on South Africa is a forced one. Our beef is being stolen by the Boers."

Mr Nujoma was optimistic that independence was closer than ever and predicted that Swapo would score a two-thirds majority in the polls.

He was just as resolute that the exiled movement would continue with its armed struggle against South Africa if the present Angolan-Namibian peace talks failed.

## Optimism over peace talks

After nearly 30 years in exile, Mr Nujoma is eager to accept a peaceful solution. "But if South Africa torpedoes negotiations the war will continue. However long the struggle it will always have its end."

An enthusiastic Mr Nujoma, however, expressed optimism about the present round of peace talks.

"I believe what the South African government is saying is genuine. Let's hope this time round they will be honest," he said.





THE NAMIBIAN ECONOMY

# Lukewarm in Windhoek

■ The key to investor confidence in the future will be a peaceful transition

22/A  
6/9/88  
FM

A mood of cynicism — of “We’ve been through all this before” — prevails throughout the Namibian economy. The rest of southern Africa may be holding its breath in the belief that independence for the territory is closer than ever before — but not business and industry in the disputed territory itself.

The FM has been gauging the mood in Windhoek — and found some oddly diffident responses to whatever may happen.

You’d expect some sense of excitement, or perhaps alarm. After all, it is this sector that has most to lose if, as widely predicted, a socialist Swapo government comes to power. Instead, there’s a shrug of the shoulders and the view: “We’ll believe it when we see it.” It’s an attitude born of years of promises and frustration.

There are two forms of business planning in Namibia. Some companies plan short-term, arguing that they can’t look too far ahead in case political and economic changes turn markets upside down. The second option is to plan long-term as if nothing will change — knowing it will but hoping you can adapt.

Neither is satisfactory. But there is nothing business can do about it. Like the interim government itself, Namibian business is subject to the political whims of SA.

Says Namibian Finance Secretary Johan

Jones: “For several years, our economic planning has been year by year. It’s been very short-term. We have to carry on as if nothing is going to change but at the same time . . . look a little way ahead.”

That’s why most businessmen want to see UN Resolution 435 implemented and Namibia proceeding towards independence. In some respects, many would prefer the territory to remain in SA’s fold — but they know it can’t and want an end to uncertainty and the chance to plan for the future. For them, a socialist future is better than no future at all.

Jones says he expected the apparent approach of independence and a socialist government to depress the economy. It hasn’t happened yet. House prices are frightening (you don’t get much around Windhoek for less than R150 000); office rentals are rising; and companies like Sanlam and Old Mutual are investing millions in new building projects. Jones says: “We’ve seen no signs of recession or of political events having a depressing effect on the economy, although this will happen sooner or later. Come November 1, if something happens with 435, I would expect a quick change in the mood among people.”

The Namibian economy has been relatively strong for the last three years. As an exporting country — diamonds, uranium

and other minerals make up 90% of exports — it has been helped enormously by the weakness of the rand. “Up to 1985, we had negative growth and there was tremendous pent-up demand,” says Jones. “That was let loose and has been going at top speed ever since. I’ve been waiting for it to level out but it hasn’t yet.”

When it does happen — and business generally agrees a slowdown will occur if or when independence becomes imminent — there is optimism it will be temporary. Some industries may suffer and every businessman has his own views on the first targets for nationalisation if a socialist government is elected. But the view is that the economy as a whole will benefit from independence, whoever comes to power.

In particular, fishing and tourism will both be ripe for investment. Namibian companies are already spending on new hotels and lodges around the country’s national parks, particularly Etosha. An independent Namibia could expect a strong influx of free-spending tourists from West Germany. As a former colony, it has a sizeable German-speaking population and is the only real “German” destination in Africa.

The fishing industry could expect to enjoy more quantifiable benefits. Independence would allow Namibia to declare a 200 nauti-

cal miles fishing exclusion zone off its coast.

"This would give us jurisdiction over the richest hake resource in the world," says the territory's sea fisheries director, Jan Jurgens. It would also give Namibia exclusive rights to huge quantities of Cape mackerel, sole, squid, kingklip and many other fish. A 200-mile zone was declared by the Administrator General in 1981 but since no one recognises SA as the legal mandate holder, no one recognises Namibia's fishing rights either.

Many foreign skippers even ignore the generally accepted 13,5 nautical miles limit, agreed upon by the International Commission for South-East Atlantic Fisheries. "They break this rule quite often, especially the Romanians," says Jurgens. "We have only two patrol boats and we can't marshal the entire area from the Kunene to the Orange. I flew over part of the area the other day. Within 13 km of the shore, we spotted seven Spanish trawlers in the closed zone, eight Russian trawlers and two factory ships."

In all, Jurgens estimates up to 150 foreign vessels a day operate in the 200-mile zone. They catch about 1,3 Mt of white fish a year worth an estimated R2bn. Namibian trawlers catch only 30 000 t. "They are robbing our resources," he argues. "The extent of the robbery is incredible and the rest of the world should be appalled."

Jurgens says an independent Namibia would be able to sign bilateral agreements with foreign states so that their fishing fleets "would be allowed to fish in our waters within certain quotas. Initially we would get money for fishing rights and licences only, but in due time we would get investments from outside this country, so there could be local participation in joint ventures."

He adds: "Independence is the best thing that could happen to the fishing industry."

The same doesn't hold true for manufacturing. Secondary industry is a tiny sector in the Namibian economy, since the territory has always relied on SA for its requirements. SA has enough uneconomic industries of its own, and its market is many times the size of Namibia's.

The lack of secondary industry is the main reason why there isn't much of an informal black business sector in Namibia. South West Breweries, itself a minnow by international brewing standards, alone represents more than 10% of Namibian secondary industry.

"Outside mining circles, there isn't much industry," Jones comments. "Instead, we have very well-developed primary industry and trade sectors. In one way, that's a problem. I can see other countries, particularly Germany, interested in investing here after independence. But because of the lack of a strong industrial sector, it's difficult to see what they could invest in."

The dependence on SA manufacturers highlights the problem most sectors of the Namibian economy would face after in-

dependence.

Take agriculture: it's in good shape and exports 90% of its beef every year, but it's all exported to SA.

Independence might allow Namibia to become a signatory to the Lome Convention and give it access to European markets, but not at the volumes it requires. The whole future of the Namibian economy, more so than most other southern African states, depends on the relationship between its government and SA — both Namibia's supplier and its market.

There's a slight exception in mining, where Rössing Uranium is controlled by the British corporation RTZ. But nearly all other mining operations are wholly owned by South Africans.

Mining currently contributes 30%-40% of Namibian GDP. Its future contribution depends entirely on the attitude of an incoming government. Rössing has already made over 3% of stock — and 50,04% of voting power at annual meetings — to the private Capricorn Trust, to be transferred to an independent government. Management control of the operation will remain with RTZ in London but Rössing hopes the gesture will forestall attempts at any further takeover.

CDM, which has diamond prospecting and mining rights in Namibia until the year 2010, says 70% of its profits already end up in Namibian tax coffers.

Like other mining companies, sources at parent De Beers — which hopes to gain new rights if current exploration proves successful — say they would be prepared to talk to an independent government about offering a stake in the operation, but they figure they already contribute enough to the economy.

The mining houses would be flexible in any negotiations but total nationalisation would be disastrous. Just as nationalisation destroyed mining in Angola and Zambia, so

it would in Namibia if SA parents withdraw their expertise. "Swapo promises better schooling, hospitals, training facilities and other services," says a mining executive. "They have to pay for that. It doesn't help if the diamond industry and other mining operations don't exist any more."

Another executive says: "The mood in the mining industry is that even under a Swapo government, it wouldn't be the end of the world. We would try to live with it."

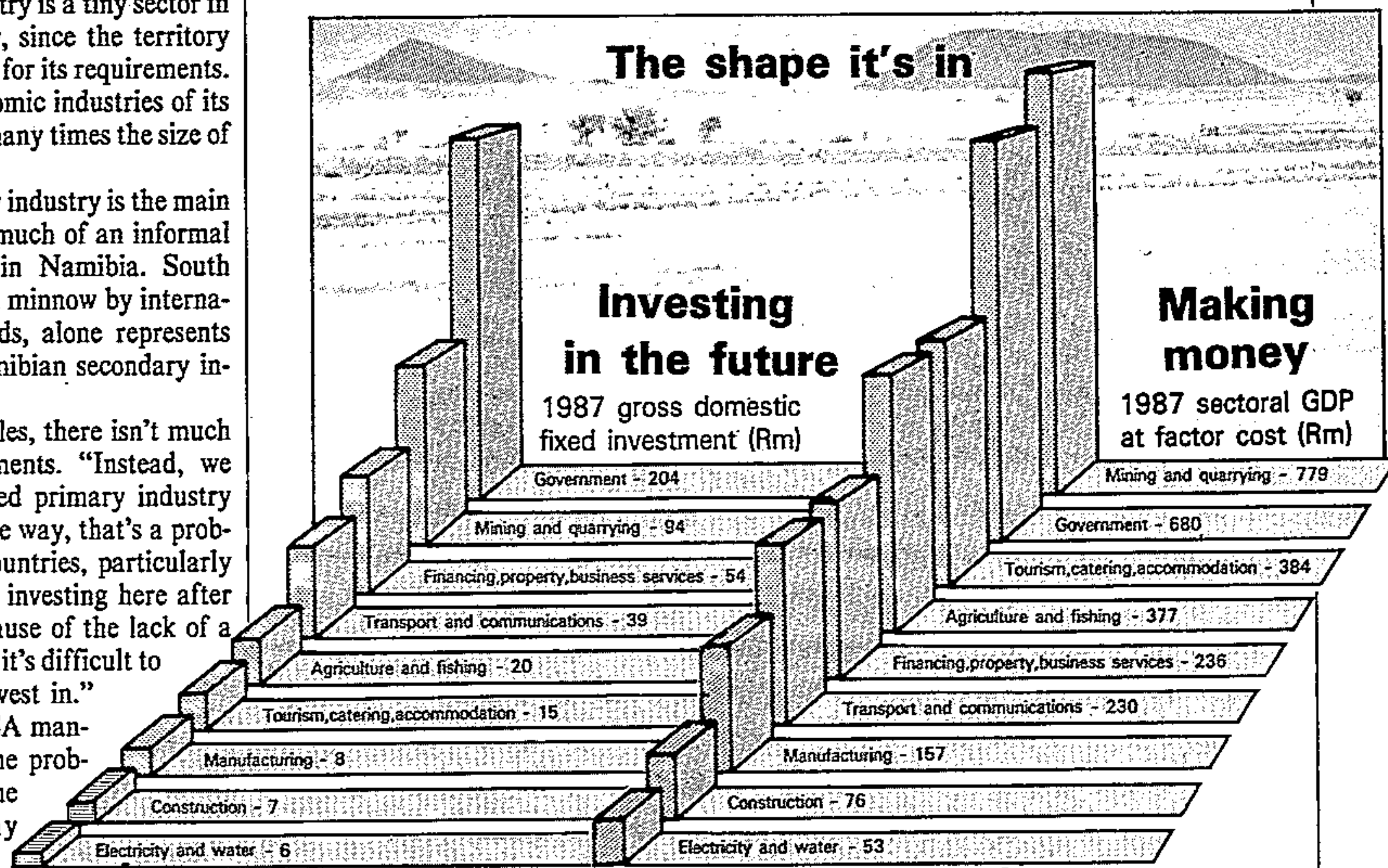
One point that most Namibian businessmen agree on is that there is unlikely to be a major white exodus after independence. Such an exodus happened in the late Seventies during earlier talk of independence. The view is that those who would leave, left then.

"Of course, some people will leave this time but I don't expect a great exodus," says Des Mathews of the Chamber of Commerce and Industries.

The biggest exodus will be troops — and that could cause temporary problems. The economy in northern Namibia is heavily dependent on an SA military presence. Whole trading communities have sprung up around army camps, which have become an important factor in the local economy. "There will be a period of adjustment that could be fairly difficult, but not catastrophic," Mathews says. "The military people in the north are almost completely supplied from SA."

Ultimately, the country's future depends on the willingness of all parties to recognise its limitations and not give in to dogma and outside pressures. As Jones puts it: "The country has a lot of things going for it but it's also vulnerable. It depends how it's handled. If it's fumbled, it could be a disaster."

Confidence is the prerequisite for growth and stability — and it is Swapo that must give the lead here, making its intentions plain. Vagueness, or spite, from that key source would blow confidence away. ■



221A

## List of uncertainties

Alcohol oils the wheels of industry in Namibia.

It says something about a country's dependence on outside resources (see *Leaders*), that a brewery should account for 10% of domestic secondary industry. Such is the importance of South West Breweries (SWB) to the Namibian economy.

The region is rich in minerals and (potentially) fish, but secondary industry has never flourished. It hasn't had to — not with SA on its doorstep to supply virtually all Namibia's needs.

It's a situation which puts SWB — and the Olthaver and List (O & L) group of which it is part — in an invidious position. Being wholly locally owned, the group is relatively safe from market upheavals after independence. But being so prominent makes it a tempting target to an incoming socialist government intent on nationalisation.

As group chairman Werner List explains: "One of the first things to be nationalised in most African countries is the breweries. I have to accept the same could happen here — despite the negative effect on the economy and the fact such a policy hasn't been successful elsewhere."

SWB is the most profitable component of the O & L group. The group also owns the eight-strong Namib Sun hotel chain and holds the local Woolworths franchise

FINANCIAL MAIL SEPTEMBER 16 1988

## CROP PRODUCTION

### Going to seed

Farmers in summer rainfall areas are being encouraged to increase sunflower seed plantings to meet local demand from margarine and edible oils producers.

With the planting season about to begin, the Oilseeds Board is urging farmers to plant a minimum extra 100 000 ha, simply to cater for immediate needs. Chairman Daan Bosman says current seed production of 420 000 t falls well short of anticipated domestic demand of 550 000 t for both the 1988-1989 and 1989-1990 marketing years.

At a production rate of about 1 t/ha, Bosman says the extra 100 000 ha can be planted "without foreseeing marketing problems." With planting generally taking place in late-September/early-October, it takes about three months for a crop to reach harvesting stage.

Seed production has fallen below demand for several years. Says Bosman: "The constant shortage of sunflower seed over the past seven years necessitated large-scale imports of edible oils and protein."

He says the recently announced advance price for seed took account of increased demand. A crop of 550 000 t will earn producers an advance price of R520/t — 12% higher than the current advance price.

Bosman sees no reason for producers not to plant more. "Sunflower seed is a well-adapted crop for cultivation in the summer rainfall areas and an excellent rotation crop that can be cultivated at a relatively low input." ■

## STAINLESS STEEL

### Ripe for planting

Samancor is pressing ahead with its feasibility study into the building of SA's second stainless steel plant.

Spurred on by unprecedented international demand for stainless steel and its main derivatives, ferrochrome and nickel, Samancor (SA's major producer of ferrochrome) feels the time could be ripe to expand into downstream production.

"We are taking a hard look at the technical and technological aspects of such a plant and the economies of scale, while doing preliminary studies of capital and cost requirements. We are also studying the international market and would obviously not like to unnecessarily disrupt sales for our major ferrochrome clients," Samancor MD John Jacobs tells the *FM*.

But with the market going the way it is (last year, world stainless steel sales were 14% above 1986, compared with a mean average growth rate of 3,7% over the preceding 18 years) and with SA sitting on 80% of world chrome reserves, it's an opportunity hard to pass up.

SA's sole producer, Middelburg Steel, is

FINANCIAL MAIL SEPTEMBER 16 1988

# Namibia due to join ranks of the world's gold producers

*Cape Times 6/10/88 221A*

WINDHOEK — Namibia is due to join the ranks of the world's gold producers when the Navachab goldmine near Karibib in the central parts of the Territory comes into operation, says the chairman of De Beers and CDM (Pty), J Ogilvie Thompson.

The new mine with a capital investment of R90m is expected to start production in September next year.

Speaking at the opening of a new diamond-sorting and valuation company in Windhoek yesterday, Mr Thompson said diamond mining in southern SWA/Namibia began in 1909 and led to the discovery of the Territory's first gold deposits.

The life of CDM's diamond-mining operations at Oranjemund had been extended repeatedly through additions to ore

reserves from a continual prospecting programme, through new mining methods and through higher prices and cost efficiencies.

"At present we estimate (diamond) mining will carry on at least until the end of this century, while our prospecting activities continue, both on land and out to sea with a view to extending even further the life of the mine."

Ogilvie Thompson said CDM's capital expenditure and working costs were forecast at R322m this year and about half that amount would flow directly in to the Namibian economy.

Prospecting expenditure since 1980 amounted to R92m and last year alone CDM spent R18,5m on exploration for all kinds of minerals.

"In this context I am pleased to be able to refer to the Navachab

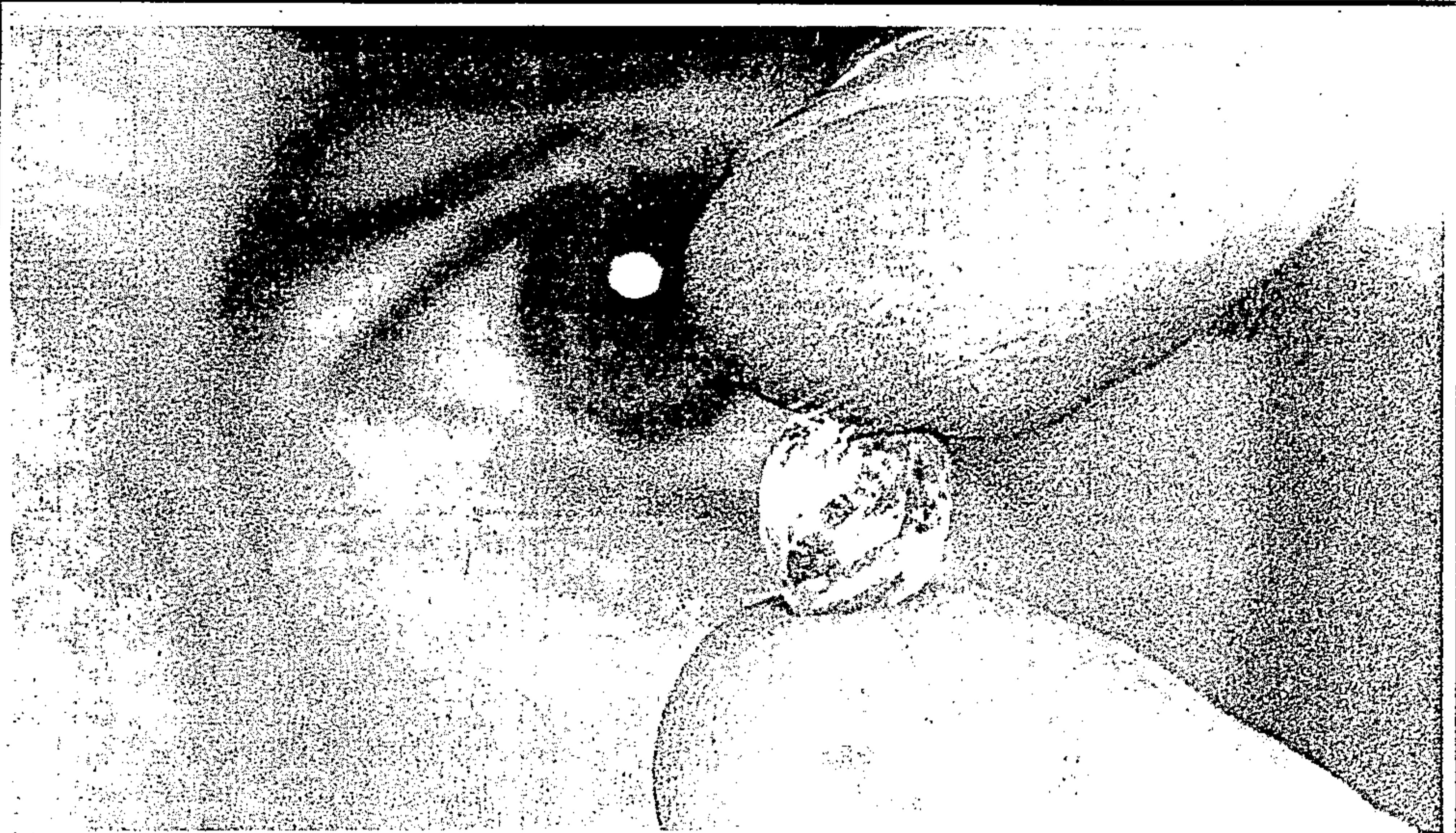
gold mine project near Karibib in the development of which CDM is participating with the Anglo American Corporation," Ogilvie Thompson said.

"It is extremely gratifying that the Anglo American and De Beers group's continuing prospecting efforts in Namibia should be about to result in the diversification we have so long sought to achieve.

"We certainly hope Navachab will not be the only such project to come into being through these efforts."

Ogilvie Thompson said CDM had carried out a major reconnaissance programme in northern Namibia over a five-year period from 1978.

The results obtained were placed on "open file" for future reference, but he did not elaborate. — Sapa



As Namibia moves towards independence, it is hoping that diamonds really are forever — it will need them badly to bolster the economy.

# Making a friend of a gem

Star 6/10/88

221A

WINDHOEK — With the loupe, diamond tweezers and scoop, which are the tools of their trade, diamond sorters daily move through a king's ransom in uncut gems in the new sorting and valuation centre in Windhoek of Consolidated Diamond Mines (CDM).

This is a new venture for Namibia, and it comes, significantly, just as the country appears to be nearing the end of the long road to independence.

Recently De Beers chairman Mr Julian Ogilvie-Thompson and Namibian Mines Minister Mr Andreas Shipanga officially opened the operation, which has been running since July.

## Desert coastline

The Central Selling Organisation (CSO), which controls 80 percent of the world's diamond trade, has established a subsidiary company in Namibia, CSO Valuations (Namibia) to handle the job. It will be responsible for the sorting and valuation of the entire annual production of CDM at Oranjemund, on the barren desert coastline of south-western Namibia.

The Namibian diamonds will pass through Windhoek before going on to the CSO in London, where they will be sold at a number of regular "sights", or auctions. Previously, all diamonds from Namibia were sent to South

By BRENDAN SEERY,  
The Star's Africa News Service

The daily job is sorting through a king's ransom in sparkling diamonds.

Africa for valuation or sorting.

The Oranjemund mine produces about million carats a year — about 1 percent of the total world production. But almost percent of the Oranjemund diamonds are of gem quality, compared with a world diamond mine average of only 20 percent.

The CSO presence in Windhoek will make the Namibian capital one of only a handful of such operations worldwide.

In southern Africa, there are CSO valuation companies operating from Orapa House in Gaborone, and Harry Oppenheimer House in Kimberley.

CDM and De Beers have often been slammed in the past by critics of apartheid and over the South African presence in Namibia. They have accused the company of exploiting the country's natural resources and giving little in return.

Anxious to present the caring face of capitalism as they showed journalists around the Windhoek sorting operation recently, CDM officials said the new operation signified the company's commitment to Namibia.

They said the initial investment was about R25 million. The operation would employ

about 80 local people out of a complement of 120, and Namibians would be trained in time in the skills of diamond sorting and valuation.

CDM, the public relations men told the journalists, paid R115 million in mining, export and income taxes to the Windhoek exchequer during the 1987/8 financial year — 12.8 percent of total government revenue.

CDM taxes, they said, account for almost half of all taxes paid by the mining industry in the territory, and absorb 70 percent of the company's profits every year.

Nevertheless, the company was among those singled out for criticism in the mid-1980s report of the Thirion Commission of Inquiry into corruption and maladministration as it affected the mining industry.

CDM was accused of overmining the diamond fields at Oranjemund in a 24-hour-a-day operation — which it denied, and which was never proved satisfactorily either way.

Mr Justice Pieter Thirion also remarked in the report that the government in Windhoek had little or no control over the extraction, sorting, valuation and export of diamonds.

He noted that all information on value, size of production, profits and expenditure in the diamond mining operation came from the company itself — and there were few ways to verify independently the accuracy of this information.

The recommendations of the Thirion commission were later largely overturned by a government white paper written by public servants in Windhoek.

However, out of the mud-slinging came the commitment to sort and value diamonds within the territory.

The Namibian government has appointed its own valuator (from an independent overseas diamond valuation company) to check and confirm the CSO valuator's figures.

By moving the sorting and valuing operation to Windhoek, the De Beers conglomerate has probably gone some way to deflecting the heavy criticism it might expect from a post-independence Swapo government espousing socialist ideals.

CDM has already officially recognised the Swapo-leaning Mineworkers Union of Namibia, and is recognised as one of the better employers in the mining industry.

## Gemstone eggs

The company should have little to fear from nationalisation by Swapo, whose president, Mr Sam Nujoma, has himself promised there will be no widespread nationalisation.

He and his colleagues in the Swapo leadership realise the dangers inherent in trying to kill the goose that lays the gemstone eggs.

That there will be more controls on the operations of CDM and other such multinationals in the future is probable.

# Namibia debt has no role in peace process

(221A) STV 27/10/81

The Administrator-General of Namibia, Mr Louis Pienaar, says the territory's debt to South Africa is playing no role in the independence process, as it is not part of the current peace negotiations.

Mr Pienaar was reacting to allegations by the United Nations Commissioner for Namibia, Mr Bengt Carlsson, that progress toward Namibian independence would be hampered if South Africa expected the new state to repay its outstanding debt.

Mr Carlsson asked for the debt to be written off.

Mr Pienaar said the debt was not under discussion at the moment and he did not see that it would be a stumbling block on the road to the implementation of Resolution 435.

He added that if it became an issue, it would be discussed in negotiations between South Africa and Namibia. — Sapa.

# Balancing Namibia's books

MB 645  
9/11/88  
221A

Argus Africa News Service

WINDHOEK. — Windhoek's Finance Minister, Mr Dirk Mudge, and his top money man, Dr Johan Jones, returned home from talks in Pretoria this week with a king-size headache — how to balance next year's Namibian budget.

No details have yet been released about what was discussed with the Minister Barend Du Plessis and his experts, but there is sure to have been little comfort for the men from Windhoek.

Even though the November 1 target date for the implementation of UN Resolution 435 has slipped by, Pretoria maintains independence for Namibia will come, and that the territory should begin to stand on its own feet financially, or be helped by the international community.

According to South Africa's administrator-general in Windhoek, Mr Louis Pienaar, Pretoria will have provided budgetary assistance totalling R5 000-million to Namibia during the financial years 1980 to 1990. This figure excludes what has been spent in fighting the bush war against Swapo in northern Namibia and on the battles in Angola.

Mr Mudge and Dr Jones will no doubt have been told at their talks in Pretoria about what, if anything, South Africa will contribute to Windhoek's 1989/90 budget.

This year, the direct South African subsidy was held at the 1987/88 level of R308-million. This figure represents only 17,6 per cent of the Windhoek budget, and compares with a South African component in direct aid of 35,3 per cent as recently as the 1986/87 accounts.

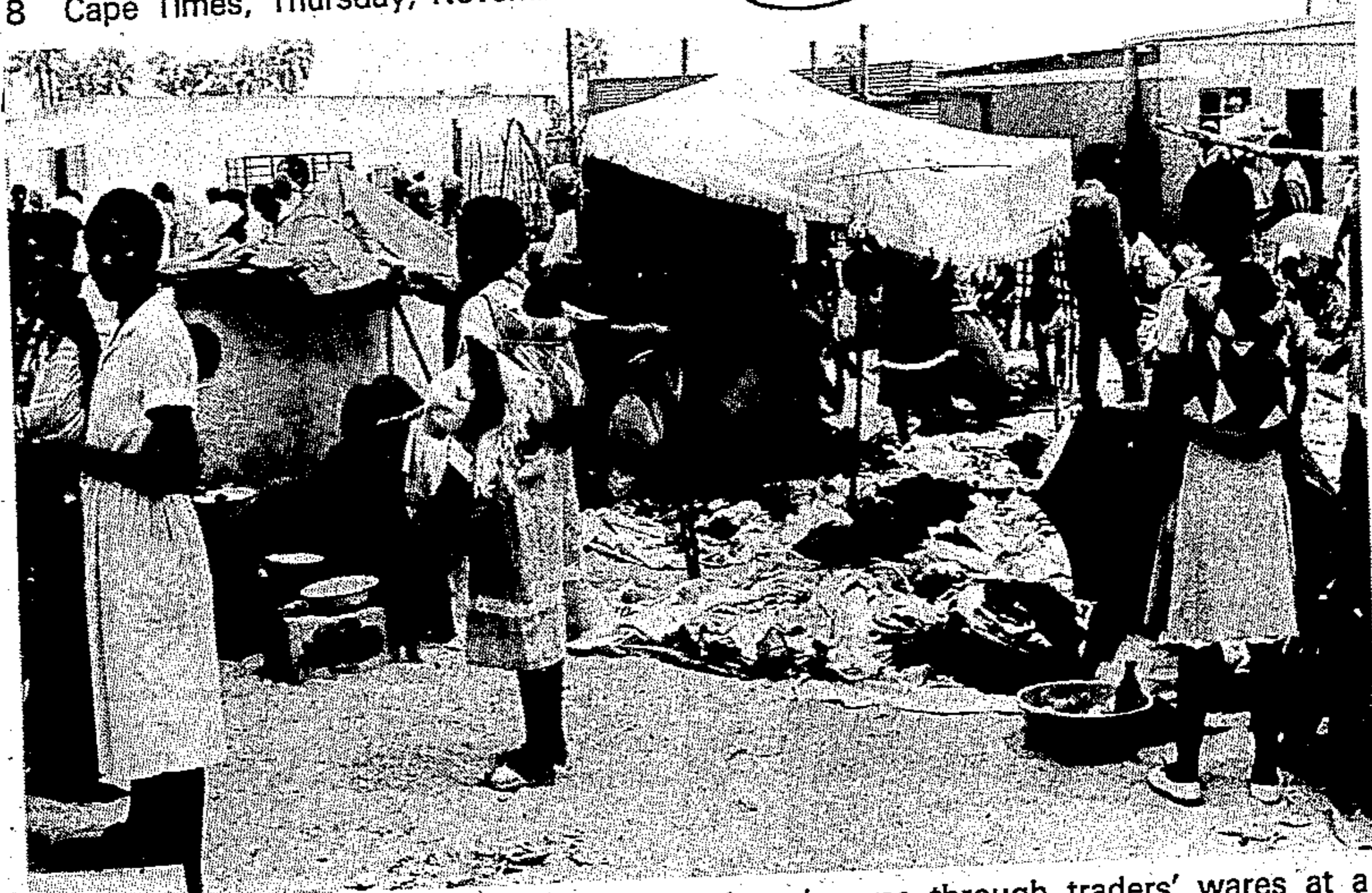
Pretoria also calls the shots as far as the Namibian slice of revenue from the Southern African Customs Union is concerned. For 1988/89, the South Africans raised the amount due to Namibia by R42-million, to R392-million.

Even assuming South Africa sticks to the same amounts it gave Windhoek last year — and that seems unlikely — Mr Mudge and Dr Jones will again have to perform some fancy financial footwork to make ends meet.

The 1988/89 budget here showed a massive predicted deficit of R774-million — down incredibly from the previous year's R150-million surplus.

For 1989/90, Mr Mudge and Dr Jones will also need to find huge injections of money for salary hikes for civil servants.

221A



**MORNING SHOPPING ...** Ovambo housewives browse through traders' wares at a roadside market at Oshakati. Picture: JIM FREEMAN

# Namibian independence: The economic spectre

By JIM FREEMAN

WITH the promise of Namibian independence, the greatest fear in the territory is that it will never raise itself above "banana republic" status.

It is a valid fear, given Africa's post-independence economic track record, and one that transcended racial lines as negotiations built up to agreement on the withdrawal of Cuban troops from Angola and a timetable for the implementation of the UN settlement plan for the territory.

The agreement between South Africa, Angola, Cuba and the United States has made white Namibians sit up and confront the reality of a post-election Swapo government.

And whatever Namibia's Transitional Government says to the contrary, it is a certainty that the movement will come to power after United Nations-supervised balloting.

The trickle of whites crossing into Zambia to talk to Swapo in recent years became a steady stream as the latest independence initiative gained credence.

It was significant that when a group of 200 Namibians flew to Lusaka to attend a Swapo-hosted seminar a month ago, the bulk of the party were businessmen — among them the staunchest Afrikaners in the territory.

Given Swapo's stated policy of African socialism and its Marxist ties, it was a pessimistic group of businessmen that landed in Zambia, according to Windhoek accountant Mr Gert Hanekom.

What set the conservative businessmen's minds at rest was Swapo president Mr Sam Nujoma's assertion that Namibia had to avoid becoming so bankrupt that it could not enjoy the fruits of independence.

There will be no wholesale nationalisation, vowed Mr Nujoma, adding that the country could not afford a mass exodus of capital and brainpower that would leave a fundamentally sound economy in ruins. Government would take a tighter rein on business activities but privatisation would be the order of the day, he promised.

The truth is, Swapo would not stay in power very long if it abolished free enterprise. The movement's supporters would see to that.

Swapo draws by far the bulk of its support from the 600 000-strong Ovambo northern ethnic grouping that makes up more than half of the Namibian population.

While the Ovambos are almost to a man, woman and child sick of the war and embrace Swapo as their "liberators" from colonialism, they have generally grown fat on the con-

flict in the Operational Area, becoming Namibia's hardest capitalists. Ironically, as the war has escalated the more money it has generated for Ovambo.

The army has provided a vast employment resource. Two out of three of the soldiers in the Operational Area are Namibians: Eight out of ten of these are black — including a very significant percentage of Ovambos.

The work might be somewhat risky, but the pay is far above that of the ordinary Namibian labourer.

What is more, the vicious internal turmoil in southern Angola has completely crippled the economy of that region, leading to a roaring cross-border barter system: Timber, ivory, diamonds and cattle in exchange for the food that keeps the beleaguered rural Angolan alive.

The war has brought Ovambo and its people an unprecedented wealth. The national leader who envisages a return to a subsistence economy is liable to face a revolt that would unite black and white, making the conflict of the past 22 years pale into insignificance.

Swapo prides itself on its understanding of the people of Namibia. The end of the war will, to a large extent, see the passing of the Ovambo gravy train but Mr Nujoma is not going to run the risk of returning his people to the Stone Age.



NAMIBIA — ECONOMY

1989

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# Swapo rules out full-scale nationalisation

(221A)  
LONDON — A Swapo government would put an end to foreign companies "exploiting" Namibia's resources, but large-scale nationalisation was not on the cards, leader Sam Nujomo said.

In an interview with Business International, Nujomo said his organisation was aware of the need to retain international companies' expertise. If Swapo were to win an election in a free Namibia, changes would be introduced only after careful investigation and negotiations with the companies concerned.

Nujomo said Swapo accepted the Con-

MIKE ROBERTSON

tact Groups 1982 Set of Principles for Independence, which included the protection from arbitrary deprivation of private property without prompt and just compensation.

Swapo would welcome foreign companies either on a joint-venture basis or on a mixed-economy basis.

Nujomo also said companies in Namibia would have to pay higher taxes.

A Swapo economic policy document

B/pay 5/1/89  
drafted in November said investors would be required to plough back into the economy of the country a significant part of their profits.

Swapo would put an end to the "corrupt practice of transfer pricing" and would introduce a new tax regime to ensure adequate payment of licence fees, state leases and other taxes paid by mining companies.

Swapo's land reform policy would involve the redistribution of land owned by absentee landlords.

5/1/89 221A

# Swapo 'to end foreign drain'

Own Correspondent

LONDON. — A Swapo government would put an end to foreign companies exploiting Namibia's resources, but large-scale nationalisation was not on the cards, according to Mr Sam Nujoma.

In an interview with Business International, the Swapo leader said his organisation was acutely aware of the need to retain the expertise of international companies. If Swapo were to win an election in a free Namibia, changes would only be introduced after careful investigation and negotiations with the companies concerned.

He said transnational corporations were "just draining Namibia's natural resources under South African apartheid occupation".

"They will have to enter new agreements with a future independent state of Namibia. The agreements will have to be based on equal respect and mutual benefits for all, in order to ensure that Namibia's natural resources are not simply shipped out, as is the case now."

Swapo, he said, would welcome foreign companies either on a joint-venture basis or on a mixed-economy basis.

# One War Over, Little Peace

## for Namibian Economy

### BOOM TOWN AND BUST AREAS?

by KEN VERNON  
Argus Africa  
News Service

**JOHANNESBURG.** — Implementation of UN Resolution 435 will be a boom and bust event for Namibia in the coming year.

While the arrival of thousands of dollar-rich UN officials in Windhoek will trigger off an unprecedented boom in the capital of Windhoek, people in the north of the country are facing ruin and despair as South African and local military and police units prepare to pack up and pull out.

As Windhoek businessmen rub their hands in glee at the prospect of 435, those in the north are forlornly hoping that the present moves for independence will prove to be just another false alarm, one of several they have seen come and go in the past.

For years the security forces have been the only industry the north has known, pumping an estimated R6-million monthly into Ovambo-land alone and an estimated R1 000-million annually into the economy as a whole in an average year — mainly into the north of the country.

As the SADF soldiers prepare to pull out and local ethnic military and police units begin to disband, the hundreds of small businesses that have sprung up over the years to cater to their needs and the needs of their families are facing the prospect of going bust and collapsing like a deck of cards in the winds of change.

101 battalions — said this week that an army pull-out would have a "drastic" effect on the local economy.

"A lot of people will lose their jobs because they directly or indirectly all work supplying the needs of the soldiers and their families, while most small businesses will go bankrupt for the same reason.

"Even those working for local government are in despair of the future and many of them are resigning so that they can make sure of getting their pensions and then rejoining it

possible. This is causing chaos in the administration."

**Vacuum**

He said there was no other industry in the area to fill the vacuum left by the departing army.

In the towns and villages of Ovambo-land hundreds of "Cuca" shops, small stalls named after a brand of Angolan beer that used to be sold in the area, owned and run by Ovambos and supported by the thousands of black troops, would all die, leaving subsistence

agriculture as the only fallback for the local population, he said.

"There are lots of bad rumours doing the rounds and nobody really knows what will happen after the army goes. What kind of UN troops will come in? How many? Will they bring their families? Nobody knows and this not knowing is creating a lot of despair."

In Rundu, a prominent member of the town which is the base of the Kavango battalion, said that within a year of the SADF and

local police and army pulling out "the place will become a ghost town."

"There will be no work and virtually all the shops will have to close," he said.

"Everyone here works either for the army or the local government administration and it is felt that after independence the local "ethnic" government system will also fall away.

"People are also worried about what will happen to the value of their money after independence. It might be

come worthless like has happened in other countries that have become independent. But no one knows anything for sure, there are just lots of rumours."

"The only thing for sure is that if the army goes Rundu will die."

But while the houses of Rundu, Oshakati and other northern towns might be left to be reclaimed by the desert next year, those in Windhoek will be keenly watching for possibly fantastic prices.

In a town where there are virtually no houses

for either sale or rent, Untag, the UN peace-keeping and supervision component, is said to be looking for more than a thousand to rent or buy.

And it is said to have more than R121-million to spend to get what it wants.

Added to this there will be thousands of international journalists looking for accommodation in the capital to cover the transition to independence of Africa's last colony, while diplomats from dozens of countries are also in the territory quietly, scout-

ing for suitable embassy premises.

"Prices are set to go sky high," said one prominent estate agent in Windhoek, "And already housing here is more than twice as expensive as in South Africa."

"There is a rumour that Untag wants 1 400 houses... well they couldn't get 14 right now."

However, he said that the UN people start offering thousands of dollars a month for a house, "people already measure of the future will be hard put to resist."

"Everyone here feels we are in for a very good honeymoon — but what happens after the honeymoon is over is anyone's guess."

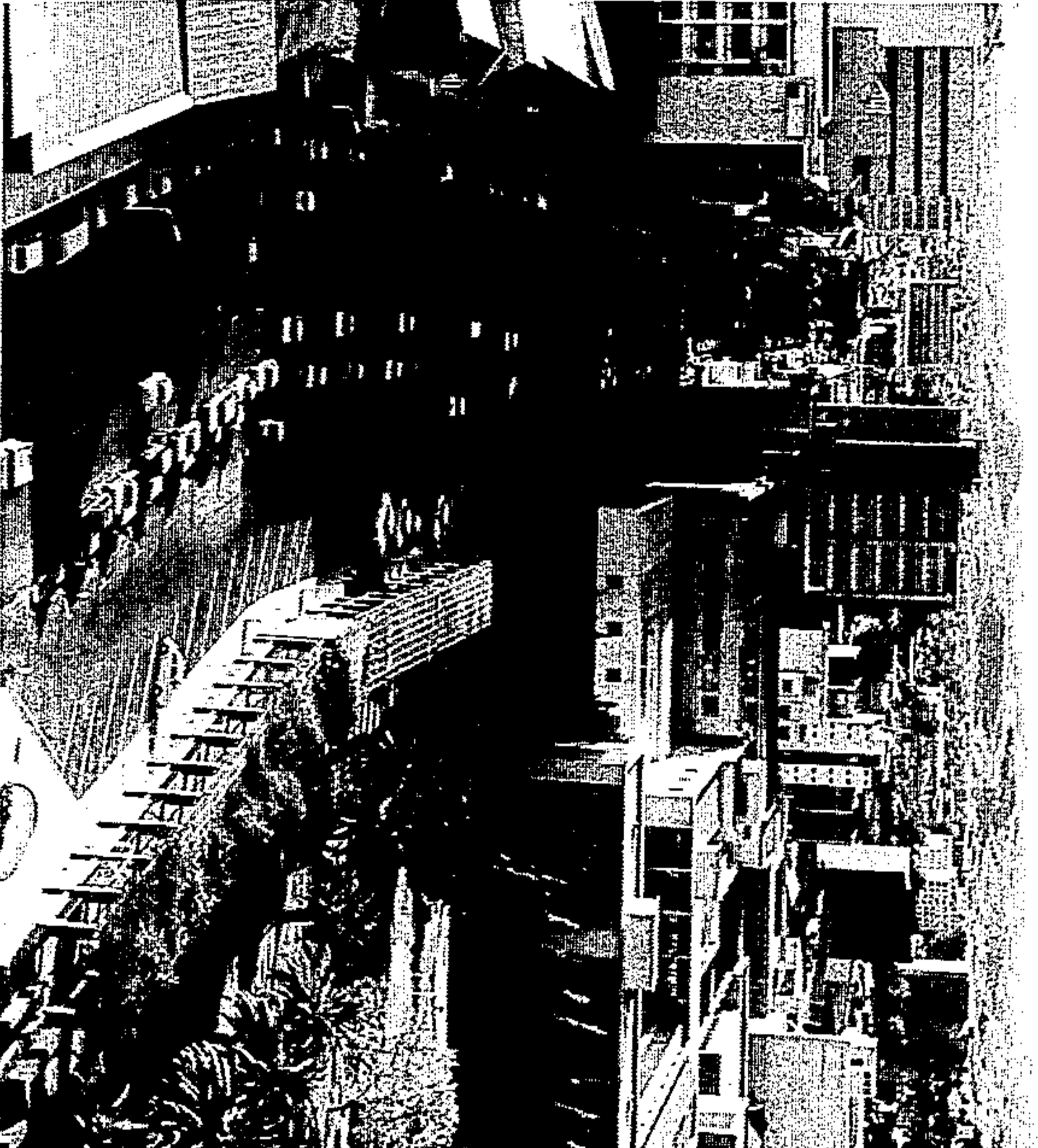
The regional manager of a major car-hire firm echoed the estate agent, saying that Untag representatives had told him they would want to hire 100 4x4's, 250 kombis and hundreds of sedan cars.

**Sceptical**

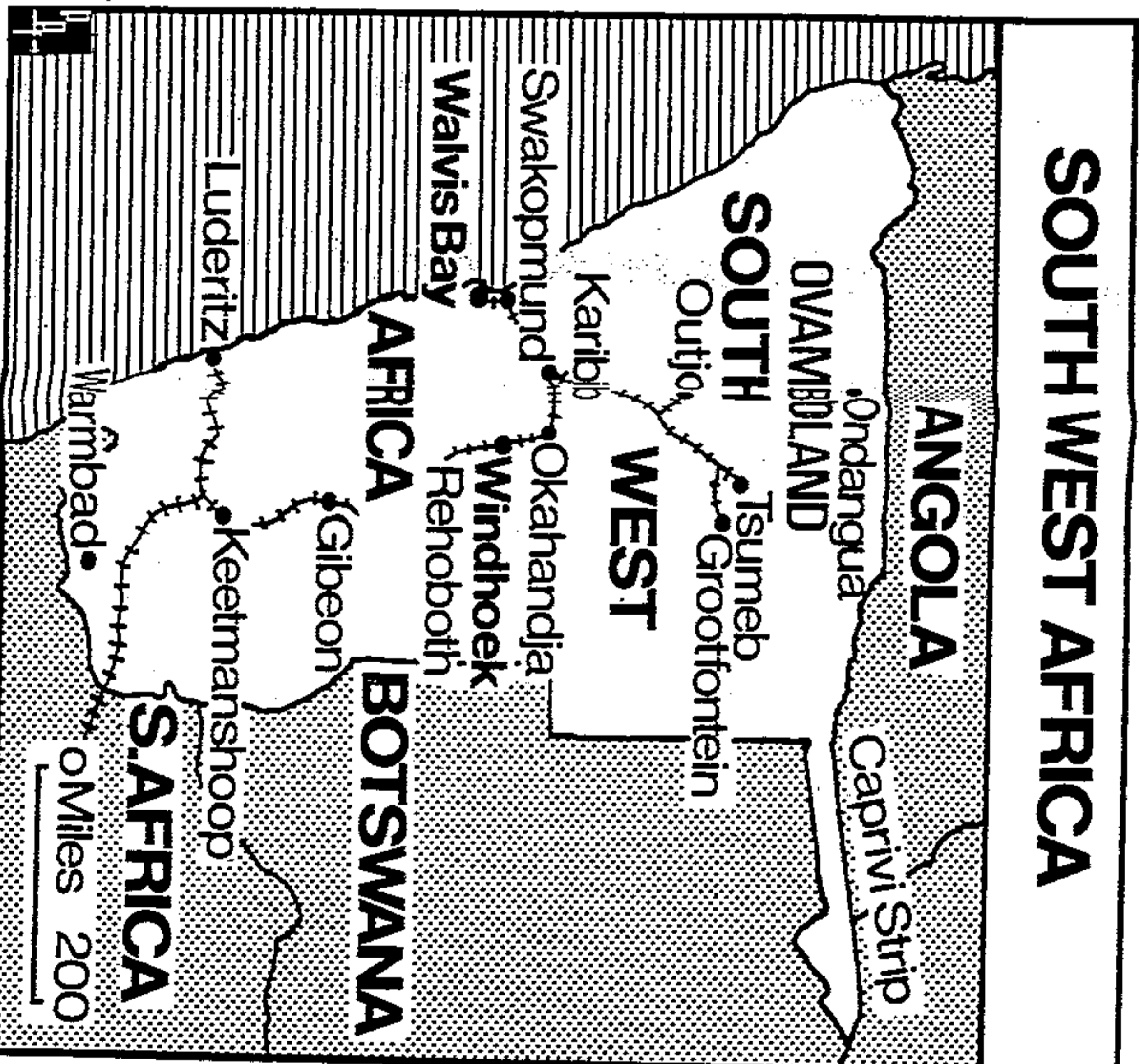
"But at present there are possibly only 40 4x4's for hire in the whole territory. We will have to bring in all we can from South Africa but even then there will be a tremendous shortage."

"If it all happens it will be represent a real boom for us but we are just waiting to see if it really gets together before we start pulling in vehicles. Everyone here is still sceptical."

Local food wholesalers in Windhoek are looking into the possibility of forming a cartel to supply the needs of Untag for millions of dollars worth of almost every conceivable food-stuff.



Windhoek's main street — soon to be a boom town?



22/11/89  
22/11/89  
22/11/89

# Namibian cop arrested for R2,5m diamond theft

Staff Reporter *ZZIA*

A YOUNG Namibian policeman has been arrested in connection with the theft of diamonds worth more than R2,5 million from police offices at Oranjemund at the weekend.

However, the gems and R38 000 in cash stolen had not yet been recovered, said Namibian police liaison officer Chief Inspector Kierie du Rand.

Police are offering a "considerable reward" for information leading to the recovery of the loot, he said.

The policeman — arrested yesterday — will appear in the Oranjemund Magistrate's Court on Tuesday.

The diamonds and cash were stolen from a safe in the high-security offices of the police Gold and Diamond Branch on Friday night. The theft was discovered the next morning.

# Business as usual' after independence

SWA Times 11/1/89 (221)

From RICHARD BARTLETT

**JOHANNESBURG.** — Swapo leader Sam Nujoma's statement that Swapo did not envisage large-scale nationalization after Namibian independence has been greeted cautiously by major companies with operations there.

Corporate spokesmen said it would be "business as usual" and stressed that economic rather than political factors were likely to influence decisions after independence.

Rossing Uranium public affairs manager Clive Algar said there would undoubtedly be problems in the transition period and it would be an unsettling time.

Rossing operates one of the largest uranium mines in the world.

Namibian independence would present Rossing with new sales opportunities as wider markets would become available, said Algar.

Rossing expected certain socialist ideals would be implemented by a Swapo government over a number of years, but did not regard nationalization as a primary concern, said Algar.

Iscor's PR manager, Piet du Plessis, said economic and business considerations, rather than political ones, would determine Iscor's future in Namibia.

The territory's economic situation would depend on the government of the day and Iscor would have to fall in line with its decisions, said Du Plessis.

Iscor is the major shareholders in two mining operations in the territory, Rosh Pinah mine and Uis tin mine.

First National Bank's (FNB) senior GM Jimmy McKenzie, whose bank has 47 branches and agencies in the territory, said FNB was in Namibia to stay and did not plan to change its operations.

FNB have made the Namibian operation autonomous by putting in a strong local board of directors, said McKenzie. FNB Namibia is wholly owned by FNB SA.

Sanlam announced last week that its management in Namibia would be strengthened owing to an increase in staff and growth potential.

Sanlam has a big stake in the future of Namibia and foresees no restrictions being placed on the insurance industry, said Sanlam senior GM George Rudman.

SWA Chamber of Commerce and Industry President Dick Hattingh said the future was bright if a stable government was established in Namibia and the free market system maintained.

## TRSA management offered buy-out

Financial Staff

**TR SERVICES SA** (TRSA) is to be sold to management following the takeover of the parent company TR Services (TR) by Cable & Wireless (C & W) of the UK.

TR which owns 65% of the local operation is to dispose of its 7,2m shares to the local management team headed by TRSA MD Peter Brennan.

Western Cape regional director, Jack Shean said yesterday that the management team has 90 days in which to submit a proposal to C & W.

"No details of the proposal are available as these still have to be worked out," said Shean.

The disposal of TRSA is part of the takeover agreement between C & W and TR.

Shean said no price tag has been pinned to the 7,2m shares.

## Electronic giants to stay

From ROBERT GENTLE

**LONDON.** — The SA interests of the two British electronics giants Plessey and GEC are unlikely to be significantly affected by the outcome of the multi-billion pound bids each is making for the other.

Both companies yesterday ruled out any possibility of going down the road taken by the other British telecommunications multinational Cable & Wireless (C & W), which has confirmed it will sell off the SA interests of TR (Telephone Rental), a rival telecommunications company it has finally acquired after a lengthy takeover battle.

A Plessey spokesman said that far from wanting to get out of SA, it was company policy to expand and exploit markets wherever they could be found in the world.

Similar pronouncements were made by GEC, which has a 50% stake in GEC SA.

## Gold edges higher

**LONDON.** — Gold closed higher at \$404,75, compared with Monday's close of \$402,75.

In Zurich, gold also closed higher, at \$405,50 compared with Monday's \$402,75 close.

The dollar finished higher against most major currencies in busy European trading yesterday, as the market remained bullish and players shrugged off reported light intervention by the US Federal Reserve.

Dealers said the dollar began rising early in the European day, after opening at lower levels in the wake of intervention by the Fed and the West German Bundesbank Monday, dealers said.

Market players were hesitant to take the dollar above 1,8300 West German marks for most of the day.

● In New York, gold closed at \$404. — Sapa-  
Reuter

Patric

TOP COPY NEWS  
Namibia gem heist

By JIM FREEMAN

ONE OF Namibia's most prominent policemen, Warrant Officer Willem Hendrik "Wimpie" van Greunen, appeared in Oranjemund Magistrate's Court yesterday in connection with the theft of diamonds worth R2,5 million from police offices.

No charges were put to W/O Van Greunen, but a charge of housebreaking and theft were being investigated, according to the state prosecutor at the diamond-mining centre, Mr Wollie Masker.

W/O Van Greunen would be remanded in custody until the next hearing on January 26 while the police investigation continued, he said.

Mr Masker added that an application for R20 000 bail by the policeman's attorney, Mr Hein van Wyk, had been rejected by magistrate Mr Elton Hoff. A total of 1 915 diamonds worth

R2 497 000 had been stolen from the offices of the police's high-security Diamond and Narcotics Bureau at Oranjemund on New Year's Eve, he said. Also stolen was R38 388.

Mr Masker said the police were investigating the possibility that the person who removed the gems from the police safe had an accomplice who received the diamonds.

There was a possibility that the uncut stones could already have left Namibia, he said.

W/O Van Greunen, a 32-year-old detective, only recently joined the Diamond Branch, according to senior police sources in Windhoek.

He was previously attached to the Car Theft Unit in the Namibian capital and was prominently involved in breaking syndicates of thieves who stole vehicles in South Africa and sold them in northern Namibia.

# Nujoma's plan prompts spate of pragmatism

B/Dam 11/1/84 (221A)

SWAPO leader Sam Nujoma's statement, that the organisation did not envisage large-scale nationalisation after Namibian independence, has been greeted cautiously by major companies with operations in the territory.

Corporate spokesmen said it would be business as usual and stressed economic rather than political factors would be more likely to influence decisions after independence.

Rossing Uranium public affairs manager Clive Algar said there would probably be problems in the transition period and it would be an unsettling period.

One of the largest uranium mines in the world is operated by Rossing in the Namib desert.

Independence could present Rossing with new sales opportunities as wider markets would become available, said Algar.

He added Rossing expected certain socialist ideals would be implemented by a Swapo government over a number of years, but did not regard nationalisation as a primary concern.

Iscor PR manager Piet du Plessis

RICHARD BARTLETT

said economic and business, rather than political, factors would determine Iscor's future in Namibia.

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First National Bank senior GM Jimmy McKenzie, whose company has 47 branches and agencies in the territory, said the bank was in Namibia to stay and did not plan to change its operations.

He added it had made the Namibian operation autonomous by putting in a strong local board of directors. FNB Namibia is wholly owned by FNB SA.

Sanlam announced last week its management in Namibia would be strengthened by an increase in staff and growth potential.

Sanlam senior GM George Rudman said the company had a big stake in the future of Namibia and foresaw no restrictions being placed on the insurance sector.

SWA Chamber of Commerce and Industry president Dick Hattingh said the future would be bright if a stable government was established in Namibia and the free market system maintained.



● NUJOMA



# Namibian business laying each-way bet

B/Daw 12/11/89 221A

WINDHOEK — SWA/Namibia Chamber of Commerce and Industries secretary Des Matthews said yesterday businesses were planning for only two scenarios after independence — the best and the worst.

He added there were no trends evident to indicate business was gearing up for the arrival of the UN peace-keeping force (Untag) and independence.

The reason was twofold;  
 Peace negotiations did not directly involve Namibians so their knowledge of what to expect was scant;  
 Businessmen were taking a cautiously optimistic attitude towards the independence process with a wait-and-see attitude.

"There are a lot of things that require clarity — for example, how big is the Untag force going to be and how long will it stay?"

He said withdrawal of SA troops and the presence of Untag would be

MANDY JEAN WOODS

short-term events.

"Certainly the presence of Untag will boost the economy. At the same time the withdrawal of SA troops from northern Namibia could have a sharp impact on whole trading communities servicing them," he said.

## Infrastructure

Similarly, withdrawal of SA financial support, and the extent of the international community's financial support of an independent Namibia, would also have a dramatic impact on local business and the economy.

The cost of supporting Untag and of independence might be more than Namibia could handle.

"No company is going to build the estimated 150 houses Untag says it will require or establish infrastructure for the estimated 4 000 vehicles

Untag says it will operate.

"This does not include additional recreation facilities, equipment and supplies, house-care and numerous other things."

The expected influx of resettlers — said by the UN to be in the region of 78 000 — would also add to the already critical shortage of health facilities, housing and jobs, Matthews said.

He added there was tremendous ignorance among businessmen about implications and likely effects of the independence process.

"As soon as we have the facts it will be essential to start an immediate awareness campaign to inform people what to expect."

Continued stability — which would engender confidence in local and international investors — and a balanced budget would be the most important factors affecting business in a post-independence Namibia, Matthews said.

## Namibian operation also proves profitable

Investors holding shares in recently listed Gold Fields Namibia will have no complaints with the company's figures for the three months ended December which show a sharp jump in profits.

As a result of the sharp increase in metal prices in world markets, the company's sales soared R38,4 million (45,1 percent) in the quarter to R123,4 million.

Although costs rose by more than R14 million, profit before tax jumped two-and-a-half fold from R15,8 million to R39,5 million and taxed profit rose from R11,1 million to R25,6 million or 160c a share.

The company declared a dividend of 70c on December 8 and is payable on February 8.

Recovery operations are under way at the Kombat mine following a major inrush of water on November 8, last year. Although production has been suspended at the mine the concentrator plant is operating at reduced scale treating ore from Asis Ost deposit.

# Namibia faces R225m aid cut

104  
NAMIBIA is to cut back on its government department budgets by at least 7.5% to accommodate next year's R225m cut in direct aid from SA, transitional government (TG) Finance Minister Dirk Mudge said yesterday.

The government was informed of the size of the cutback — from R308m to R83m — by SA Finance Minister Barend du Plessis in August last year.

SA has also indicated it will no longer guarantee loans to Namibia, a requirement of institutions abroad.

"We were hoping SA would help us financially until independence, but they were adamant they would not change their minds," Mudge said.

"Namibia will have to do without SA's

3/Day 18/1/89  
MANDY JEAN WOODS  
and CHRIS CAIRNCROSS  
direct contribution after independence anyway so we will just have to make up the difference by exploring other sources of income."

Confirming the cutback figure, SA Finance Director-General Chris Stals said the situation was still flexible; but it was believed such a reduction was in line with the terms of UN Resolution 435.

He said it would be up to the international community to share the burden by coming up with additional funds to

● To Page 2

221A

# Namibia faces R225m cut in SA aid

finance the territory's needs. But Namibian government sources said it would be difficult to obtain foreign funding until Namibia attained independence because only then would SA ties be severed.

Stals said the cutback did not include an additional R300m which Namibia also obtained from its participation in the customs union with SA.

However, TG Economic Affairs Secretary Deon Gous said the TG was investigating SA's customs duties contribution saying the figure had been stagnant for a few years and it was believed it should be considerably higher.

"Namibia's capital projects — like schools, hospitals, water systems and roads — will be the most severely affected by SA's financial cutback.

Mudge said Namibia would not embark on new projects next year and would only be able to complete projects already underway.

8/Day 18/1/89  
● From Page 1  
221A  
Gous said SA's direct aid contribution had totalled 16% of the TG's budget last year. The effect of cutbacks, particularly in capital projects, could severely hamper Namibia's future development.

"For example, we have a population growth rate of 3%, or 36 000 people a year. To accommodate the education requirements we need to build at least seven schools a year, which would cost about R50m.

"We already have a backlog, to say nothing of the pressures put on the system by the return of refugees, estimated by some to be in the region of 80 000."

It is likely the financial relationship between SA and Namibia will be aired in more detail in the March Budget. However, it may be dealt with even sooner when President P W Botha opens Parliament on February 3.

# Embassies boost Windhoek market

The Star's Africa News Service

221A

Namibian independence seems set to have at least one immediate good effect — a boom in Windhoek's quiet property market.

Foreign embassies based in South Africa are already scouting for property, but they seem to be adopting a cautious stand, waiting for sure signs that independence will go ahead as scheduled before purchasing.

Dozens of countries will be looking for property for embassies and staff, and the United Nations is expected to send thousands of civilian officials who will be needing accommodation for the transitional period.

The British government is at an advantage as it already has property in Windhoek.

## EXPANDING

A spokesman said that because of independence "we are revising our needs". Sources said this meant the British were thinking of expanding their property.

A western diplomat said he had been in Windhoek looking for suitable accommodation last week.

"I saw officials from other South African-based embassies and we all seemed to be doing the same — going in and out of estate agents."

Spokesmen for the West Germans and French said they had been looking for accommodation.

But a spokesman for the US embassy said he had no information his government was looking for property.

## FCI call to supply UN contingent

THE FCI is calling for offers to supply the UN's Namibia peace-keeping force.

The organisation added three lists had now been received.

The first was an indication of what would be needed and the second detailed communications equipment.

The third list includes: vehicles, specialised vehicles, housing units including furnishing, tents, petrol and water storage containers, freezer and refrigeration units and generators.

The FCI said negotiations had begun

with some prospective suppliers.

It added details on the latest list were scant in order to leave as many options open as possible until the final UN budget details had been worked out.

The FCI is urging interested organisations to begin negotiations with the UN as soon as possible.

A minimum of about 4 500 UN personnel are expected to oversee Namibia's independence process.

— Sapa.

Business as usual predicted after elections

# Mines fear no political hitch

WINDHOEK — Major mining companies forming the backbone of Namibia's economy believe it will be business as usual when the territory gains independence.

"Mining is the mainstay of the economy," said RTZ's Rossing Uranium chairman Zedekia Ngavirue.

"Any government that comes to power would have to take that into account."

Businessmen and diplomats in Windhoek believe Swapo will win most seats in UN-supervised elections on November 1.

One of the new government's first tasks will be to restructure the economy away from what the future leaders regard as an exploitative capitalist system.

Swapo has nevertheless been at pains to

reassure the 75 000 whites, 6% of the population, it will co-operate with SA.

"We will have to work together with SA for some years until we can stand on our own feet," Swapo secretary-general Andimba Toivo ja Toivo said in Luanda on Saturday.

He added, however, Swapo's long-term aim was to free Namibia's economy from dependence on SA.

Mining executives are confident Swapo will recognise the crucial importance of the mines and the big contribution they make to tax revenue. That could help temper the new government's policies with pragmatism.

Namibia is Africa's fourth biggest minerals producer. Uranium, diamonds and base metals like lead and zinc account for 85% of exports.

Marginal tax rates upwards of 60% underline importance of the mines.

"People may vote for Swapo but they are not against free enterprise. They wouldn't want to see the new government kill off this important source of revenue," said Ngavirue.

Rossing believes black majority rule could also bring distinct benefits if sanctions against Namibia are lifted after independence.

Rossing's open-cast uranium mine outside Swakopmund is one of the biggest in the world. It produces 5 000 tons a year and provides 35% of Namibia's exports.

Mining executives are not daunted by Swapo's revolutionary rhetoric which includes threats to nationalise mines. — Reuter.

● Comment: Page 6

# Punchline heads for Namibia

## Financial Staff

PUNCHLINE has joined the growing list of SA companies moving into Namibia. The Altech group's computer retail network has opened a branch in Windhoek — its 23rd in Southern Africa.

Ric Hutton, regional director for the Cape and Namibia, said that while many businesses were adopting a "wait-and-see" attitude to the territory, Punchline wanted to establish a footing ahead of rivals.

The outlet would differ from others based there, in that it

CMC-7142 7/2/89 2248  
would be a Namibian-registered company, staffed by Namibians. At the same time, said Hutton, the company could call on the expertise of the group to fly in additional installation or support teams when necessary.

"We are no strangers to Africa — we do business in Swaziland, Botswana and Zimbabwe, and we have a full branch in Lesotho. Namibia is an exciting growth point" said Hutton.

Punchline will be a complete supplier of computers, computer stationery and fur-

niture. The branch will also have a fully-equipped workshop and 16 test bays, where imported machines will be tested before being sent out to customers.

"South Westers are fed up with companies who come in from the Republic, sell computers and then disappear", says Johan le Riche, the centre's manager. "Many have been unable to give training, support and backup or supply the latest software. Guarantees have not been met."

As well as aiming for a slice of the growing retail trade

among farmers and small business, Punchline will harness its expertise in networks and Unix to meet the needs of the large uranium and diamond mining companies, and the rapidly-growing tertiary educational institutions. Punchline companies in the Republic are leading suppliers of computers to universities and technikons.

Namibian customers can trade in their old machines when upgrading. This is possible because the company runs a used computer outlet in Johannesburg.

# wraps up UK talks with De Beers

(22/11)

(22/11)

B/Dan/8/2/87

ROBERT GENTLE

Swapo leader Sam Nujoma  
 came yesterday after a secret two-  
 day visit to London during which he held  
 talks with the De Beers diamond group.

The meeting took place on Monday at  
 a top London hotel, the Ritz. Swapo  
 foreign affairs secretary Theo-Ben Gur-  
 irab and De Beers deputy chairman Ni-  
 cholas Oppenheimer were also present.

Swapo confirmed the meeting had  
 taken place. De Beers said Oppenheimer  
 had been "invited to a lunch at the Ritz  
 at which Swapo representatives were  
 present". Neither party would release

further details.

As far as can be ascertained, the  
 Swapo leader did not meet anyone else  
 during his stay. A Foreign Office spokes-  
 man said Swapo had not had contact  
 with the British government.

The visit is being interpreted here as a  
 follow-up to last month's general eco-  
 nomic policy statement by Nujoma in  
 which he said Swapo was committed to a  
 mixed economy.

De Beers, through its wholly owned

subsidiary Consolidated Diamond Mines  
 (CDM), produces about a million carats  
 of rough diamonds a year in Namibia.  
 CDM employs about 6 000 people and is  
 believed to be the country's biggest sin-  
 gle source of revenue.

Last December, De Beers announced  
 the development of another mine near  
 Oranjemund at a capital cost of R90m.  
 □ Sapa reports that The Guardian said  
 the meeting was a strong signal SA busi-  
 ness in Namibia was distancing itself  
 from Pretoria and the interim  
 government.



# De Beers talk to Sam Nujoma

LONDON. — Sam Nujoma, leader of the SWAPO guerrilla group which is expected to take power in Namibia later this year, held informal talks in London this week with the De Beers diamond empire, a company official said yesterday.

He declined to elaborate, but diamond analysts said De Beers may have voiced concern that its Namibian operations could be nationalised after elections in the territory in November.

Nujoma's South West Africa People's Organisation is widely expected to win power in the U.N.-supervised elections, ending South Africa's occupation of Namibia.

The De Beers official said Nujoma had lunch on Monday with Nicholas Oppenheimer, chairman of De Beers' Central Selling Organisation (CSO).

"They shared a table and had an interesting exchange. The luncheon was arranged by an independent third party," he said, adding that South Africa's agreement last year to pull out of Namibia had prompted the talks.

CSO is the diamond marketing arm of De Beers Consolidated Mines Ltd, which produces about one million

carats of rough diamonds a year in Namibia.

Diamond analyst Peter Miller of Yorkton Securities said it was in both sides' interests to reach an agreement on De Beers' future operations, given the excellent quality and high value of Namibian diamonds.

"I would guess they're coming to some sort of understanding. De Beers certainly would like to continue to market (the diamonds)," he said.

Technological problems would spell the end of diamond mining on the Namibian coast if De Beers pulled out through fear of being nationalised, Miller added.

He said it was in Namibia's interests to keep marketing its diamonds through the Central Selling Organisation.

As well as selling stones from De Beers' own mines in South Africa, the CSO markets diamonds on behalf of other major producers such as the Soviet Union, Australia and Zaire, and accounts for about four-fifths of the world's gem diamond trade. — Sapa-Reuter

## Financial services on show

PEOPLE can compare different products at leisure at an exhibition of

## Waiting for TIC budget

low  
pc.  
has

Investigation into the air crash in which Mozambique's President Samora Machel died two years ago.

*CAF Tm 11/2/89 221A*

### Namibian farms flooded

WINDHOEK. — Farmers and their families in the Tsintsabis area of Namibia have been isolated and farms north of Tsumeb flooded by heavy rain. Helicopters are on standby in case the situation worsens.

# De Beers gets set for Swapo

st Times 12/2/89  
221A

By Richard Rolfe

LONDON. — De Beers has taken several steps to prepare for a Swapo government in Windhoek after the November general election.

This week's meeting between Nicholas Oppenheimer, chairman of the Central Selling Organisation diamond syndicate, and Sam Nujoma, leader of Swapo, was one of the moves.

The CSO said Mr Oppenheimer and Mr Nujoma met at a lunch hosted by an unnamed third party at the Ritz Hotel in London.

It said there were no plans to meet Swapo representatives in the near future, "though after April they will be an important part of the political constituency in Namibia".

RTZ, which manages the Rossing uranium mine in Namibia, was not involved in this week's meeting. The company said it had made several informal contacts with Swapo in the past.

"We are always ready to

talk to interested parties," RTZ's spokesman said.

Mr Oppenheimer recently visited Luanda, where he met President dos Santos. Speculation is that De Beers hopes to entice Angola back into the CSO.

Apparently on Anglo business, Mr Oppenheimer also saw President Mugabe in Harare early in January.

Mr Nujoma has moderated his tone since the days when he threatened to nationalise all Namibian mines. Swapo now says it is committed to a mixed economy.

Peter Manning, Swapo's London representative, says the policy will be "to negotiate with each individual mining company". The outcome will almost certainly be higher tax than at present.

De Beers subsidiary CDM is to spend R90-million on developing a mine at Auchas about 45km north-east of Oranjemund.

A De Beers spokesman says it is "part of a broad effort to increase reserves and extend the life of CDM"

# Windhoek gears up

By Udo Rypstra

WINDHOEK has run out of office space. Some tenants are subletting space.

Few new developments have taken place in the past few years. But a R42-million shop and office development by Sanlam and the R33-million Mutual Platz run by Old Mutual Properties will be ready soon.

Several South African companies are setting up businesses in Namibia ahead of independence.

Among them is Altech, which has opened a Punch Line business centre in Windhoek.

Ric Hutton, regional director of Punch Line Business Systems for the Cape and Namibia, says the outlet will

be different from others there — it will be a Namibian-registered company, staffed by Namibians.

The influx of business people and visitors is so strong that Namibia has stopped promoting itself as a tourist destination. Hotels are packed, especially in Windhoek.

Windhoek's Hotel Safari is extending its premises by 200 rooms.

About 70% of tourists are from SA. The rest are mostly Germans, with a sprinkling of Britons, Americans and Italians.

221A

# Slash in SA funding is blow to Namibians

Star  
13/2/89

By Brendan Seery,  
The Star's Africa News Service

2215

WINDHOEK — Namibians are staring at severe financial belt-tightening in the transition period to independence following South Africa's decision to slash monetary aid to the territory for the 1989-90 financial year by R500 million.

Finance Minister Mr Dirk Mudge told a public meeting in Otjiwarongo that the reduction in funding by South Africa represented 25 percent of the territory's planned budget of R2 000 million for the coming financial year.

In the current financial year Pretoria gave Windhoek R308 million in direct financial aid and paid the territory's exchequer R392 million as its due from the Southern African Customs Union agreement.

## INVESTMENT LAG

Namibia's economic prospects were being worsened by the fact that few investors were willing to plough in money during the current uncertain time, Mr Mudge said. He disclosed that considerable amounts of money were already leaving the country.

The Finance Minister, who steps down on March 1 when Windhoek's transitional government disbands, warned last year that Namibians would be in for a round of severe belt-tightening when South Africa began slashing its monetary aid.

From March 1, South Africa will reassume responsibility for the administration of Namibia through its Administrator-General in Windhoek, Mr Louis Pienaar.

Namibia's 1989-90 budget is due to be delivered around May, well into the transition period to independence envisaged under the United Nations Resolution 435 settlement plan, which is due to be implemented on April 1.

## Mozambican medical crisis

Star  
13/2/89

The Star's Africa News Service

218

MAPUTO — Health services in the Mozambican northern province of Nampula have almost come to a complete halt because of rebel activity.

The provincial nursing supervisor, Mr Samuel Gulele, said that last year rebels had killed five health workers and kidnapped a further 12 in Nampula province.

The rebels had looted 26 health units in the province and partially damaged another seven.

A number of vehicles and refrigeration equipment necessary for the conservation of vaccines had also been destroyed. This had made it impossible to carry out vaccination programmes.

Lehwa

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Lehwa

CALL 4-1-15 13/2/84  
2214

## 6 die in floods in Namibia

JOHANNESBURG. — The death toll in floods in southern Namibia has risen to at least six with the recovery of two more bodies from the Wasser River near Keetmanshoop.

A police spokesman said, however, that the search was continuing for two Ovambos whose car was swept away by floods in the weekend.

A woman and her daughter also drowned on Saturday after their house was flooded by the Schaap River in the Keetmanshoop area.

Repairs have been started to the national road between Keetmanshoop and Mariental and the road, which was closed at the weekend, is expected to reopen tomorrow. — Sapa

### Tiny Tony

dies at 44

tered showers.

Botswana: Partly cloudy with isolated thunder

#### YESTERDAY'S RE

Barometer ..... 10

Humidity .....

Temperature .....

max 26,4 min

(At D F Malan 24 h)

Hours of sunshine: 6

Wind (D F Malan) 8 p

#### TIDES (TABLE BA

High: 0839 2132

Low: 0208 1520

Sun sets 1942 rises

## TV T

6.00-8.00: Good

3.30: Impact

3.55: Autoban

4.05: Mio Ma

4.15: The Tra

4.20: Pumpk

4.35: The Boy

4.35: Another

4.45: Throb

5.30: Bionic

6.00: News

6.15: Graffiti

7.00: Murder

Minor Key. T

graduate stu

volved in

murder as

Cape Times 13/2/89  
2211

# Heat wave while floods hit country

Staff Reporter

DON'T be fooled by today's partly cloudy and mild weather — according to the weather forecasters, the heat wave is not yet over and tomorrow and Wednesday could be as hot as last week.

A spokesman for the weather office at D F Malan airport said today would be partly cloudy and mild with a moderate south-westerly wind becoming south-easterly tonight.

A maximum temperature of 25 deg C was expected.

He said that tomorrow and

Wednesday the weather would start warming up again with possible temperatures of 30 deg C.

Last week, temperatures soared to 39 deg C in the city centre.

Meanwhile, Sapa reports that floods in southern Namibia have claimed six lives, including a mother and her daughter whose house was flooded, near Keetmanshoop at the weekend.

A police spokesman said the search was continuing for two people whose car was swept away by floods yesterday.

Good rainfalls over the Free State have been reported.

In the Transvaal, heavy rain washed out horseracing and golf on Saturday, with the third-round leaders in the ICL Charity Classic being taken as the winners of the golf tournament.

Saturday's horseracing at Turfontein will be held today.

The first leg of the Nissan Shield cricket semi-final between Transvaal and Free State in Bloemfontein was also rained out on Saturday. — Sapa

● 6 die in floods — Page 2

● Drought in East Cape — Page 7

ons apply to a wide range of reporting, comment and pictures in the Cape Times



For UK-based RTZ Corporation, the prospect of imminent independence in Namibia is far less daunting now than it seemed a decade ago.

As the creative force, major shareholder and manager of Rossing, one of the world's biggest uranium mines — sited in the heart of the Namib desert — the mining house could even be one of the main gainers from the end of 74 years of South African rule over this United Nations trust territory and former German colony.

This, at least, is the hope of senior mine management, who believe that the provisions of the US Comprehensive Anti-Apartheid Act will cease to apply to Namibia once it is divorced from Pretoria.

At present, says Dr Steve

Kestler, assistant general manager, they are not able to sell uranium directly from Rossing to the United States.

The careful phrasing suggests that, despite restrictions, some of the 4 600 or so short tons of high-grade U308 uranium oxide produced annually by this 3 km-long, open-cast mine eventually finds its way to US utility companies.

The likely path is through the depressed international spot market, despite the formal embargo on uranium imports from South Africa and Namibia.

However, the bulk of Rossing's output, exported by the container-load in 400 kg steel drums via the South African-controlled port of Walvis Bay,

80 km from the mine, is sold on long-term contract, mainly to nuclear-power utilities in the UK and Europe.

The problem in recent years is that contracts have not been renewed on expiry, due mainly to the efforts of anti-apartheid lobbies.

These groups regularly disrupt the RTZ annual meeting in London, single out utilities using Namibian uranium and protest against the rape of Namibia by the multinationals.

As a result, the mine is producing about 80 percent of capacity.

However, with the R400 million start-up investment now fully recouped, the high-technology mine is still profitable at

current production levels.

It is well above the break-even point, which, thanks to a continuous productivity and safety programme, has been reduced to 55 percent of capacity, according to senior mine engineers.

Skill upgrading means that the mine now employs nearly 1 000 fewer people than a decade ago, when more than 3 000 unskilled and often illiterate local workers were taken on for training.

Average take-home pay of the more than 2 000 skilled and semi-skilled workforce is now about R1 600.

Rents in the custom-built company town of Arandis, an artificial oasis in the desert

10 km from the mine, are fixed at a highly subsidised R750 per month, including water and electricity.

However, despite the relatively high pay and good conditions, Mr Axaro Tsowaseb, the assistant housing manager, has no doubt that the people of Arandis will vote solidly for the South West People's Organisation in United Nations-supervised elections to a constituent assembly on November 1.

Most observers in the capital, Windhoek, believe that Swapo, led by Mr Sam Nujoma, will win a majority of seats in the constituent assembly but will fall short of the two-thirds majority required in terms of UN resolution 435 to dictate the terms of

the new constitution.

This means that Swapo is unlikely to be able to form a one-party government on Soviet lines.

What is more, the exiled leadership of Swapo has toned down the party's original plans to nationalise the mines and redistribute the land.

RTZ, along with other major mining houses operating in the territory, such as Anglo American, De Beers and Gold Fields of South Africa, believes that Swapo now sees the mining industry as a golden goose, which is to be exploited but not plucked.

A few key statistics show why. With the progressive exhaustion

of the formerly rich coastal diamond deposits, Rossing has become Namibia's most important single economic asset.

Alone, it generates 35 percent of Namibia's export earnings and 17 percent of gross domestic product.

With tax biting into 55 percent of profits and marginal tax rates of 63 percent expected to be further raised in this year's budget, Rossing is a big contributor to government revenue.

With good management, and a little help from the uranium price, the mine still has up to 40 years of working life ahead of it.

However, the real test of any post-independence government will be its ability to create the

# RTZ changes its tune over Namibia

conditions for new investment in many of the promising projects which are currently on hold.

Rossing argues that if RTZ had not decided to go ahead with its mine shortly after the 1973 oil crisis, when utilities were lining up to secure long-term supply contracts for uranium, the huge but extremely low-grade deposit locked into abrasive Alaskite granite would never have been exploited.

At present the only major new investments taking place in the mining sector are a R90 million alluvial diamond mine being developed by De Beers's Consolidated Diamond Mines along the Orange River, 50 km upstream from the fast-depleting coastal deposits at Orange-mund, and a small gold mine developed jointly by De Beers and Anglo-American. — Financial Times

## UN funds for Namibia to be approved soon

NEW YORK — The United Nations General Assembly plans to approve \$416.2 million (R1 040 million) this week for Namibia's transition to independence.

UN officials said the assembly's finance committee yesterday began reviewing Secretary-General Dr Javier Perez de Cuellar's request for one year of funding.

Later this week, the entire General Assembly was expected to approve the assessment, said UN spokesman Mr. Juan-Carlos Brandt.

2218 BIGGEST

The Namibian peacekeeping force, called the UN Transition Assistance Group (Untag), consists of 4 650 peacekeeping soldiers, 500 police supervisors, more than 760 civilian staff, 820 locally recruited staff and 620 election monitors provided by donor governments.

On April 1, Untag will begin implementing a one-year plan for Namibia's independence — the biggest UN peacekeeping operation since the 1960-64 Congo crisis which at its peak involved 19 828 troops. — Associated Press.

## PROPERTY

# R200m bonanza for Windhoek

16/Day 8/3/89

221A

VAL PIENAAR

MORE money is currently being spent on development in Windhoek than in the entire history of SWA/Namibia, says Don Goodey, Nationwide development manager, who is responsible for the construction of Ohlthaver & List's Wernhil Park shopping centre.

Situated two blocks west of Windhoek's main CBD area, the R70m Wernhil Park represents an important element in the city council's plan to broaden the CBD. At present this is essentially strip development running along Kaiser Street.

Other private sector developments taking place within two blocks of this site include the R40m Mutual Platz, an office and retail complex being developed by Old Mutual, and the R42m Sanlam office block, which also offers a small retail component.

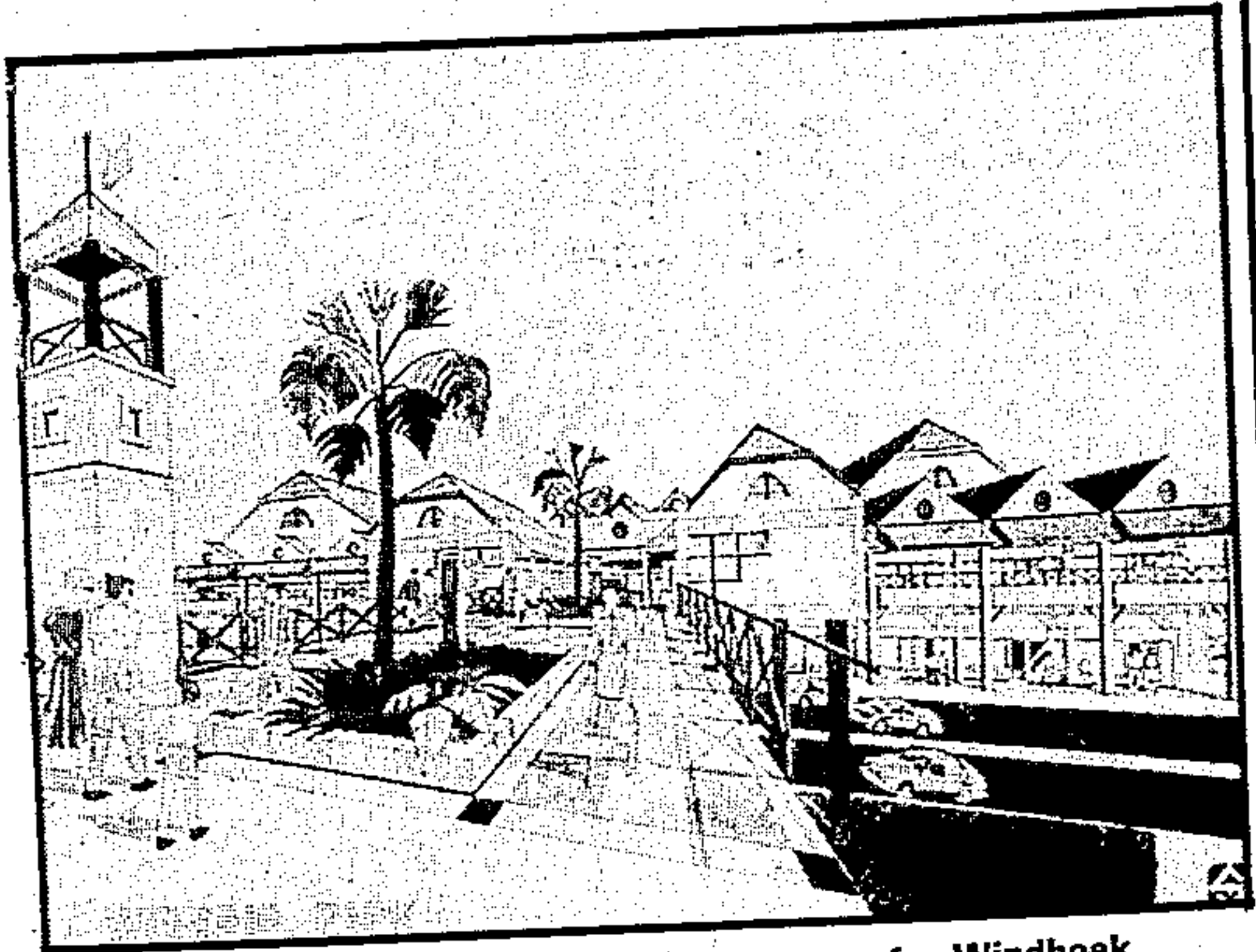
"After 10 stagnant years, businessmen are suddenly recognising the potential of the area, and this is reflected in the R200m worth of development currently under way," Goodey says.

### Growth rate

"Windhoek has a lot of catching up to do, and the two years of Untag's presence will put quite a strain on our resources. But once the current development spurt is over, I believe our growth rate will settle down to a steady 8% a year."

Wernhil Park is being constructed in two phases. The R50m first phase comprises 19 000m<sup>2</sup> of retail space on three floors, to be completed next year. This will comprise a range of line shops, a supermarket, restaurants and fast food outlets, in addition to a leisure centre and cinemas for which plans are under way.

The next phase will comprise a 200-bed three-star hotel, 15-storeys high, at a cost of some R20m.



### □ WERNHIL PARK ... R70m shopping centre for Windhoek

At present, leases for about 73% of the total lettable area in phase one have been taken up, including some 9 000m<sup>2</sup> on two floors taken by anchor tenant Model Supermarket.

The rental rate is about R34/m<sup>2</sup>, escalating at 15% a year — which, says Goodey, compares favourably with recent rentals of R60/m<sup>2</sup> along Kaiser Street.

"Transport costs add 15% to 20% to construction costs in Windhoek, added to which the shortage of skilled labour makes it impossible to complete a development as quickly as in SA.

"This, added to the recent surge in demand which puts space at a premium, accounts for the high rentals common here," Goodey explains.

Parking for 767 vehicles is provided, at a ratio of 4:100m<sup>2</sup>, including a 250-bay municipal parking area.

The shopping complex offers some innovative features, not least of which is the bridge over Tal Street, which incorporates small line shops and links the centre with the pedestrianised Post Street. This is the first

time such a design feature has been used in Windhoek.

In addition, the centre has been designed to interface with the various forms of transport used in the CBD, providing accessible shopping facilities without slowing down commuters.

Four access points, designed to cater for security needs, have been provided, while routes with shops have been provided for people wanting to bypass the centre.

### Access ramp

Commuters by bus and taxi who disembark at the terminals next to Wernhil Park will not have to walk through the centre itself — which could prove a security risk as well as unnecessarily increasing congestion. Instead, they will have access to the CBD by way of a ramp leading to the Post Street pedestrian mall.

The developers have deliberately incorporated a "commuter shopping area" independent of the main centre. This will cater for informal traders, as well as conventional shops.

# The rush is on for Windhoek space

B/Dwy 22/2/89 (221A)

WINDHOEK is booming, and the rush is on to take advantage of high demand for retail and office space, according to property investors and agents alike.

The influx of Untag staff is expected to have a dramatic impact on demand for office and residential accommodation in a town where space in all forms is at a premium.

After some 10 years of relative stagnation brought about by the mood of political and economic uncertainty governing the region, extensive development got under way in the Windhoek CBD in 1988.

"Over R100m will be pumped into Windhoek in the form of major property developments during the next two years," comments Windhoek property broker Barry Joseph.

And research indicates that by 1990 demand for additional office space could be more than 45 000m<sup>2</sup>.

However, Old Mutual's regional

VAL PIENAAR

property manager (Witwatersrand), Ian Watt, sounds a note of caution against too hasty development before the country's economic and political future is more clearly determined.

"Windhoek is not very large, and the development currently underway could satisfy demand for some time," he comments.

"While the office blocks are very full, the new developments already on stream will ease the pressure.

"The Untag forces will be looking for accommodation, but at this stage we don't know how much of this will be for office space, or how long this situation is likely to last.

"Once a settlement has been reached, demand could well abate."

At present, returns on property developments in the area are high by any standards, despite steep con-

struction costs. Current rentals compare with the best for Johannesburg CBD properties, and Joseph predicts that as new developments come on stream they will command gross rentals of R26 to R30/m<sup>2</sup>.

And according to Joseph, SA operations are showing considerable interest in opening offices in the town.

"Windhoek is humming. Despite the rise in rentals we are letting properties well before completion."

## Export centre

"There is tremendous potential for development here. The mining industry is a large and growing user of space, and once we are independent Windhoek could become an important export centre."

Moves towards independence are also indirectly fuelling development in the region, as life companies build up assets to balance against future liabilities. In the past, life policies held by people living in SWA/Namibia could be cashed in SA, but with full independence this flexibility is likely to be lost.

"Life companies are going to have to pull out of the area altogether or set up separate operations," comments Ampros leasing director Grahame Lindop.

One of the most important developments currently underway in Windhoek is Sanlam Properties' R42m scheme, comprising a 12-storey office block offering some 15 000m<sup>2</sup> of lettable office space and about 4 000m<sup>2</sup> of retail space.

In addition, Old Mutual is constructing a R33m scheme comprising five storeys of offices and a smaller retail component.

Local developer Ohlthaver & List Trust, which also owns South West Breweries, is also reported to be putting up a major shopping centre in the CBD.

## Vacancies just down

PRIME office space in three of SA's four major centres diminished only slightly in the six months from July 1988, while in Pretoria vacancies actually increased in the secondary space category.

This is evident from the Ampros property exchange published today.

Vacancies in completed buildings in the CBDs in July amounted to 584 781m<sup>2</sup> in Johannesburg, 13 000m<sup>2</sup> in Pretoria, 97 240m<sup>2</sup> in Cape Town and 35 000m<sup>2</sup> in Durban.

By January, the figures were 526 284m<sup>2</sup> in Johannesburg, 19 500m<sup>2</sup> in Pretoria, 80 784m<sup>2</sup> in Cape Town and 33 895m<sup>2</sup> in Durban.

In the Johannesburg CBD, vacant space has decreased from 18,1% to 16,1% during this period. While this

figure is high, much of this vacant space occurs in B, C and D-grade buildings.

The Pretoria CBD remains fairly static. Vacancies are currently at 1,2%, which is slightly up on the 1,0% of July last year but the same as 12 months ago.

Vacancies in the Durban CBD have dropped marginally in the six months under review from 6% to 5,9%, although less than half of this is prime space.

In Cape Town, CBD vacancies have fallen to 5,4% from the 6,5% of July, although the first six months of last year showed a take-up of 4%. Even at the current rate of take-up, demand for all categories of space can be expected this year.

Sectional title

# New hotel at Etosha Pan

BIDAY 23/2/87

221A

RISING out of the bush in northern Namibia is the Mokuti Lodge, one of seven hotels in the Namib Sun Hotels (NSH) chain.

Situated at the Etosha Pan's Namutoni gate, the lodge will ultimately have 220 beds in thatched-roofed bungalows, restaurants, bars and a swimming pool.

But this is just one of the exciting projects planned by NSH — formerly Breweries Hotels — this year.

The chain already includes the Hotel Theuringer Hof and Hansa Hotel in Windhoek, the Strand at Swakopmund, the Hotel Atlantic at Walvis Bay, the Eckleben at Tsumeb, the Hamburger Hof at

Otjiwarango and the Hansa at Keetmanshoop. But expansion is on the cards, with the extension of two hotels, planned and refurbishing of all an ongoing task.

While conforming to corporate standards, each hotel manager has a free hand in the day-to-day running of his inn.

"This way, we maintain a friendly atmosphere and the personal touch for all our guests," says public relations officer Jutta Kasimir.

"With plans for independence now well advanced, we expect a major influx of travellers in the next 18 months, and we'll be ready to offer them the very best service and facilities."

PETER Bieber, chairman of Metje & Ziegler, the listed Namibian conglomerate, agrees with a report in Business Times last week that the outlook for Namibia is bright.

Mr Bieber, director of several SA companies, a former president of the Actuarial Society of SA and investment chief of Old Mutual, says the future for a country bigger in size than France and Germany and with a population of 1.4-million has to be bright.

"I visit the territory eight times a year. I find about a third of the people are posi-

# Metje & Ziegler boss sees Namibian boom

S/Tues 2/24  
221A

tive, a third are waiting and the rest are are apprehensive.

"But most top business people are brimming with confidence. The opportunities are tremendous.

"Consolidated Diamond Mines, Rossing uranium mine and Standard Bank of Namibia are going like a bomb. Gold Fields of SA has put its assets there into Gold Fields of Namibia, which is now listed on the JSE. An enormous prospecting drive

is going on. The mineral wealth, the excellent fishing and the tourist attractions add up to a promising future."

"Etosha is one of the finest game reserves in Africa. It's unique — and Swakopmund on the sea is outstanding. The country is well placed to attract high-class tourists."

Mr Bieber doubts that Namibia will make the same socialistic mistakes as Tanzania and Mozambique.

Metje & Ziegler lifted pre-tax profit last year by 28% to R5,96-million and taxed profit 33% to R3,5-million and expects another good year.

The company has the Mercedes-Benz, Honda, Volkswagen and Audi dealerships in Namibia. It also has the franchises for Continental and Pirelli tyres and is the distributor of Siemens electrical equipment.

It distributes timber, iron and steel, building materials,

machine tools, hardware, paints, electrical goods, carpets, household and luxury goods, sports equipment and clothing. There are also property interests in all the main centres.

The product range means M&Z will do well from Untag. It probably also means that the company will continue to prosper if its chairman's confidence is justified.

# Bonn draws up an aid scheme for Namibia

*Star 27/2/89*  
MUNICH — The West German government has claimed a "special, historical responsibility" to make Namibian independence succeed.

Bonn's Minister of Economic Co-operation, Mr Hans Klein, told the Bundestag that Chancellor Helmut Kohl had instructed him and Foreign Minister Mr Hans-Dietrich Genscher to "make all necessary preparations to

ease Namibia's transition to independence.

② 221A

Mr Klein said planned measures included: "The earmarking of 60 million marks (R80 million), 170 vehicles and 60 mechanics for the special United Nations force for Namibia, Untag, and the despatch of 50 election observers.  
— The Star's Foreign News Service.

INDEXER

1990/1/18/2017/102

between gov  
rebels in Mozambique. — Sapa

# EC BECKONING MEAT EXPORTS FROM NAMIBIA

14/3/88  
A/Deat

221A

**RICHARD BARTLETT**  
NAMIBIA's meat industry, which exports 80% of production, expects to benefit from increased shipments with implementation of UN resolution 435.

SWA Meat Board GM Horst Kreeft said with independence new markets would open under the Lome Convention which promotes EC trade with African countries.

The most important market for Namibian meat is SA.

The SA Meat Board annual report said most imports to the controlled market in 1987/88 were from Namibia.

SWA Meat Board said cattle exports to SA were 50 774 live animals and 81 219 carcasses in 1987.

The number of cattle sent to the SA open market in 1987 doubled to 133 379. SWA vleis exported 102 037 carcasses, 84% of cattle slaughtered, to SA.

SWA Meat Producers' Organisation chairman Christo Mouton said SA markets were preferred to others and no big changes were expected with independence. Only about 8 000 tons could be exported to the EC under the Lome Convention.

Most Karakul in Namibia, with pelts and wool worth about R34m a year, is shipped to Europe. This is not expected to change after independence.



# SADF withdrawal 'effects business'

WINDHOEK — The withdrawal of the South African Defence Force has already had an effect on the economy of Grootfontein, in northern Namibia. *Sw 16/3/89*

The chairman of the Windhoek Chamber of Commerce, Mr Dick Hattingh, said yesterday that businessmen in the area were "feeling the pinch" as SADF and SWA Territory Force units begin to demobilise and withdraw in preparation for the United Nations-sponsored peace plan for the territory starting on April 1.

"We have had loads of inquiries from many quarters by potential investors," he said.

But they would only be forthcoming once the newly elected government was installed.

"Get yourself a friendly government, they say, and then we can talk business," he said.

Regarding the potential commercial up-swing due to the influx of Untag personnel, Mr Hattingh said it was still too early to tell how the economy would be affected.

"However, anyone coming into the country means something to the economy and we welcome their presence." — Sapa.

Star 16/3/89

~~Star 16/3/89~~

## Budget of no reward for majority, says union

# More tax for less service

By Adele Baleta and Mike Siluma

Major black trade unions have slated the Budget, saying it increased the tax burden of workers while failing to address the social needs of the majority.

The biggest industrial union, the National Union of Mineworkers (NUM) said the Budget had nothing to offer to workers. It increased sales tax so that every black worker, in particular the black mineworker, will pay more to the Government.

"There is nothing which alleviates the plight of the unemployed and contrary to the Minister's claim that the Budget

promotes reform, it actually promotes a decline in the standard of living of black workers.

"It is clear that the bosses and the apartheid Government will stop at nothing to ensure that workers are squeezed of every hard-earned cent to benefit the apartheid system.

"The time has come for workers to seriously consider whether the Government is justified in taxing people who do not have representation in the Government," said NUM in a statement.

In its initial reaction, the National Union of Metalworkers of SA (Numsa) said the allocation for housing and social services

was "grossly inadequate".

Numsa spokesman Dr Bernie Fahnaroff said the allocation for housing did not keep pace with inflation and would not resolve the 800 000-housing unit shortage.

He said it was obvious the Government was "shifting its housing responsibility to the private sector, which cannot provide for the majority".

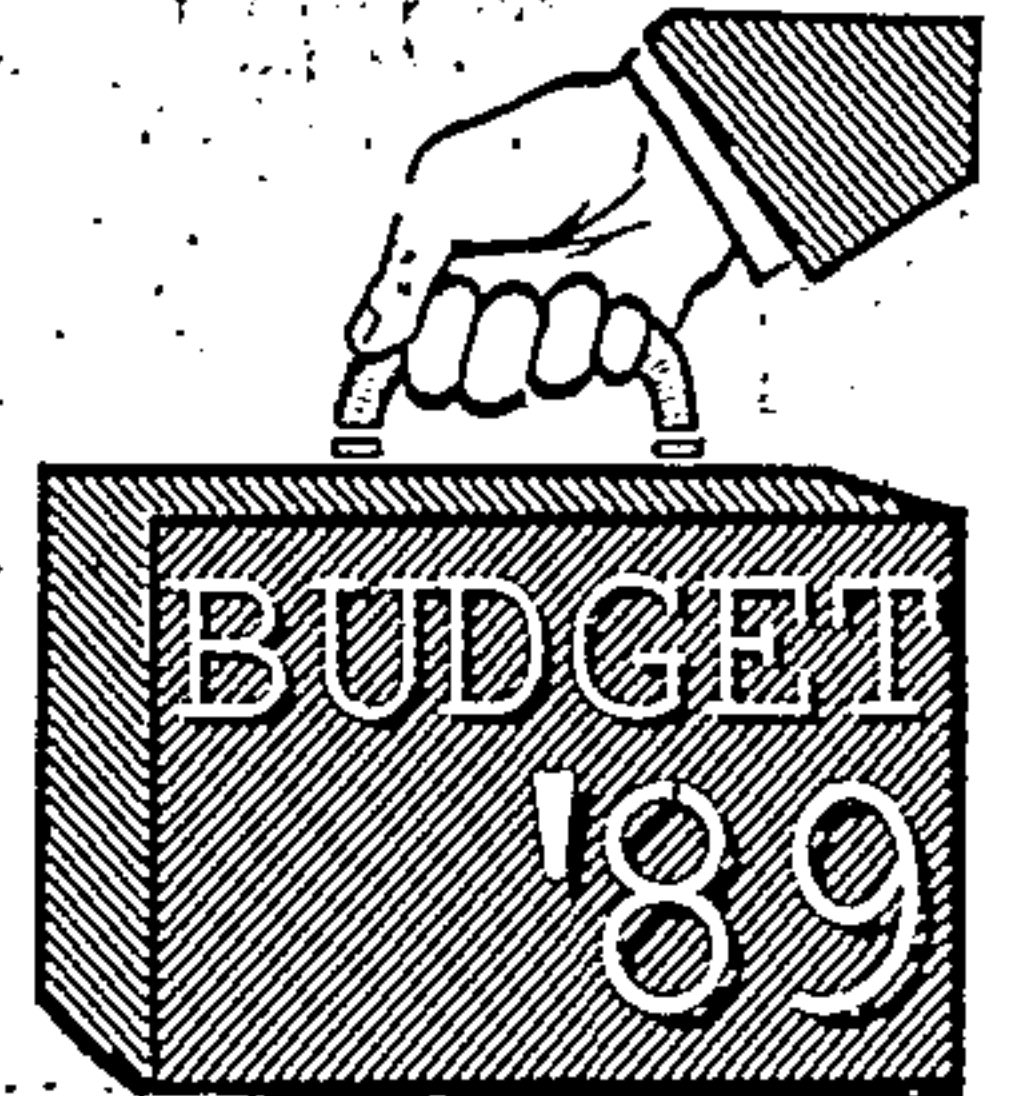
The current housing crisis meant that the "unemployed and the rural population would be put on the rubbish heap".

The private sector provided housing ranging from R30 000 a unit upwards, which 90 percent of Numsa members could not afford.

By increasing GST, Government was transferring the tax burden from the wealthy to the poor.

Increases in the police and defence allocations reinforced the view that South Africa's problems could not be solved until apartheid had been abolished.

However, the white SA Confederation of Labour (Sacol) welcomed Finance Minister Mr Barend du Plessis's remarks



about corruption, the exploitation of the consumer and tax evasion.

Sacol supported Mr du Plessis's comments about the pro-sanctions lobby and hoped that Government would take definite steps in this regard, particularly on the labour front.

Sacol said it realised that SA had a "unique constitutional and economic dispensation", but urged the Government to take steps to curb the expenditure of the "independent" states, which received funds from South Africa.

It regretted that GST was to be increased.

## SA aid to Namibia slashed by 62 pc

Political Staff (221A)  
CAPE TOWN — South Africa has slashed its financial assistance to Namibia by 62 percent with only R120 million going to the territory this year.

Last year R350 million was estimated, but only R313,8 million was eventually allocated.

The internal parties have repeatedly expressed concern

about the reduction, saying it will give Swapo an advantage in the forthcoming elections.

Star 16/3/89  
The State President's department has been allocated R1,8 million for the year to enable him to pay the costs of the Administrator-General to run the territory in the transitional period.

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## Aid to Namibia slashed

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The internal parties have repeatedly expressed concern about the reduction, saying it will give Swapo an advantage in the forthcoming elections.

Even some Government sources have been concerned with one senior official saying that "the running shoes" are being taken away from the internal parties on the final lap.

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# CDM opening new diamond area

Star 17/3/89  
221A

WINDHOEK — Consolidated Diamond Mines, De Beers Namibia-based subsidiary, is to invest R135 million in the development of a new diamond-mining area near Elizabeth Bay about 30km south of Luderitz in southern Namibia.

CDM's executive director, Mr Abel Gower, said in Windhoek yesterday that work would begin immediately on the Elizabeth Bay project and would include the construction of a treatment plant to produce concentrates.

Final recovery of the diamonds would be carried out at the Oranje-muind mine.

Mr Gower said mining

would commence in 1991 at an estimated production rate of 250 000 carats a year and a treatment rate of four million tons of ore a year.

"The life of the mine on the basis of ore reserves proven to date will be about 10 years," he said.

The new mine would employ about 350 people who would mostly be resident in Luderitz.

CDM announced last year that it was opening a mine at Auchas on the north bank of the Orange River in Namibia at a cost of R90 million. The company also opened a diamond-sorting facility in Windhoek last year at a cost of R30 million.

# Business hopes for Untag bucks

Star 17/3/89

In a country where unemployment runs at a conservatively estimated 20 percent, word soon spread and there were queues of hopeful job applicants outside the United Nations Transition Assistance Group (Untag) offices in the United building in Windhoek's Kaiser Street.

With R1 150 million to spend on the implementation of the Resolution 435 peace and independence plan for the territory, Untag should, in theory at least, provide a valuable shot-in-the-arm for the local economy. The reality, though, is somewhat different.

Much of the money Untag will be spending in this region will find its way into the bank balances of South African businesses, while the money spent in Windhoek will go to a comparative handful of existing businessmen, reinforcing the old axiom that "the rich get richer and the poor get poorer".

In fact, the peacekeeping operation has already started to hurt the poorer man-in-the street in the Namibian capital.

## Potential problems

The head of administration for Untag, Mr Abdou Ciss of Senegal, recognised the potential problems when he told reporters after his arrival that he hoped the presence of the large UN group (4 650 soldiers and more than 1 500 civilians) would not make life more difficult for the locals.

Journalist Andre de Bruyn complained this week in his column in a local newspaper that the Untag deployment had been a signal for all-out price scalping by local businessmen with dollar signs in their eyes. He cited the example of a brandy and coke and a fruit juice costing R8,24 in a city centre hotel where many of the UN personnel are staying. All prices were rising to the point where Windhoekers were getting squeezed, he said.

Those aiming to make a fast profit at the expense of their local customers should remember, he warned, that the Untag dollars would not be here forever.

Making a quick buck has become the watchword

22/A BY BRENDAN SEERY  
The Star's Africa News Service

Three days before advertisements appeared in Windhoek newspapers, people had heard through the grapevine that the UN's Transition Assistance Group was looking for 800 local employees.

of not only the businessmen, but also property owners, who have seen that there is a dire shortage of both office and living accommodation and that Untag is prepared to pay to get what it wants.

Mr Ciss said the three biggest problems facing Untag were "accommodation, accommodation and accommodation". Modest three-bedroomed houses, which would probably rent for around R800 a month in South Africa, are fetching anything between R1 700 and R2 000 a month. Tenants who have lived in some houses for many years are finding themselves out on the street as greedy landlords double and even treble rents.

One local company, which provides housing for its senior management staff, has had approaches from a number of its lower level employees for assistance, as they have been given notice to quit their homes. Some skilled and valuable people have already been lost to the Namibian economy because of a lack of suitable housing.

Scores of nurses and doctors living in state-provided flats at the Windhoek Hospital complex were given notice to move out when their buildings were made available to Untag. Single male railway workers had to vacate their rooms in the Phillip Troskie hostel to make way for UN people.

House prices, significantly higher than those in South Africa, have not felt an upwards acceleration, but could do so soon, according to estate agents.

Buying of property by foreign embassies has boosted the market significantly, with 21 houses so far having been sold for diplomatic accommodation. The West Germans stole the headlines by paying more than R3,7 million for a hillside mansion.

# Privatisation forges ahead in Namibia

*CPM 1mB 20/3/89 P. ZUH*

Own Correspondent

WINDHOEK. — Namibia is pushing ahead with its own privatisation programme just a year before it is scheduled to hand over to a new — tipped to be Swapo — government.

Chairman of the territory's Government Services Commission, Willie Brits, said Administrator General Louis Pienaar had indicated he wanted privatisation to continue.

The Transitional Government of National Unity (TGNU) undertook a study on the issue last year and a list of services to be privatised was drawn up.

Brits said he was meeting Pienaar this week to discuss what the new administration's privatisation strategy would be. Further details would be available shortly, he said.

The TGNU last month handed over the reins of government to Pienaar, who will administer Namibia until independence, now expected by April next year.

A Privatisation Affairs Committee was established and a number of steps had already been initiated, Brits said. These included privatising road transportation as well as contracting out various services.

And well-known Windhoek personality Aachen Parkhouse — founder of the city's first street market — predicted in an interview that Namibia was well on the road to a deregulated

economy.

People were already initiating the process spontaneously in many areas and authorities invariably turned a blind eye.

Street hawkers in Windhoek's sprawling Katatura township sold "anything from a R200 pair of shoes to a freshly slaughtered sheep," she said.

Deregulation was vitally important to enabling ordinary Namibians become self-sufficient and enter the economy.

Formerly a nurse in Owamboland, Parkhouse said a similar unorchestrated defiance of health regulations led to scores of locals setting up informal butcheries "under a tree or afdakie".

A chronic shortage of health inspectors in the north of the territory had given these small-scale entrepreneurs the gap they needed.

"Meat is often cut up and hung in the trees for sale. And often you get someone selling cooked meat right next door," she recounted.

"The community simply did its own thing and the result was a boost for the local economy. Inevitably, everyone was screaming, 'epidemic, epidemic', but there were no epidemics," Parkhouse said.

Informal disregard for restrictive regulations had become so widespread, she said, that no future government would be able to turn back the clock.

# Namibia privatisation still on

WINDHOEK — Namibia is pushing ahead with its privatisation programme, despite the scheduled hand-over to a new government in a year's time.

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Blom 20/3/89  
218 PETER DELMAR

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CAF 7m6 22/3/89  
Increase in  
(2219)  
companies  
registering  
in Namibia

WINDHOEK — There had been a large increase in the number of companies registered in Namibia in the last two months, the Registrar of Companies, Mr Christo Schutte, said here.

According to a SWABC news report, he said 52 companies were registered in February and 45 during the first half of March.

Mr Schutte said only 16 companies were registered in February last year, while 17 were registered in March.

An average of 23 had been registered every month in 1988.

Most businesses centred on the service industry, trade, import and export, transport and property development.

— Sapa



# Namibia to stay 'economically dependent on SA'

*CPA T. M. S. 22/3/89*  
*221A*

JOHANNESBURG. — South African businesses can look forward to an economically dependent Namibia, with the expected Swapo government's "Marxist socialist ideals" beheaded by economic realities.

In a report on the economic implications of Namibian independence, commissioned by Assocom and released yesterday, the author, Unisa economist Professor Ben van Rensburg, maintains that any boisterous post-independence moves will be halted by the financial dependence of Namibia on South Africa.

He highlights the territory's dependence on a South African budget contribution of R700 million annually, as well as for energy sources, import and export outlets, rail, sea and air links.

He said that Walvis Bay would probably remain in South African control, but would be available to assist with the development of Namibia's economy.

He said that South Africa had invested about R3 500m in 1985 figures in the deep-water port (about R5 000m in 1989 figures)

and if there was a possibility of relinquishing the port, South Africa would want compensation.

Meanwhile the Assocom foreign trade secretary, Mrs Bess Robertson, was in Windhoek yesterday holding discussions on the requirements of Untag and the trade possibilities for South Africa, Assocom's chief executive, Mr Raymond Parsons, said yesterday.

Mr Parsons said that Mrs Robertson was investigating the issue of returning Namibian refugees and was hoping to find out how many refugees the UN peacekeeping forces expected to handle. — Sapa

# SA aid 'should not stop'

221A  
B/DW 22/2/89  
PETER DELMAR

SA BUDGETARY assistance to Namibia and that country's access to the Walvis Bay harbour should under no circumstances be stopped after independence, Unisa's Professor Ben van Rensburg said yesterday.

He said, in a report prepared for Asocom on post-independence economic implications for SA, that SA should consider Namibia as a natural market for its products. "There is so much to be gained for all from economic relations between these two natural economic allies that the private sector in SA should urge our government not to cut economic ties with Namibia if they can be preserved."

Budgetary contributions and Namibian access to Walvis Bay harbour facilities should under no circumstances be withdrawn from Namibia "because they may have a critical effect on the economy of Namibia as well as future relations between us, Namibia and the rest of the world".

Van Rensburg's report highlights the inextricable links between the two economies as SA sources contribute about R700m towards Namibia's central government finances in transfers, compared with tax revenue of R778m generated internally.

He said the military withdrawal scheduled in terms of UN resolution 435 would have a severely negative impact on the economy of Namibia's northern areas — possibly as high as R20m — where the bulk of the population lived.

An independent Namibia was likely to remain within the Rand Monetary Area (RMA) and the SA Customs Union (Sacu) at least for the medium term.

Van Rensburg said it was difficult to imagine the new government opting out of the RMA and Sacu until such time as its policy strategy had provided a viable economy with solvent external and government sectors.

# Namibian dependence on SA 'may help both countries'

A two-month study on the implications for South Africa of an independent Namibia, commissioned by the Association of Chambers of Commerce and Industry (Assocom) and conducted by Professor Ben van Rensburg of the University of South Africa (Unisa), has shown that Namibia's economic dependence on South Africa could be used to the advantage of both countries.

Addressing a press conference in Johannesburg, where Professor van Rensburg's report was released, Assocom chief executive Mr Raymond Parsons said copies of the report had been sent to the State President "and those members of the Cabinet most directly concerned with SWA/Namibia affairs", the administrator-general of Namibia, the Windhoek Chamber of Commerce, and to local businessmen and constituent Assocom chambers.

## Two-thirds majority

Mr Parsons revealed that copies of the report were included in the Assocom submission to the Standing Parliamentary Committee on Finance on the Budget in Cape Town, and that the report would be the subject of a seminar to be held in Johannesburg on April 1.

Professor van Rensburg said although it was unlikely that the South West African People's Organisation (Swapo) would win a two-thirds majority in the forthcoming elections, it would nevertheless win the elections and "play a major role in the government of post-independent Namibia"; this despite the South African Government's attempts during the past decade to "establish an acceptable, moderate, potential alternative to Swapo after independence".

Although South Africa has spared no effort during the past decade in establishing "an acceptable, moderate, potential alternative to Swapo" after independence in Namibia, Swapo will still emerge victorious from the November 1 elections, according to Professor Ben van Rensburg of Unisa. What are the implications for South Africa? KAIZER NYATSUMBA reports.

Without a clear-cut majority, however, Swapo would be forced to tone down its "Marxist socialist ideals".

An independent Namibia will continue to need the white section of that country's population who are in control of or own a major proportion of investments in the country. If the white population were to lose confidence in a Swapo government it would be difficult "to convince Western sources of foreign capital to invest in post-independent Namibia", Professor van Rensburg said in his report.

The country's independence will be underscored by the fact that Walvis Bay, "the only operational deep-sea harbour servicing the territory", would remain under South African control and would continue to be serviced by the South African Transport Services.

Should diplomatic relations between the two countries be strained, "this situation may lead to policy measures which may be harmful to the economy of Namibia".

Namibia's overwhelming economic dependence on South Africa — including direct South African budgetary assistance

— should not be used as political leverage, however, to make a Swapo government in Namibia toe Pretoria's line, Professor van Rensburg wrote.

Instead, he advocated the development of a mutual relationship between the two countries, and said the South African private sector should urge Pretoria not to cut economic ties with Namibia "even if it means that the present level of budgetary assistance at central government level be maintained".

"South Africa should regard Namibia as a long-term investment and a natural market for our produce. We must do our utmost to preserve those mutually profitable economic relations and ventures, and build them out towards a renewed entry into Africa by part of our business community," he wrote.

## Co-operative relationship

A healthy and co-operative relationship between South Africa and Namibia would be to Pretoria's advantage, Professor van Rensburg pointed out. The three main reasons were:

- Since Namibia is still included in the rand-monetary area, all of its exports are regarded "as part and parcel of South Africa's balance of payments".
- Because of the involvement of many South African companies in the Namibian corporate sector, relatively large amounts of profits and dividends flow to South Africa annually.
- Namibia serves as "a very convenient and natural outlet" for South African produce.

# MERWEST IN NEW GEM VENTURE

BUSINESS PERSONALITIES OF THE WEEK

By TOM HOOD  
Business Editor

THE West Coast search for sea diamonds has switched to north of Oranjemund in Namibia where two leading companies have joined in experiments.

According to industry sources, De Beers has called on the Marine West (Merwest) diving expertise to bring back samples from a new area believed to be rich in sea diamonds.

Divers are recovering gravel from Merwest's deep water boats and if the experiment is successful it could lead to a long-term agreement between

the companies. Neither company was prepared to comment officially this week.

However, Merwest's preliminary report disclosed that the company was hanging on to cash it would normally pay to dividends to fund further expansion.

Chairman Jack Walsh said today that details would be disclosed in the annual report. One possibility of expansion was through an acquisition but he declined to discuss details.

Merwest and its subsidiaries have the right to exploit sea concession areas south of the mouth of the Orange River, the richest source of alluvial diamonds.

The company also claims to

be the only concession-holder operating successfully in deeper water off Port Nolloth and continually learning more about the West Coast oceanography.

Geologists have forecast that by the year 2000 the majority of the world's gemstones will be sourced from the ocean. Mr Walsh said bad weather and rough seas were less of a hazard than they used to be because mining and diving techniques and equipment were improving all the time.

"The weather remains a critical factor, but by no stretch of the imagination is it seriously hampering us, as some people seem to think," he said today.

Bad weather and rough seas can halt work for days at a stretch.

### Kinder conditions

He said kinder weather conditions enabled the company's boats to spend 160 days at sea last year compared to the 124 worked during the previous year.

Working days have been reduced to as low as 84, as in 1986, but they have been as high as 200 in a good year.

The number of carats recovered in 1988 was up from 1987's 17 327 to 19 519 and this, with an improvement in the rand carat price, led to a 19 percent rise in turnover to R5,6-million.

Merwest's own vessels are now responsible for a greater proportion of recoveries, with less work going to subcontractors.

Merwest increased its earnings more than fourfold last year to top R1-million for the first time.

## Tourism: W Cape flexes its muscles

By TREVOR WALKER  
Business Staff

THE country's premier tourist region, the Western Cape, prodded by the possibilities of deregulation, is beginning to flex its muscles in the battle to increase its share of the tourist spend in this country.

Cape Town has played the part of Cinderella for too long and it is up to the industry to charm tourists to the "loveliest Cape of all", say Hylton and Janis Ross of Hylton Ross Tours.

They have zeroed in on certain sectors of the market not properly catered for by the bigger operators and are in the process of developing the business of "the four-day tour" to a new level of ease and enjoyment.

Mr Ross says "we are in the entertaining business, we see people at their best and when they are enjoying themselves fully.

We all sing the praises of the Western Cape, but the region needs to look to the future.



## HYLTON ROSS

Hylton and Janis Ross... Golden future.

Cape Town from South America with a load of foreign tourists can depart D F Malan Airport with a hundred empty seats on its way to journey's end at Johannesburg, but the airline will accept no local connections for those empty seats.

"I must say I find it curious that although it is a shorter distance to fly direct to Cape Town from London than it is to Johannesburg, the Cape Town route is R310 more expensive.

"A SAA jumbo flying to off in business during the 1985

political unrest and the question of increasing accommodation levels is becoming critical.

"The hotel industry's short-term ability to meet anticipated numbers does not look promising and the time is fast approaching for the industry in tour operators and others in the business to get together

(See Page 3)

## P'n P to spend R85m on expansion

Business Editor

MORE than R85-million will be spent by Pick 'n Pay this year on the retail giant's biggest stores expansion.

At least 660 new jobs will be created, raising the work force above 20 000.

New stores and extensions will increase the overall trading area by 6,1 percent or 38 800 m<sup>2</sup> - equal to six rugby pitches the size of Newlands.

Last year's expansion to 100 stores added the equivalent of five rugby pitches of shopping space.

Capital costs are estimated at R59-million for building

seven new supermarkets and other stores, two Price Club wholesalers and a series of renovations and extensions.

Another R26-million will be spent on equipment, excluding scanning.

New stores will open at Table View, Mossel Bay, Uitenhage, north Bloemfontein, a fourth Price Club in the Transvaal, a Boardman's store in Table View Centre and pantry-style stores in Durban on the beach front and in Johannesburg in West Street near the Stock Exchange.

(See Page 3)

# Namibia's taxpayers face some severe belt-tightening

star 31/3/87 (22/11)  
From tomorrow, South Africa re-assumes full, formal control over the territory until it achieves independence through the Resolution 435 peace plan, probably only in a year's time.

Between now and independence, a budget must be compiled for the 1989/90 financial year, and that budget will have to be drafted by South Africa. Pretoria's Administrator-General in Windhoek, Mr Louis Pienaar, has already set his civil service finance experts to work on the task.

The indications are ominous that when the budget is produced and the appropriation bill signed into law by Mr Pienaar, Namibians will face some severe belt-tightening. Mr Pienaar gave notice of that himself when he said at the beginning of this month that taxes would probably have to be increased in order to balance the books.

When Mr Dirk Mudge introduced his additional appropriation last month in one of his last acts as outgoing Finance Minister in the transitional government, he repeated his earlier "times will get tough" warnings to his countrymen.

South Africa has slashed its official budgetary assistance to Namibia by more than R230 million from the R308 million it gave in 1988/89, continuing the process of financially "weaning" the territory, which was begun back in the early 1980s when Windhoek first began drawing up its own budgets.

In 1986/87, Pretoria's direct contribution to the Windhoek coffers was R508 million, but this was trimmed by R200 million the following year and held at that level for 1988/89.

Pretoria also determines the income due to Windhoek through its membership of the Southern African Customs Union. In the current financial year, the amount was increased by R42 million to R392 million. Economists known for their anti-apartheid line have said South Africa's assessments of Namibia's entitlement under the customs union are too low.

Nevertheless, bearing in mind that Mr Mudge's

BY BRENDAN SEERY,  
The Star's Africa News Service

While South Africans are still adjusting to the after-effects of Mr Barend du Plessis' Budget and, among other things, the increase in GST, Namibians are wondering what their fiscal future holds.

1988/89 budget provided for a deficit of R774 million — financed largely by borrowing — it seems clear that Mr Pienaar and his experts will face a similar problem when drawing up the 1989/90 proposals. Expenditure will probably be roughly the same as this year's R2 000 million, while income should roughly parallel 1988/89's eventual realised figure of R1 300 million — about R238 million more than was originally budgeted for.

Among expenditures to which the administration is already committed — regardless of the implementation of the United Nations peace plan — are the recently announced and back-dated increases of 15 percent in pay for civil servants (and extra for teachers), as well as pensioners. Those increases alone will cost an extra R47 million a year.

Soldiers from the SWA Territory Force, who will be demobilised by mid-May, will be sitting at home on full pay until the majority-rule elections in November. It is not known how much that exercise will cost.

The fate of the current, apartheid-style system of ethnic administrations is still unclear, given that it is discriminatory in nature, but there is a possibility that the expensive (R447 million last financial year) system will remain in being.

Expenses then, will be substantially higher than predicted income. And the taxpayer will probably have to dig deeper in his pocket in the next 12 months to help bridge the deficit gap.

# NAMIBIA

PETER DELMAR

SWAPO's internal Namibian political rivals believe the conflict raging on the territory's northern borders has seriously damaged Swapo's election prospects and are hoping the insurgents will be convincingly beaten.

Democratic Turnhalle Alliance (DTA) chairman Dirk Mudge yesterday described the resistance encountered by Swapo guerrillas as a "helluva setback" for Swapo.

Swapo, Mudge said, was attempting to create an impression that it was ac-

## Poll rivals see Swapo's prospects plunge

B/D 20/1/84 2-21A

tive within Namibia and to intimidate Namibians seven months before UN-supervised elections.

He said he suspected there may have been a breakdown between Swapo's Plan military commanders and its political leadership. Whatever prompted the attack, Swapo found itself in an inextricably embarrassing situation.

The DTA will almost certainly provide Swapo its stiffest opposition at the polls. Previous predictions were that

the DTA would get between 20% and 30% of the vote to Swapo's 50%-plus.

The UN's credibility had also been dented, Mudge said. In terms of resolution 435, the UN was charged with monitoring the Swapo withdrawal from the Angolan border and the return of disarmed Plan fighters to Namibian bases.

Asked about the effects of the conflict on the Owanambo population — who comprise 49% of Namibian voters — Mudge said the outcome would be crucial. "The

guy who wins this one, he's won."

The National Patriotic Front (NPF), one of the coalition groups formed to fight the elections, yesterday called for speedy and effective action against the Swapo invasion, but urged SA and the UN not to stop the independence process.

The Action National Settlement group said consideration should be given to disqualifying Swapo from the elections.

# Namibian capital 'now in full flight'

2218  
JOHANNESBURG. — The flight of capital from Namibia could only indirectly be observed through the increase of payments to SA being cleared by the SA Reserve Bank (SARB) in Windhoek.

Adviser to the SARB Governor, Rik Goedhuys, told an Assocom conference on the Namibian economy that he could not put a figure to the capital leaving Namibia but judging from the amount of clearances being handled by the Namibian SARB

office, the capital was in full flight "right now".

He believed the capital emanated from private investors.

The process could be complete by November 1, the date set for the UN-monitored election.

He said exchange control between SA and Namibia was at this stage not feasible because the money could leave the country in the form of uncut diamonds or fur coats. There was even evidence that Namibian farmers were slaughtering their breeding

stock at Cape abattoirs.

Goedhuys said there was further evidence that farmers were taking SA Landbank loans against their farms, which they were investing in SA land so that, in the event of nationalisation, their properties would be "fully encumbered".

Goedhuys said Swapo had expressed its desire to have exchange control, but with the potentially strong balance of payments, Namibia could survive without it, he said.

CATERING & FOOD PR



□ A NEW CONCEPT IN PRIVATISING ... the a la carte restaurant at Windhoek Hospital

B/Dav 16/4/87

221A



## GFN still reeling from Kombat flood

ANDREW BUDDEN

GOLD Fields Namibia (GFN) is still suffering from the effects of its Kombat mine flood which killed seven of its workers in November last year.

The group, which produces copper, lead and silver from its mining operations, experienced a 32% drop in attributable earnings, to R17,3m in the March quarter from R25,6m in the December quarter.

Ore tonnages declined 5% from a 1988 quarterly average of 508 075 tons to 482 000t this quarter, as mining was switched from flooded underground operations to surface dump treatment.

The November flooding caused mined tonnages to fall in the final quarter last year.

However, after-tax profits for the

quarter were rescued by higher rand prices for copper, and expanded sales of existing inventories.

This quarter, sales of blister copper fell 28% while those of silver fell 19%. Lead sales, however, picked up 16%.

Officials say recovery operations on Kombat mine are "proceeding according to plan". The fissure has been satisfactorily sealed with a concrete plug which will allow dewatering to commence after testing.

A spokesman said no time limit had been set for recommissioning of the mine, but it would be out of action for the rest of the 1989 calendar year.

money.

Call 7125 14/89 (221A)

## Top job for Tsumeb man

WINDHOEK. — The former managing director of Tsumeb Corporation Ltd, Mr Bob Meiring, has been appointed chairman of Namibia's First Development Corporation. His appointment was announced by the Administrator-General yesterday. Mr Meiring, whose appointment takes effect today, replaces Dr Kerneels Human, 66, who died in a car accident on Tuesday.

# Namibian economy faces hard realities

CATC. 20/4/89  
TIMES  
221A

By BRUCE WILLAN

IT will be a long time before Namibia's economic involvement and interdependence with SA will be replaced by third parties, said Raymond Parsons, CE of the Association of Commerce and Industry.

Speaking in Heidelberg on Tuesday, Parsons said that other countries can substitute for existing sources but at great cost and loss of efficiency.

He said the degree of economic interdependence between Namibia and SA will significantly shape the relations between the two countries even after Namibia becomes independent.

"Because of the structural long-term nature of most of these economic ties, they are likely to prevail for some time after independence comes to the territory," said Parsons.

He added that it would also be costly to both SA and Namibia if these ties were unnecessarily ruptured.

Parsons also said that while various forecasts have been made as to the eventual outcome of elections in Namibia, the post-independence govern-

ment will have to face a number of powerful economic realities.

The realities facing Namibia said Parsons include an economy which is — thinly based on mining and agriculture, at a relatively unsophisticated stage of development and heavily dependent on the contribution made by white business.

"The economic framework facing a post-independent government in Namibia provides little freedom with respect to economic policy options," said Parsons.

He concluded that the first priority of the new Namibian government will be to gain the confidence of the main participants in the economy as a flight of capital, skilled labour and entrepreneurs must be avoided.

"The last thing a new government in independent Namibia would want is an exodus of whites and existing investment — which would certainly dash any hopes of securing the promised new foreign investment and entrepreneurship after independence," said Parsons.

## SA BUSINESS PRICES OUT OF THE UN MARKET

CHRIS CAIRNCROSS

CAPE TOWN — SA business is destined to get only a minimal amount of business servicing the various needs of the Untag monitoring forces now gathering in Namibia — for the primary reason it is pricing itself out of the market.

Sources at Untag's procurement offices in Windhoek indicated yesterday their first contacts with SA business indicated the latter was operating under the false belief that because of its close proximity to Namibia it had a geographical advantage which it could exploit in offering goods and services at a premium to Untag.

### Needed

They said many businesses — from those capable of supplying vehicles to a range of accommodation and office requirements — had been too greedy in pitching their tender prices, to the extent that Untag procurement officers had been instructed to look elsewhere for their needs.

Untag set up procurement offices in Windhoek last October and soon after published a list of "generic" items that would be needed to support the UN monitoring effort.

It was indicated that most of these would be procured from the UN's own resources around the world. Motor vehicle requirements were mostly placed with a Japanese supplier as the prices quoted were more competitive than those obtained from SA manufacturers, even with exemption being given in respect of import surcharges, customs and excise duties.

A similar picture is emerging with respect to other products of an infrastructural nature needed by the Untag forces. All tenders and quotes are being stored on a special data base and are then analysed at UN HQ in New York.

27/4/89

221A

# nationalisation

## Swapo promises prosperity without wholesale

LONDON — Swapo gave guarantees to world business at the weekend it would put Namibia on the road to prosperity with a mixed economy and no wholesale nationalisation or farm seizures.

The key to a dramatic economic programme under Swapo rule would be to cut all possible ties with SA, political bureau spokesman Hage Geingob said.

Speaking on behalf of Swapo president Sam Nujoma, Geingob said a Swapo government in Windhoek would reassess remaining in the Rand Monetary Area and Southern African Customs Union (Sacu), which had made it "the captive market of SA".

Geingob spoke to executives from many of the world's biggest business houses and multi-nationals:

"Independent Namibia under Swapo will strive to foster equitable and fruitful regional and international economic relations.

"To avoid being held at ransom and to maximise national control over its own destiny, emphasis will be on reduction of dependency on the outside world, particularly apartheid SA."

He said the gravest danger post-independence Namibia faced was SA destabilisation and destruction of the railways, ports, airports and other infrastructures.

"Pretoria-sponsored preparations and rehearsals for the destabilisation of

independent Namibia are already under way... we call on the international community to put a stop to this state terrorism.

He said the other key concern was SA's control of Walvis Bay, its railroad, airport and infrastructures.

It would be an intolerable breach of UN resolution 435 of 1977, if SA control of Namibia's only deep-water port continued after independence and they could not offer transit facilities to land-locked Botswana, Zimbabwe and Zambia.

Geingob said the main points of Swapo's economic and political programme were:

IAN HOBBS

□ The abolition of the "apartheid legacy" and all forms of discrimination in economic and other fields;

□ Creating an integrated national economy with a proper balance between the mineral and agricultural industries;

□ Emphasising general social equality with a reduction of inequalities between individuals and regions, above all between the rural and urban areas;

□ Priority will be given to agrarian transformation and rural development, with special emphasis on the resettlement of displaced people and exiles.

ment of displaced people and exiles.

He said the programme would stress "self-reliance" with "state involvement" in the economy and some economic activities. There would be an increase in state intervention in key sectors to attain a "necessary measure of national control".

Swapo sought to "bring about a balance between just economic returns to the Namibian people on one hand, and reasonable profits for foreign and local private investors on the other."

He said "historical land theft and the long wars of resistance to settler encroachment" had made the land ques-

BUSINESS DAY, Monday, April 24 1989 3

nomy necessitate state acquisition of private property, fair and adequate compensation will be paid."

From the outset of (expected) Swapo rule they would specify areas of the economy reserved for the public and private sectors or partnership, he added.

There would be a system of accountability of leaders and officials at all levels and in all spheres of national life and Swapo demanded worker participation in decision-making at enterprise and other levels.

Intervention in the mining, agricultural and fishing sectors would include a new tax regime to "plough back" some of their profits into the economy, he added.

221A

tion a "hot issue". But Swapo would support large farms, essentially karakul ranches, although emphasis would be placed on smallholder agriculture.

Geingob assured multi-nationals' representatives present — including those from Anglo American, De Beers, Rio Tinto Zinc, the Tsumeb Corporation and Consolidated Gold Fields — that no wholesale nationalisation of mines, ranches "and other productive sectors" was planned in the foreseeable future.

He said: "I would like to assure old and new investors that, in those instances where the exigencies of the eco-

# Swapo sees no wholesale nationalization

From IAN HOBBS

LONDON. — Swapo gave guarantees to world business on Friday that it would put Namibia on the road to prosperity with a mixed economy and no wholesale nationalization or farm seizures.

The key to a dramatic economic programme under Swapo rule would be to cut all possible ties with S.A. Political Bureau spokesman Hage Geingob said.

Speaking on behalf of Swapo president Sam Nujoma, who failed to arrive in London, Geingob said a Swapo government in Windhoek would

reases remaining in the Rand Monetary Area and SA Customs Union (SACU), which had made it "the captive market of SA".

Geingob, who said Nujoma had stayed in Angola to keep in touch with the tri-partite talks at Ruacana, told executives from many of the world's biggest business houses and multinational firms:

"Independent Namibia under Swapo will strive to foster equitable and fruitful regional and international economic relations.

"To avoid being held at ransom and to maximize national control

over its own destiny, emphasis will be on reduction of dependency on the outside world, particularly apartheid SA."

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Intervention in the mining, agricultural and fishing sectors would include a new tax system to "plough back some of their profits into the economy".



# Nujoma will

# 'hold back on socialism'

MEG 27/6/89 221A



**RED:** Christine Keeler, left, and [unclear] at a New York nightclub dur-  
[unclear] the premier of the film  
[unclear] starring Fonda, is based on the  
[unclear] al involving Miss Keeler and the  
[unclear] Minister John Profumo.



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### The Argus Foreign Service

**LONDON.** — Swapo leader Sam Nujoma has told a London business conference that Namibia will have a mixed economy if his organisation forms the new government.

In a speech read on his behalf at the conference, he said Swapo "acknowledges the superiority of the Socialist system," but in the immediate future would opt for a mixed economy.

"A significant role for the private sector is envisaged," he added.

"No wholesale nationalisation of the mines, ranches or other productive sectors is planned in the foreseeable future.

"In instances where exigencies of the economy necessitate State acquisition of private property, fair and adequate compensation will be paid."

Mr Nujoma criticised what he called "widespread irregularities and abuses in the mining industry," including over-mining and transfer pricing. Under a Swapo government international corporations "will have to enter into new deals... setting strict codes of conduct."

### Expropriation

He spoke of "a new tax regime to tap part of the mineral surplus for investment in other sectors of the economy, particularly agriculture."

On agriculture, he said Swapo would consider the expropriation of "some land, particularly the unused land, to meet the land hunger of the indigenous population." Swapo had been holding meetings with a cross-section of the Namibian business community, he said.

But in Windhoek, Swapo Central Committee member Nick Bessinger warned that there would be no diplomatic links

Speaking at a packed and lively meeting at the township of Kohmasdal, Mr Bessinger said: "We will not have relations with South Africa because we have to remember our brothers and sisters there who are struggling against the South African government's oppression."

### Religion

Mr Bessinger said all sporting ties with South Africa would be severed.

The movement's leaders also told the meeting that contrary to "South African propaganda" Swapo was not an atheistic organisation and there would be full freedom of religion in Namibia after independence.

The meeting passed a motion of full confidence in Swapo.

● A delegation of representatives of the frontline states is expected to arrive in Namibia at the weekend to set up an observer mission in the country, a United Nations spokesman said yesterday.

● See Page 27.

## Copter crashes — trainee pilot, instructor unhurt

Staff Reporter

A HELICOPTER has crashed in the Jonkersberg mountains near George but the trainee pilot and his instructor were not injured.

Mr Wim Clasquin saw the helicopter crash in a virtually inaccessible part of the mountains near his farm yesterday afternoon.

Trainee Mr Mike Thorn of The Fairways, Pinelands, and instructor Mr William Rook-Smith of Hill Street, Mossel Bay, were rescued by a Soekor helicopter after Mr Clasquin telephoned P.W. Botha airport, George.

Both men were taken to Mossel Bay.



# The place where any black but the cleaner would venture in at his peril

**JOHN RYAN** of the Argus Africa News Service was in Mariental and discovered that the soon-to-arrive Untag forces could be in for a few surprises in a town that grows its white sons big.

Mariental's public bars are a hundred metres and two worlds apart. One, at the Sandberg Hotel, is at first glance an astonishing manifestation of multiracialism in a southern Namibian town with a reputation for dogged white exclusivity. Namas, Ovambos, Damaras, Hereros and coloureds cram the benches to savour whatever the TV might offer this night, sipping beer, wine and cool drinks. Though their rate of expenditure must be galling for the management, it's an animated show of mixed enjoyment.

Then you notice that the bar is devoid of any whites except for yourself and the manageress.

The other bar, the only outlet at the Mariental Hotel with a counter, is unwaveringly unracial. Any black but the cleaner would venture in at his peril.

Mariental grows its white sons big, and usually bigoted. They tower above the pool tables in the bar-room like a training camp of tight forwards at leisure; karakul farmers, railway workers, policemen, artisans, slapping backs as the pool balls fall.

## TECHNICALLY BREAKING THE LAW

Politics is spoken in the Mariental Hotel only in terms of absolute accord. Those who disagree with the consensus swallow their words.

The licensee's decision not to allow blacks into the hotel — "because they can't behave themselves" — would undoubtedly meet with the general approval of his clientele. Technically, however, he is breaking the law. Namibia is supposed to be integrated.

Into this situation of extremes in the inhospitable climate around Mariental, several hundred Kenyans are soon to be injected as part of the UN Transition Assistance Group. How will the town accept them?

White residents you speak to (outside the Mariental Hotel) are surprisingly sanguine that black troops should have been chosen to monitor their part of the peace process.

"They won't cause any problems here," says supermarket owner Johan de Lange. "Whether they're Kenyans or whites doesn't matter. They'll be treated the same as other people who come through Mariental, like the tourists. Unless they start to interfere on one side or another. Then there'll be resentment."

Marine Vollgraaf, another store-owner, agrees. "I think it will be a good thing," she says. "Maybe the Kenyans will come to see how matters really are in this country, that we white people here are not as bad as we've been painted."

James Hayes, an SWA-administration driver and Mariental Hotel regular, ran into an advance guard of four officers when they first came down from Windhoek to do a recon on billeting conditions. "I'll tell you," he confides, "those chaps are bloody smart. See their boots, up to here." (He indicates calf-length.) "And black, I wouldn't mind a pair of boots like that."

The Kenyan officers stayed at Stella Donabidovicz's hotel, the Sandberg. Now they're in a rented

house. Having met them, Mrs Donabidovicz doesn't expect any racial incidents. "They're gentlemen and why, anyway, should the local whites be bothered?" she asks. "They've got their own blacks to hate."

But she believes problems for the Kenyans could come from Swapo. She was tending bar in the Sandberg earlier this month when an argument erupted between members of the advance party of Kenyans and local Swapo supporters.

## FORESEES NO TROUBLE

"The Swapo people were telling the officers that Untag was unwelcome in Namibia. They said Swapo could control the country without outsiders. I had to intervene. I warned the Kenyans in Swahili that there could be trouble and asked them to leave."

Major Hillary Kioko heads the Kenyan advance group. He is non-committal about the prospect of clashes between his men and Swapo, but foresees no trouble with white Marientalers in bars. "We will not go anywhere we are not wanted," the major says.

Plainly, where the Kenyans are not wanted is the Mariental Hotel. Licensee Dirk Redelinghuys is adamant they will not be allowed in — because, he says, some of the advance party were there once "and were drunk and a nuisance".

A contradictory claim, since Mr Redelinghuys admits he brooks no blacks of any kind in his hotel.

Yet there is every chance that, between now and November, Kenyan troops will come to town and unwittingly seek a beer in the wrong bar.

Back in that bar, Kenny Rogers is on the sound system, advising a friend's son to turn the other cheek. "You don't have to fight to be a man," he tells him.

The locals sing along, but whether they absorb the philosophy is another thing.



Hotelier Mrs Stella Donabidovicz thinks the might be trouble from a surprising quarter.



... "Maybe the Kenyans will come to see how matters really are in this country."



James Hayes (left) and Zippie Ferris. Mr Hayes is taken with the looks of the Kenyan members of the advance party.

# Churches' charity status 'misused to aid Swapo'

221A  
22A  
Stev 29/4/89

LONDON — The London office of the International Freedom Foundation (IFF), yesterday laid a formal complaint to the Charity Commissioners over the possible abuse by the British Council of Churches (BCC) of its charitable status, which provides the group with considerable tax relief.

Among the organisations said to be receiving funds from the BCC is Swapo via a number of church and other organisations in Namibia.

The complaint is being submitted in the light of a recent report by the IFF entitled "A Multitude of Sins", which focuses on the growing abuse of the "charitable status" in the United Kingdom.

After the publication of the IFF report, Lord Ferrers, the Home Office Minister responsible for charities, requested the foundation to submit specific examples of abuse.

"A Multitude of Sins" points out that the politicisation of certain charities has led not only to the misuse of resources, but also to questions being raised about the methods by which many large charities raise and then distribute resources.

"Instead of concentrating on development work, many of the more radical 'charities' are increasingly seeing their task as that of interven-

ing in the political arena on the basis that the underlying problems are of a political nature," the report states.

"A Multitude of Sins" also identifies the creation of charities by left-wing campaigning groups, in order to gain tax advantages, as another growing field of abuse of the charitable status. The report says that charities, aware that the Charity Commissioners take a liberal interpretation of the charity laws, and will rarely act on abuses without political or media pressure, "allow their charity wings to carry many 'educational' functions which they would not otherwise have done".

By being a charity, all of the tax can be claimed back. As an example of this, the report says: "This means with the standard (marginal) rate of tax being, say, 25 percent, a donation of R100 releases an extra R33 to the 'charity'."

"To all intents and purposes, left-wing political activities are subsidised from the public purse."

In its report the IFF lists the Bishop Ambrose Reeves Trust, Christian Aid, One World, Oxfam and War on Want as some of the largest of the British charities currently involved in various overtly political and partisan activities.

In its complaint to the Charity Commissioners,

the International Freedom Foundation has produced evidence of how, on the question of Namibia, the British Council of Churches — a registered charity — has been fundraising and even distributing leaflets, in breach of its status to non-charitable groups.

These include the Namibia Support Committee, Church Action on Namibia and the Council of Churches in Namibia, all of whom support Swapo.

"The use of mailing lists of a charitable organisation, to distribute materials of non-charity groups, is a growing phenomenon," Mr Marc Gordon, executive director of IFF (UK) says in his letter to Lord Ferrers.

"The case of the BCC and their open endorsement of Swapo is a clear breach of their charitable status." — Sapa.

By BRUCE WILLAN

DE BEERS has planned a major investment programme to expand its production capacity and in enterprises outside the diamond industry, says chairman Julian Ogilvie Thompson in his latest annual report released yesterday.

At a cost of some R84m, De Beers purchased from Newmont mining a 9,5% interest in the low-cost Palabora copper mine.

It is almost certain says Thompson that the recent increases in the prices of diamonds along with the improvements in recovery technology and suggestions of new flexibility in the tax treatment of capital expenditure, will make it economical to open a diamond mine on the farm Venitia in the Northern Transvaal.

Indications are that in excess of R800m in capital expenditure over a period of 20 years will be required to treat the 3,3m tons of ore which the mine will produce.

This ore is expected to yield 4m carats of medium quality diamonds.

Thompson said this would be the group's biggest single investment to date and it is hoped that a positive decision will be taken this year.

# De Beers plans major investment programme

And in Botswana, De Beers along with Anglo American, AECI and the Botswana government has taken a 12,75% equity stake in the Sua Pan soda ash project.

In addition to the equity stake in the project, the group has also guaranteed loans amounting to R920m for the project.

In another expansion project also in Botswana, the group is to start recovering diamonds at Jwaneng using a recrush plant which incorporates the new technology of interparticle crushing.

This recovery plant is due to be commissioned next year.

Namibia also features in De Beers's programme. Through their subsidiary, CDM and in association with Anglo American and others, De Beers is participating in the establishment of the Navachab gold mine,

north west of Windhoek.

The mine is scheduled to come into production this year at an initial rate of 1,8 tons of gold annually.

Two new diamond mines are also being opened by CDM in Namibia. The first will be the alluvial deposit at Auchas.

Setting up this mine will cost in the region of R90m and is expected to yield some 45 000 carats of large gems a year once production has started in 1990.

The other new mine to be developed is south of Luderitz at Elizabeth

Bay and will cost R135m. Production is planned to begin in mid-1991 at an annual rate of 250 000 carats of smaller gem diamonds.

Prospects for the diamond industry this year said Thompson look encouraging but their may be a slackening off of sales later on if the measures taken internationally manage to moderate the rate of economic expansion.

# Half of Caprivi under water

Argus Africa  
News Service

WINDHOEK. — Half of the eastern Caprivi area in northern Namibia is under water, after flooding by the Zambezi and Chobe rivers.

The Zambezi River water level has declined slightly from the 6,3m it was some days ago, but the Chobe has risen, having been charged by the Zambezi, and is flowing westwards.

The rising waters of the Chobe have flooded areas which were spared when the Zambezi water levels started rising significantly in April.

A number of roads are under water while many maize crops belonging to peasant farmers in low-lying areas have been wiped out.

Some schools are threatened and a number of cattle have already drowned.

The flood is said to be the worst since the 1978 deluge.

Lake Liambezi in the southern half of the eastern Caprivi, could fill with water for the first time in more than a decade.

Flood waters are less than 2km from the lake.

When the lake dried up during the drought years of the 1970s, hundreds of Caprivians who earned their living fishing its waters, were forced to find alternatives.

Biologists have warned that the effects of unplanned development in the past decade could considerably heighten the adverse effects of flooding.

Beside the loss of stock and crops in flood damage, the vast sheets of water in the eastern Caprivi will provide ideal breeding grounds for malari-carrying mosquitoes, many strains of which have become resistant to traditional treatment and prophylactics.

# GfSA probes quality of Namibian ore

SWAFS 22/5/89  
2219

WINDHOEK. — Gold Fields of South Africa has begun follow-up ex-

ploration to examine the quality of further ore deposits in Namibia, SWABC radio news reports.

A Gold Fields spokesman, Attie Roets, said Tsumeb Corporation Ltd had started building an inclined shaft at the Tschudi mine region near Otjiwarongo.

The shaft would facilitate the exploitation of large ore samples, he said.

Drilling work was continuing at the new Tsumeb West project to determine mineralogical qualities of ore in the region. — Sapa

# Untag Finnish up their lifestyles in Namibia

Star  
22/5/87  
By Jon Qwelane,  
The Star's Africa  
News Service

221A

WINDHOEK — Who said Namibia was a Third World country?

The Finnish forces of Untag do not seem to like the idea and are doing something about it.

Pretty soon, yuppies whose money bags are overflowing will find themselves at home in the streets here, where gleaming and sporty Mercedes, Chevrolet Camaros and Porsches will be tearing down the main thoroughfare, Kaiser Street, by the dozen.

About 147 of the expensive luxury models have already been off-loaded and will soon

be at the command of their Finnish owners. Naturally the expensive consignment has raised eyebrows, and questions, about the financial well-being of Untag soldiers out here to keep the peace.

Untag chief spokesman Mr Cedric Thornberry is quick to point out that the cars were not imported by Untag, but by individual soldiers.

He says that under Finnish law there is some provision entitling nationals serving abroad to buy certain items, including cars, and bring them into Finland duty-free "or almost duty-free".

Mr Thornberry refuses to say what the

Untag soldiers serving abroad are paid but promises to have someone look into the "financial structure" of those serving in the UN peacekeeping force.

With 147 Mercedes, Chevrolet Camaros and Porsches, visitors from Sandton, Menlo Park and Muizenberg might soon feel very much at home in Windhoek, seeing in the streets the sights they are accustomed to back home.

Perhaps a side-effect might be increasing tourism from the affluent South African suburbs.

Namibia Third World? Have a word with the Finns.

Discrepancies over number of refugees

# Anger in US over Swapo's 'fraud'

By David Braun,  
The Star Bureau

WASHINGTON — Discrepancies between the number of Namibian refugees Swapo had claimed for years it was looking after and the actual tally registered for repatriation have angered conservative Americans.

Republican Senator for Idaho, Mr Steve Symms, has written a letter to the US Administration demanding an examination of the Namibian refugee programme in the light of the suspected fraud.

## Exaggerated

Suspicions have been published in the Washington media that the United Nations High Commission for Refugees (UNHCR) may have relied for years on greatly exaggerated figures as it dispensed millions of dollars in aid to Namibian exiles in southern Africa.

Swapo, which controlled the refugee camps, claimed it was supporting between 70 000 and 80 000 refugees over the past 10 years.

The UNHCR now reports there are less than 33 000 Namibians in Angola, Zambia and other southern African countries.

Swapo Democratic leader Mr Andreas Shipan-

ga told the Washington Times yesterday that Swapo president Mr Sam Nujoma had stated as a fact for the past several years that Swapo was taking care of 80 000 Namibian refugees, and he had been collecting millions of dollars from the UNHCR based on that figure.

'If Sam cannot produce these 80 000 refugees within the next few weeks, he will be exposed either as a con man or as a murderer,' Mr Shipanga said.

The UNHCR told the newspaper the agency had never taken a census of the Namibian refugees, so it had no explanation for the apparent discrepancy between Swapo's figures and its own registration tally.

Mr Symms has written a letter to the US Assistant Secretary of State for African Affairs, Mr Herman Cohen, saying the discrepancy called into question the UNHCR's ability to ensure swapo's compliance with the UN independence plan.

He said: 'I believe the UNHCR has either acted in cooperation with swapo in submitting grossly inflated figures as a means of securing additional funding, or is completely unaware of the situation in Angola and Zambia.'

The US has pledged US dollars 5,8 million (R16 million) toward the repatriation of the refugees.

22/A  
Star 25/5/87

# Namibians to face heavy rise in taxes

CAPE TIMES  
5/6/89  
2211

From KEVIN JACOBS

WINDHOEK. — Namibians face widely anticipated tax increases to salvage in part the territory's sinking economy that will be inherited by an independent government at the year's end.

Economists, bankers and businessmen expect hikes in personal taxes and a three-point increase in GST that would hoist the commodities tax in line with South Africa's 12% add-on.

Administrator-General Mr Louis Pienaar's finance department is compiling the budget for presentation by the end of the month.

The last budget in advance of independence elections in November will be a bad-news budget all round, economists say, addressing a deficit of up to R500 million, public debt of more than R900m, 30% unemployment and a housing backlog that will worsen with the return of at least 40 000 exiles, and expectations of post-independence hand-outs.

Benefits of a localised boom from Untag spending — in local-hire wages, hotels and private rentals, car-hire, commodities and free-wheeling entertainment — are offset nationally by the withdrawal of South African military forces, mainly from the northern Ovambo region.

Mr Pienaar's budget planners have to wrestle not only with excessive public debt but also with a severe cut-back in South African budgetary support.



SWAKOP Lines has started a coastal shipping service between Namibia and South Africa.

The service results from negotiations with Unicorn Lines. Containerised goods will be shipped in both directions between Walvis Bay and Durban, with calls at Cape Town, Port Elizabeth and East London.

The trade is to be shared equally. Swakop Lines will use space on Unicorn's cellular ships Berg and Breede, which provide weekly sailings out of Walvis Bay, Cape Town and Durban.

The ships have been call-

# Shipping link with Namibia

ing at Walvis Bay for the past 10 years.

Swakop Lines will find additional cargoes for the route, and investigate opportunities for increasing trade with Africa.

Unicorn Lines has been appointed managing agent for Swakop. Grindrod Shipping, which is agent for Unicorn, will represent Swakop in SA.

Times 18/10/81

221A

# Namibia: R550m wanted in budget

Cape Times 2/16/89 22/4  
From KEVIN JACOBS

WINDHOEK. — Namibia's first independent government may inherit a bankrupt state if a R550-million lifebelt can't be found within six weeks.

Financial planners hunting for handouts are holding back the territory's crippled budget as close as possible to the presentation deadline.

Initially scheduled for publication by mid-June, the bare-cupboard budget is being delayed into next month, closer to the legislated July 31 deadline.

Economists, bankers and political sources say the problem of finding replacement budgetary support withdrawn by South Africa forced the delay.

Finance Secretary Dr Johan Jones, asked if potential foreign sources were being canvassed, said: "It would be premature for me to say that. That must be

To page 2

From page 1

Cape Times 2/16/89 22/4  
for the administrator general (Mr Louis Pienaar) to say in his budget speech."

Mr Jones said the administration, controlled directly by Mr Pienaar during the transition to independence, would meet running costs until financial year-end next March.

Some government departments have already felt savage spending cuts, with department heads being ordered not to use up budgets for the current year.

Pretoria collapsed the territory's budget planning by pulling out more than R200 million that previously propped up the interim government.

"In pure budget contributions, R308 million was cut back to R80 million," Mr Jones said yesterday.

"That is a R228-million reduction. But we also had guarantees from South Africa of loans of R326-million, so you should add up those two figures to get the real size of the problem."

Withdrawal of the loan guarantees and the budget underpinning adds up to a R554-million headache.

With capital expenditure scaled back at least by a third to about 10% of total spending, no new projects are underway, but the government is able to meet previously committed spending on buildings under construction, Mr Jones said.

Mr Jones declined to predict government bankruptcy.

"That depends on whether the administrator-general succeeds in balancing the budget. If he doesn't manage that either by the end of July or later, there could be a problem."

Some economists believe South Africa may still come back to aid Namibia. They say South Africa is seeking to score political points to emphasise the extent of its earlier care for Namibia despite accusations that Pretoria occupied the territory by force solely to exploit it.

## Casino application plans . . .

# Sun International buys Windhoek's leading hotel

By AUDREY D'ANGELO  
Financial Editor

SUN INTERNATIONAL has bought Windhoek's leading hotel — the Kalahari Sands — and intends to apply for a licence to run a casino there once a new government has been elected.

Announcing this yesterday, Kersaf MD Ian Heron said the group foresaw "dynamic growth" in an independent Namibia.

"We are very excited about this move. Namibia will be a great tourist country."

The Kalahari Sands has been managed, under contract, by the Cape Town-based Protea Hotel group for nearly two years.

Its executive chairman Otto Stehlik said recently that he believed Namibia had great tourist potential and his group was likely to expand there — but would not commit itself to a property deal until the political outlook was more settled.

Yesterday Stehlik said the Kalahari Sands would be handed over to Sun International on July 1.

His company, which would be compensated for loss of the management contract, was already pursuing other opportunities in Namibia.

The sum paid for the hotel, which has had a high occupancy rate since

the peace initiative got under way in Namibia, has not been disclosed. But Stehlik said Sun International had made "an excellent offer".

"Unfortunately it lies within the nature of our business of managing a hotel that sometimes we build one up and make it a more valuable property and the owner decides to sell.

"This has happened rather suddenly but we were aware from the beginning that it might, and in our business we have to be pragmatic about it. We do get compensation."

Heron said there was obviously an element of risk in making such an investment in Namibia at present.

"But the country is basically very strong and the people are magnificent. We shall help them to build up a strong and vibrant economy."

He said his group had carried out an extensive investigation before deciding to buy the hotel.

"I have been looking at Namibia for four or five months."

He did not expect it to be an impoverished country after independence. It was possible that Sun International might acquire other hotels in Namibia.

"We shall take a good, hard look at the whole of Namibia and if good opportunities arise we shall take advantage of them."

CANT 1123 21/6/89 (221A)

221A

Star 22/6/79



The overpopulation of elephants in various parts of Zimbabwe makes culling necessary.

## Namibia opposes plans for ivory ban

WINDHOEK — Namibia's nature conservationists are against plans to place a worldwide ban on the sale of ivory.

The Director of the Department of Nature Conservation, Mr Polla Swart, said Namibia had, like other African countries such as Zimbabwe, a problem with elephant overpopulation.

In parks, like Etosha, culling of the animals was done on occasions when their numbers threatened their habitat.

Mr Swart said he believed that Namibia should be allowed to sell the ivory obtained from culling operations legally, and that the money should be reinvested in nature conservation in the country.

### STOCKPILE

He disclosed that, for the past two years, the ivory stockpile in the department's offices in Windhoek has been built up, because the territory is not allowed to sell on the international market.

Under the rules of the international Convention on Trade in Endangered Species (CITES), countries which are members may be granted exemptions to sell ivory. South Africa was a member and could do so, but because of the current political status of Namibia, the territory was not a member and therefore not entitled to an exemption from CITES, said Mr Swart.

Poaching of elephant, as well as rhino, has increased dramatically in Namibia since the beginning of the year. — The Star's Africa News Service.

*copy 11/13 23/6/88*  
**Namibians to  
pay more GST**

*22/4* Own Correspondent

WINDHOEK — General sales tax in Namibia is to be hiked to 10% from July 1, administrator-general Mr Louis Pienaar announced yesterday.

The increase from 9% is lower than the expected boost to 15%, but Mr Pienaar said GST "will again be addressed" when he delivers the budget next month.

*Sowetan 27/6/89*  
**Sales tax  
increase**

Sowetan Africa  
News Service

WINDHOEK — Administrator-General Louis Pienaar yesterday announced a one-percent increase in sales tax from nine to 10 percent.

The new levy takes effect on July 1 but will probably be gazetted before then.

While Namibians still pay a lower sales tax than South Africans on the goods they purchase, an important difference is that South Africans enjoy relief on some commodities.

# Public servants told: The cupboard is bare

**WINDHOEK** — While finance experts in the South African administration battle to work out a budget for the transitional period to Namibian independence, the word has already gone out to public servants: the Treasury cupboard is almost bare.

Officials of the Department of National Education have been told that trips out of town must be reduced drastically because subsistence claims are not being paid out.

Journeys by government pool cars have been limited to a radius of 100 km from Windhoek.

In the Department of Nature Conservation, the screws have been tightened to such an extent that some research scientists have resigned in frustration, over not being able to do their work adequately.

One researcher had his mileage allowance — the distance he was permitted to travel on research — slashed from 30 000 km a year to 5 000 km.

Another conservation office is said to have been allocated only R8 000 to run, service and repair three 4-wheel-drive vehicles for a year.

Balancing the books — or at least producing as low a deficit as possible — has been the major headache facing finan-

expenditure of just on R2 000 million.

He said the previous six years had shown fiscal surpluses.

The deficit was financed largely by borrowing — from local and South African banks — and through an overdraft from the South African Reserve Bank.

Swapo, as the next likely government in Windhoek, has hinted that it will repudiate all previous debts, and South Africa has said it will not guarantee loans any more.

So the prospects of borrowing hugely to meet a deficit are not good.

It is expected that income, under the present tax system, will probably remain roughly the same as the R1 300 million realised in 1988/89.

Even assuming that expenditure levels are drastically slashed and capital works halted, the Windhoek financial planners are faced with few options.

One problem will undoubtedly be to increase GST and income tax levels.

Whatever happens, the man-in-the-street, as Mr Mudge predicted earlier this year, is in for a severe round of belt-tightening.

## Free Namibia will face a cash problem

Star 23/6/89 221A

As the days to independence draw close, Windhoek is taking a close look at its budget, reports **BRENDAN SEERY** of The Star's Africa News Service

when Windhoek first began drawing up its own budgets.

Pretoria also determines the amount due to the exchequer in Windhoek because of customs and excise duties, through Namibia's membership of the Southern African Customs Union.

But many economists known for their anti-apartheid line have claimed that these contributions have over the years been substantially less than an independent government in Windhoek could have earned through its own levies.

The 1988/89 budget presented to the National Assembly in Windhoek last year by then Finance Minister Mr Dirk Mudge showed a fair amount of fancy financial footwork by justifying a R774 million deficit on a total

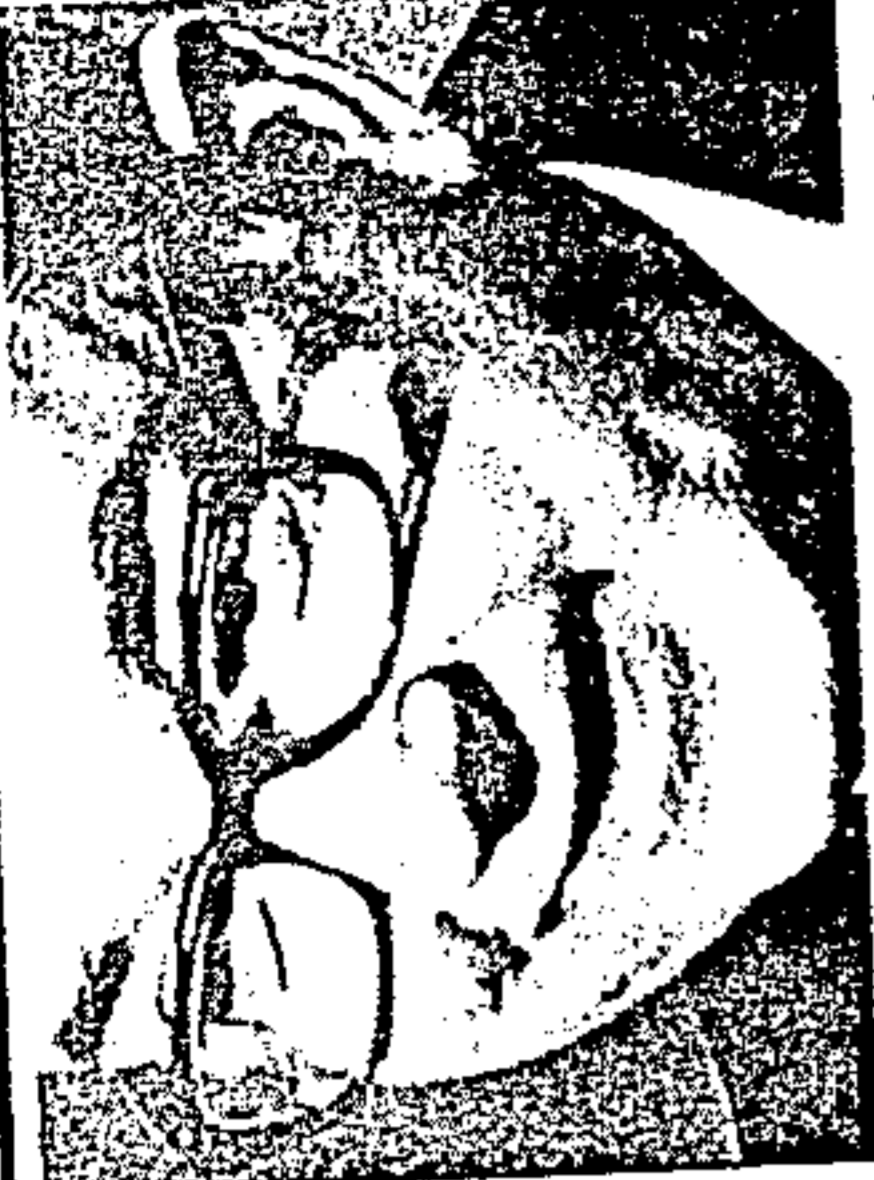
cial planners in the office of Administrator-General Mr Louis Pienaar as they prepare the budget which will see Namibia through to independence next year.

Legally, the budget must be presented by the end of July. Many expected it to have been announced this month.

But Finance Secretary Dr Johan Jones said this week that delivery had been postponed to mid-July.

Finding money will be the biggest problem.

South Africa has slashed its official budgetary contribution to Namibia to R85 million, compared to the R308 million it gave in 1988/89 — thereby continuing the process of financial "weaning" the territory, which began in the early 1980s



Senator Jesse Helms proposed the implementation.

221A

# US attaches strings to Namibian funding

**By David Braun, The Star Bureau**

**WASHINGTON** — In what has been described as an important victory for conservative and moderate forces on Capitol Hill, the US Congress has agreed to the American funding for Namibia's independence to the implementation of the regional peace accords.

A conference of the House of Representatives and the Senate

has agreed to provide funding for United Nations peacekeeping operations in Namibia in two equal tranches of \$38.95 million (\$110 million), based on presidential certification and assurances.

Liberal politicians and the US State Department had tried to block this provision, arguing it would not give the US flexibility to assist with the implementation of the Namibia accords.

The amendment, originally proposed by Democratic Senator

Dennis DeConcini and Republican Senator Jesse Helms, and passed by the Senate on June 1, has, however, remained essentially unchanged in its provisions, which is to be voted upon by both chambers of Congress, has been described by its proponents on Capitol Hill as a major victory against liberal politicians who had been inclined to rely solely on Cuba and Angola's word for the implementation of the regional accords.

With this measure in effect, it is believed, Angola and Cuba would be obliged to toe the line until at least August 15.

The new amendment provides for the first payment of \$110 million for peacekeeping operations only if the President certifies to the appropriate congressional committees that:

- Armed forces of Swapo have left Namibia and returned north of the 16th parallel in Angola.
- The US has received assurances

from each of the parties, and the UN Secretary-General, that all Cuban troops will be withdrawn from Angola by July 1 1991.

The additional \$110 million is to be made available after August 15 only if the President has certified to Congress that:

- All signatories to the agreement are in compliance with their obligations under the agreement.
- Cuba has complied with its obligations under the agreement relating to the calendar for rede-

ployment and withdrawal of Cuban troops.

- The Cubans have not engaged in any offensive military actions against Ukhla.
- The UN and its agencies have terminated all funding and other support for Swapo.
- The UN's Angola Verification Mission is demonstrating diligence, impartiality and professionalism in verifying the departure of Cuban troops and the recording of any troop rotations.

## Aussies mollified

## Communists?

## Senator Jesse Helms proposed the implementation.



221A

# Namibia: Finding money will be the BIG problem

By BRENDAN SEERY, Argus Africa News Service in Windhoek

AS finance experts in the South West African administration battle to work out a budget for the transitional period to Namibian independence, the word has already gone out to civil servants: the Treasury cupboard is almost bare.

Officials of the Department of National Education have been told that trips out of town must be drastically reduced, because subsistence and travelling claims are not being paid out. Journeys by government pool cars have been limited to a 100km radius of Windhoek.

In the Department of Nature Conservation, the screws have been tightened to such an extent that some research scientists have resigned in frustration at not being able to do their work adequately.

One researcher had his mileage allowance — the distance he was permitted to travel on research — slashed from 30 000km a year to only 5 000km.

Another Conservation office was said to have been allocated only R8 000 with which to run, service and repair three four-wheel-drive vehicles for a whole year.

Balancing the books — or at least producing as low a deficit as possible — has been the major headache facing financial planners in the office of Administrator-General Louis Pienaar, as they prepare the budget which will see Namibia through to independence next year.

Legally, the budget must be presented by the end of July, and many expected it to have been promulgated this month, but Finance Secretary Dr Johan Jones said this week that delivery had been postponed to mid-July.

Finding money will be the biggest problem.

South Africa has slashed its official budgetary contribution to Namibia to R85-million, compared with the R308-million it gave in 1988/89, thereby continuing the process of financially "weaning" the territory, which was begun back in the early 1980s when Windhoek first began drawing up its own budgets.

## BUDGET

Pretoria also determines the amount due to the Exchequer in Windhoek through customs and excise duties, through Namibia's membership of the Southern African Customs Union.

However, many economists known for their anti-apartheid line have claimed that these contributions have over the years been substantially less than an independent government in Windhoek could have earned through its own levies.

The 1988/89 budget presented to the National Assembly here last year by the then Finance Minister Dirk Mudge showed a fair amount of fancy financial footwork, by justifying a R774-million deficit, on a total expenditure of just on R2 000-million, by saying that the previous six years had showed fiscal surpluses.

The deficit was financed largely by borrowing — from local and South African banks — and through an overdraft from the South African Reserve Bank.

## No guarantee

Swapo — as the next likely government in Windhoek — has hinted that it will repudiate all previous debt, and the South Africans themselves have said they will not guarantee loans any more. So, the prospects of borrowing hugely to meet a deficit are not good.

It is expected that income, under the present tax regime, will probably remain roughly the same as the R1 300-million eventually realised in 1988/89.

Even assuming that expenditure levels are drastically slashed and that all capital works are halted (even though they comprised a miserly 10 percent of last year's outlay), the Windhoek financial planners are faced with few options.

One of them will undoubtedly be to increase GST and income tax levels.

Economists and bankers here in Windhoek are freely predicting that GST will rise from nine percent to at least in line with South Africa's 13 percent, although some pessimists have said 15 percent is more likely.

A rise in personal income tax levels (which are slightly lower than in South Africa) as well as a cut in tax rebates, are also on the cards.

# AAC's Namibian opencast gold mine 'on schedule'

*Cape Times  
29/6/89 22/17*

JOHANNESBURG. — The development of a 700 000 tons-a-year opencast gold mine at Navachab in Namibia is on schedule and the treatment plant should be commissioned in October this year, say the directors of Anglo American Corporation (AAC) in the 1989 annual report.

The Erongo Mining and Exploration Co (in which the corporation and its associates have a 66% interest), continues with regional exploration and encouraging results are being obtained, the directors say.

Elsewhere in Southern Africa, several promising base-mineral occurrences are being evaluated, including a low-grade nickel/copper deposit with platinum group metals in the eastern Transvaal and a series of heavy mineral sand deposits on the West Coast.

Turning to South America, the directors say that prospecting was carried out in Brazil in the vicinity of the Morro Velho and Jacobina mines, where additions were made to ore reserves.

At Crixas, in Goias state, underground and surface exploration for additional gold reserves was continued, with generally favourable results.

In Europe, evaluation of a small Spanish gold deposit has started, the directors say. Prospecting continued in other parts of Spain, in Italy and Turkey. — Sapa

# Namibia cracks down on ivory poachers

*Call 71475 30/6/89* *221A*

From KEVIN JACOBS

WINDHOEK. — Conservation officials are intensifying a battle against elephant and rhino poachers, arming themselves with harsher penalties and using police to bolster game-protection teams.

Illegal slaughter of rare desert elephants and black rhino has dangerously reduced their numbers and prodded Namibian conservationists into launching a de-horning campaign on the dwindling rhinos, removing the poachers' prize.

One of the first poachers to feel the crackdown has been fined R15 000 and ordered by a court to serve five years

of weekend community service with Namibia's Department of Nature Conservation.

Administrator-general Mr Louis Pienaar has approved harsher penalties for poaching that will be written into law soon, conservation officials say.

The new law will increase maximum fines 15-fold for rhino and elephant poaching, from R6 000 to R100 000, and put the maximum prison penalty at 10 years instead of the current six.

Conservation department spokesman Mr Danie Grobler said that the territory "is the first country in Africa to have increased its penalties to such an extent".

221A

# Lonrho looks at Namibian railway

By Jeremy Brooks

LONDON — A railway to link Central Africa through an independent Namibia is "under consideration" by Lonrho.

The line from Tsumeb to Zambia would have enormous implications for the landlocked frontline states belonging to the Southern African Development Co-ordination Committee, which Namibia is expected to join.

The Benguela line through Angola has been closed by the war with Unita for years and links with Maputo and Beira in Mozambique are frequently sabotaged by MNR guerillas. The Tazara line from Zambia to Dar es Salaam in Tanzania needs heavy maintenance and seldom reaches freight targets.

But observers in London say that even independent Namibia will have to rely heavily on SA for its imports and exports. Walvis Bay, the country's only deep-water port, will remain under SA's control.

A Lonrho spokesman in London reacted cautiously to reports that the construction of a Tsumeb line was imminent, but conceded the company was keeping its options open.

Lonrho already has extensive rail interests in Southern Africa.

It operates Malawi Railways and, through a French manufacturing subsidiary, the corporation was responsible for the initial feasibility studies into the rehabilitation of the Beira Corridor link from Mutare in Zimbabwe.

Bid to placate foreign business

221A

# Swapo tones down policy on economy

8/Day 31/7/89

WINDHOEK — Swapo yesterday unveiled its manifesto for Namibia's independence election, toning down its Marxist heritage to placate the fears of foreign business interests.

Campaign director Hage Geingob at the same time delivered a message to an estimated 20 000 crowd from Swapo president Sam Nujoma.

Main points of the Swapo manifesto included a commitment to a mixed economy, a campaign to close the gap between black poverty and white wealth, strict control over some of the world's richest fishing reserves and an anti-corruption drive.

The Swapo document did not indicate the extent of state intervention, but it gave assurances about the future of the private sector.

The manifesto said foreign mining companies, white commercial farmers and SA fishing companies — the groups that dominate the Namibian economy — sought to maximise profits by concentrating on the production of primary goods at the expense of domestic consumption.

"The goal of Swapo's policy of economic reconstruction and development will, therefore, be to bring change in ownership



● NUJOMA

relations, bring about equitable distribution of national income, create rational linkages of sectors and diversify the economy."

Swapo's ownership policy would be for state, co-operative, joint-venture and private participation in the economy with the state owning a significant part of the country's economic resources.

"No wholesale nationalisation of the mines, land and other productive sectors is envisaged in the foreseeable future."

In spite of the conciliatory tone, Swapo said its underlying left-wing philosophy would remain untouched.

The manifesto warned the private sector would be required to re-invest a significant part of its profits in the economy, particularly agriculture, manufacturing and the exploration and development of minerals.

Since transnationals operating in Namibia were taxed considerably less than in other African countries, the corporations would be required to pay tax rates commensurate with their earnings.

Swapo was committed to redressing imbalances in land ownership since whites in Namibia presently owned 65% of the land.

"The land owned by absentee landlords, and some of the land of the farmers with many farms, will be redistributed to the landless," it said.

Swapo pledged to create a 200-mile exclusive offshore zone in a bid to stop the current over-exploitation of the fishing stocks of the south Atlantic, believed by scientists to be the world's richest.

Changes to budget unlikely B/Day 7/7/89

221A

# Top Namibian finance officials coming to SA

WINDHOEK — Government directors of Namibia's delayed and debt-shackled budget fly to Pretoria next week to meet SA finance officials who could pull the territory out of a R550m hole.

Finance Secretary Johan Jones and a three-man team will be in Pretoria on Tuesday and Wednesday, answering a call from SA director-general of Finance Gerhard Croeser.

"We are paying a visit next week, but I don't know what it is about," Jones said yesterday. "I am in the dark."

If SA is relenting on its decision to pull out the budgetary first aid it gave the territory previously, it may be too late.

"The budget presentation has been completed and is at the printers," Jones said.

"It should be out in the week of the 17th. I will see the Administrator-General (Louis Pienaar) tomorrow, and we will agree on a date and method to make it public."

Although obliged by law to present a budget only by the end of July, Pienaar had expected to have it out by the first week of the month.

Jones said it was unlikely that any relief offered by SA officials next week would call back the budget before public presentation.

"I don't think that anything they will say next week will change what the budget is about."

SA reduced a R308m handout to the previous interim government to R80m, and withdrew guarantees for loans of R326m, leaving the

KEVIN JACOBS

administration, now run by Pienaar, with a R550m headache as it budgeted for a year that overlaps with scheduled independence.

As an interim revenue-generating measure, Pienaar raised GST one point to 10% from July 1, warning that a further increase could come in the budget.

Jones declined yesterday to say whether SA authorities had offered to reinstate any of the budgetary underpinning they had withdrawn.

## Tyranny

Diplomatic sources say donor governments will not offer to step in, insisting that SA honour its responsibilities to the territory until independence.

□ Former political detainees of Swapo announced yesterday that they had formed a Political Consultative Council to prevent Swapo from coming to power, by uniting "all democratic and peace-loving forces against tyranny", Sapa reports.

A spokesman for the group that returned on Tuesday from Angola, Rinndja Ali Kaakunga, a former deputy administrative secretary of Swapo, told a media briefing that camps in Angola had turned into hunting grounds for suspects who allegedly infiltrated the organisation as SA spies.

But, he said, "the hour of truth has come for the Swapo spy drama".

# House prices soar as diplomats splash out

Star 7/7/81

The advent of independence in Namibia has brought not only a flood of foreign diplomats but also a booming market in future embassy buildings and a busy cocktail party circuit, reports **BRENDAN SEERY** of The Star's Africa News Service

221A

221

WINDHOEK — Looking out over Windhoek's plush Ludwigsdorf suburb, a Western diplomat asked wryly: "Isn't it ironic that the countries we give aid to have better places than we do?"

There was good reason for his wryness. Bankrupt Zambia, for example, paid nearly R3 million for an office block in central Windhoek to accommodate what will become its embassy when Namibia becomes independent. Then it paid a further R1,5 million for a house for the future ambassador in the suburb of Olympia (a house which, incidently, would probably have gone for a fifth of that sum only a year ago).

A total of 16 countries have so far set up missions in Windhoek. They include the United States, Britain, Canada, France, both Germanies, the Soviet Union, China, Spain, Australia and all the Scandinavian countries. Switzerland is also represented, while the Italians and Egyptians have said they will have diplomats here in the future.

A talking point among locals is the large sums of money being spent by the diplomats — relatively painlessly, however, since it is in financial rands.

The West Germans started the big spending early this year by paying R3,8 million for the palatial residence of millionaire Mr Timo Voges, said to be in grounds larger than a rugby field.

The flood of financial rands has pushed up prices of properties in the upper brackets to the point where many well-to-do homeowners have become millionaires almost overnight by selling to the foreigners.

The British have brought their special style of diplomacy to this corner of Africa and loyal subjects of Her Majesty in Windhoek were soon clamouring for invitations to the Queen's Birthday party.

The Canadians say their government does not believe in lashing out on parties for Canada Day, which is celebrated on July 1. However, in Windhoek they did, combining it with the official opening of their obse mission.

(Beside observing the progress towards independence, Ottawa's representatives, incidently, look after the interests of Canadian citizens in Namibia. At last count, there were three of them.)

On American Independence Day on July 4, Washington's representatives here saluted "Old Glory" in a subdued celebration. Habitues of the party circuit are hoping the celebration of Bastille Day at the Fre premises next week will be worthy of a revolutionary h nial.

221A

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Star 11/7/89

## No pay, no light Untag learns

The Star's Africa News Service  
WINDHOEK — The Windhoek headquarters of the United Nations Transition Assistance Group (Untag) had its electricity cut off for unpaid accounts.

*The Windhoek Observer* reported that a municipality meter reader went to Untag headquarters at 10 am on Thursday and switched off the power.

It printed photographs of two warning notices sent to Untag, threatening that if accounts totalling R1 544,58 were not paid, service would be suspended.

UN official Mr Dermot Hussey paid the bill with a personal cheque. The power was restored half an hour later.

Newspaper editor Hannes Smith described the incident as something which could have been "torn from the pages of an absurdist play".



# Swapo wants foreign investors in Namibia

CAIRO — The Namibian nationalist group Swapo would welcome foreign investors if it won elections in November, Swapo president Sam Nujoma said on Monday.

"We do not think the present moment is the time for nationalisations," Nujoma said while on a three-day visit to Cairo.

He told a news conference that Swapo did, however, expect foreign companies in the territory to invest some profits in Namibia.

"A future independent state of Namibia would welcome foreign companies on the basis of an agreement that would be reached.

"We will invite foreign investors to develop our economy," he said.

Foreign companies in Namibia were operating under illegal South African occupation and new agreements would have to be made to ensure these companies re-invested some of their profits in Namibia, Nujoma added.

Despite its marxist roots, Swapo's election manifesto last week promised a mixed economy and gave assurances to the private sector, which dominates the economy.

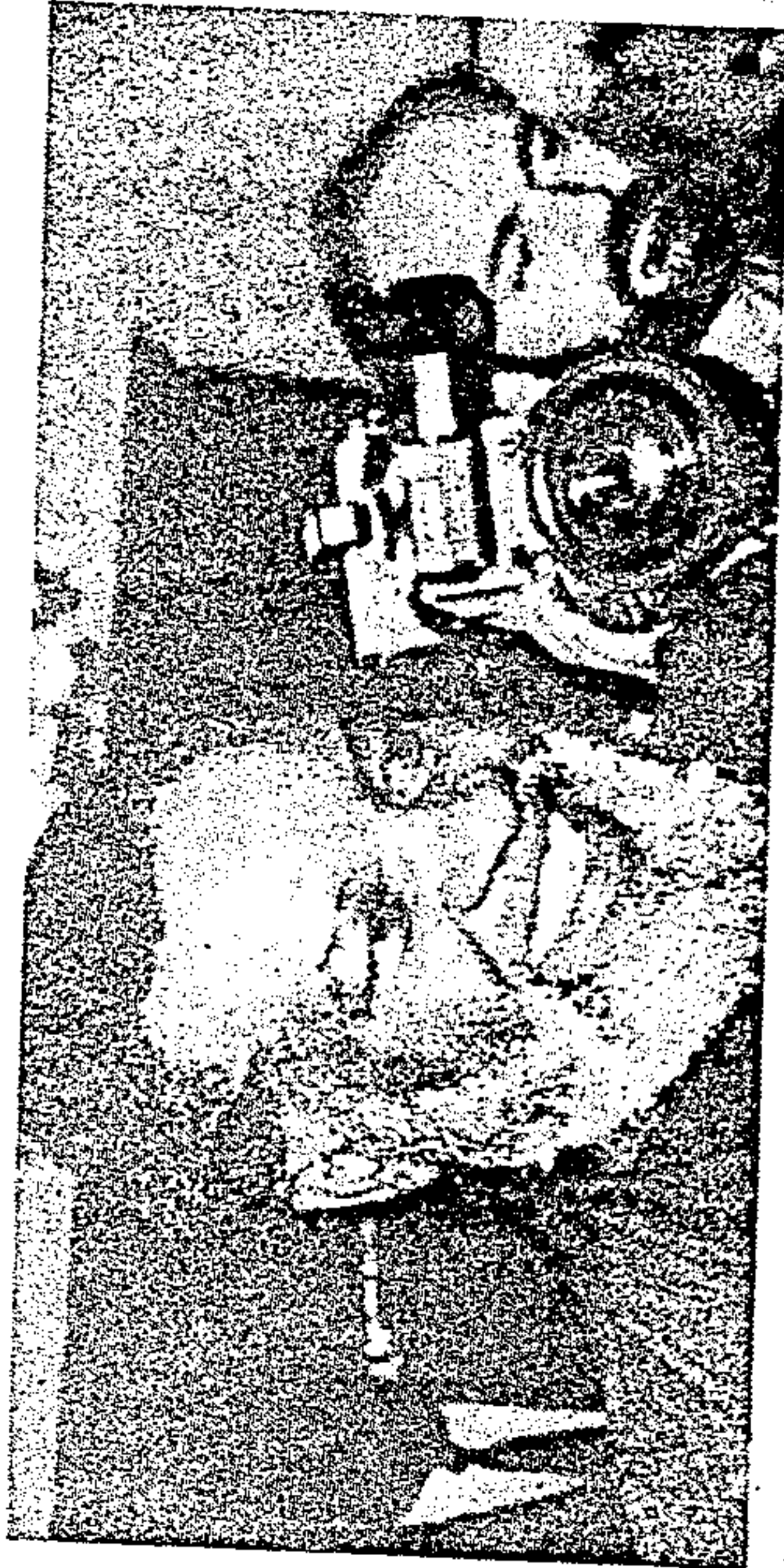
Nujoma pledged that a future independent Namibia would be democratic, and Namibians who had worked for the SA army would be welcomed.

"Those who were misled by our adversary — we would welcome them.

## Assistance

"We will organise and create a national army which will include every Namibian citizen, regardless of what he has done in the past. We intend to open a new page in history," he said.

Nujoma, who arrived in Egypt from Libya, said he had received promises of support and technical assistance in Cairo and Tripoli. He has yet to end his exile and return to Namibia. — Sapa-Reuter.



Swapo leader Sam Nujoma leaving a Cairo hotel yesterday.

Pictures: REUTER.

## Talks with rebels resume

LUSAKA — Angolan Foreign Minister Pedro de Castro Van-Dunem said peace talks between the government and the rebel movement Unita will resume this month, Angolan national radio reported yesterday. *AP (Dun 11/77 84)*

The government suspended talks with Unita more than a week ago after accusing the rebels of breaking a ceasefire agreed

war, continued to support Unita.

Van-Dunem was speaking after a visit to Luanda by US Assistant Secretary of State for African affairs Herman Cohen.

Washington has never recognised the Popular Movement for the Liberation of Angola (MPLA) government which declared independence from Portugal in 1975.

221A

Star 11/7/89

## US sanctions on Namibia may be lifted

By David Braun,  
The Star Bureau

WASHINGTON — Legislation to lift sanctions against Namibia with immediate effect is to be introduced in the US Congress next week.

A group of conservative lawmakers are planning to introduce an amendment to the State Authorisation Bill so as to allow Namibia to be exempted from the provisions of the 1986 Comprehensive Anti-Apartheid Act (CAAA), which imposed a series of sanctions on South Africa, including a ban on all imports of agricultural produce, Krugers, products of government-owned corporations and on a range of other specific goods and services.

The argument in favour of the proposed amendment will be that the US Administration has certified the Namibian independence process is on track and that the emerging new country is breaking free from South Africa.

The backers of the legislation will be pushing for an immediate lifting of the CAAA provisions against Namibia, but are apparently willing to compromise for implementation from November 1, the date of the independence elections.

Liberal congressmen are likely to oppose the legislation on the basis that Namibia's independence, although on track, still has not been brought about and that anything can happen to prolong South Africa's grip on the territory.

There is also concern in some quarters that once sanctions are lifted against Namibia, a huge loophole will be created in the net around South Africa as the new country is almost 100 per cent dependent on its erstwhile governors for economic survival.

There is deep suspicion in Washington at the spate of foreign company registrations in Namibia. Some of these are said to be South African fronts.

# Mines encouraged by 'moderate' Swapo plan

BY JON QWELANE,  
The Star's Africa News Service

221A 

WINDHOEK — Consolidated Diamond Mining (CDM) of Namibia, one of the country's two largest mining houses and also a subsidiary of De Beers, finds the general tone of the manifesto just unveiled by Swapo to be "reasonably moderate" despite its inclination towards excessive government control and regulation.

The manifesto, Swapo's blueprint of how it plans to restructure Namibian society if it comes to power, also appears "to offer scope for reconciliation between government and the private sector".

Mr R A Gower, executive director of CDM, says on the specific issues of economic policies and the mining sector, Swapo's manifesto contains "some

inaccuracies and a certain lack of realism". Says Mr Gower: "In particular, statements regarding the past conduct of the mining industry, taxation levels and the distribution and reinvestment of profits are substantially incorrect, while assumptions about Namibia's potential and its ability to operate independently of South Africa, although admirable in intention, are not completely realistic."

He says Swapo underestimates the contribution already being made by the mining industry to the economy and believes that when Swapo becomes more aware of the facts involved it will realise that the scope for an increase in the industry's contribution to the economy is strictly limited.

"Nevertheless CDM is encouraged by the apparent willingness to negotiate with existing and new private investors, and will approach Swapo and a future government in a similar spirit of goodwill," he said.

Star 12/7/89

## PLANS TO RESTART RUACANA SCHEME

WINDHOEK — Administrator-General Louis Pienaar has approved the Namibian component of a joint technical committee (JTC) with Angola to reactivate the Ruacana hydro-electric scheme on the Cunene River. *By PM 12/7/84*

The Namibian side consists of the MD of Swawec Polla Brand, the Secretary of Water Affairs Pedro Maritz and the sen-

ior technical manager of Swawec Omker Hoogenhoudt.

The appointment of the JTC follows three rounds of talks. (221A)

The JTC is expected to meet at the end of this month to begin planning the reactivation of the project, a potentially vast source of cheap electricity and water to Namibia and Angola. — Sapa.

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# Namibia's fragile wetlands

ONE of Namibia's unique wildlife refuges, Sandwich Harbour on the bleak Atlantic coastline, is under serious threat because of the global "greenhouse effect".

A rising sea level and a consequent change in sediment deposit patterns has meant that wetlands at Sandwich Harbour — one of the most important refuges on the southern African coastline for migratory birds flying to and from Europe — could have disappeared entirely within a decade.

The rising sea level is one of the most pronounced effects of the global warming from the "greenhouse effect", brought on by atmospheric pollution and the destruction of the ozone layer through the proliferation of substances such as chloro-fluorocarbons, which are present in aerosols and refrigeration systems.

According to Dr John Ward of the Department of Geological Survey in Windhoek, the findings of a project to monitor changes at Sandwich Harbour have been "dramatic" and provide "some cause for alarm".

Over the past few months, scientists have determined that the rising sea level (of about one centimetre a year) has helped worsen the effects of a phenomenon of coastline erosion which is being noticed throughout South Africa.

The beach has retreated in places by up to half a kilometre, and if the changes continue at the present rate, the whole wetland area of Sandwich Harbour will be swallowed up in as short a period of time as a decade, added Dr Ward.

He said the findings had stunned geologists who recently visited the area on a trip organised by the local Geological Society.

The changes were particularly worry-

## NAMIBIA: NEW NATION

By BRENDAN SEERY  
in Windhoek



ing because most of them apparently had occurred over the last five years, after an apparently geologically stable period for the area of at least a century.

Ornithologists who have visited Sandwich Harbour recently have also noted the lack of flamingoes, which they see as a worrying sign.

The harbour — a natural wetland sheltered in a small bay in the lee of towering dunes of the Namib Desert — is not only specacularly beautiful, but has also been recognised by international conservation agencies as an important "way station" on the "West African flyway", which is used by hundreds of thousands of migratory birds each year — some of whom fly from as far away as the Russian tundra.

Dr Ward said that although there was nothing which could effectively be done about the changes occurring at Sandwich Harbour, the authorities should be aware of what was happening and should take steps in particular to control vehicle access to the most sensitive areas.

The harbour is a popular spot for fishermen, but is accessible only by four-wheel-drive vehicle.

Dr Ward said international experts, who will be in Namibia for the "Dunes '89" scientific conference in August, would be approached for their opinions about the problems at Sandwich Harbour, as well as about other areas on Namibia's Atlantic coastline which could be just as vulnerable to the "greenhouse effect".

# Namibian waters fished out by chancer' aliens

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221A

Own Correspondent

WINDHOEK. — Spanish and Rumanian fishing trawlers and Soviet factory ships are slowly leaving the cold Atlantic waters off Namibia's inhospitable desert coast — but it's not out of respect for looming independence. There is not much hake left for them to catch.

They, and other fishing nations exploiting world refusal to acknowledge the territory's offshore rights, have taken it all.

"We are inheriting a depleted hake resource," says Sea Fisheries director Dr Jan Jurgens.

Dr Jurgens, a third-generation Namibian native, is leading local efforts to declare a 200-mile offshore zone even before independence, to take control of an industry that syphons R2 500 million a year from the territory's natural resource.

"Of that R2 500 million, Namibia gets absolute zero, nothing," Dr Jurgens said in an interview.

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BIDAM 17/7/89 (221A)  
**Namibia's seas 'fished out'**

KEVIN JACOBS

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"We are inheriting a depleted hake resource," says Sea Fisheries director Jan Jurgens.

"Because of over-fishing by foreigners, it's in a very bad situation."

Jurgens, a third-generation Namibian, is leading local efforts to declare a 200-mile offshore zone, even before independence, to take control of an industry that syphons R2,5bn a year from the territory's natural resources.

"Of that R2,5bn, Namibia gets absolute zero, nothing," Jurgens said in an interview.

"If we do not succeed in setting a 200-mile zone, or if we are advised not to try for it now, it's the first thing that a new government should do. No matter

who the government is, they should extend it immediately."

Self-serving refusal by foreign fishing nations to recognise SA-linked authority denied Namibia the right to impose a 200-mile offshore zone under the 1972 Law of the Sea Convention.

So up to 17 member-nations of the Madrid-based International Commission for South East Atlantic Fisheries (ICSEAF) sweep the deep offshore waters for hake, while Namibian boats are left the lesser, R250m-a-year inshore catch of pilchards and maasbanker inside a 12-mile zone.

**150 boats**

"We have no say over the hake resource," Jurgens said.

"We have never had less than 150 boats in our waters at any time. But it appears they are leaving now because of the poor fishing."

Jurgens, disputing SA scientific projections of the entire Namibian fishing industry in ruins, said inshore resources were healthy.

Pilchard resources — an estimated five-million tons 40 years ago, but down to 50 000 tons in 1981 — were recovering after some years of limited catch

quotas, he said, and horse mackerel (maasbanker) shoals were in a healthy state.

"The inshore fishing industry is in good condition," Jurgens said.

"It is a very profitable one."

"We have compared the financial statements from the fishing companies with those of the top 100 companies of the JSE.

"While it is an up and down thing from year to year, in general I think they are in a very solid and good position," he said.

"According to fishermen and my scientists, we have an abundance of small pilchards.

"Some of the older fishermen say they have never seen anything like it — you can go for miles and miles through shoals of fish."

On the hake problem, Jurgens said: "For three years or more we should exclude all foreigners from using the hake resource, giving it time to recover."

"In that time we should allow only local companies to utilise it.

"That will also give them a chance to get a foot in the door and set up joint ventures with foreign companies."



# Namibia may have R550m budget deficit

From KEVIN JACOBS

WINDHOEK. — The administrator-general of Namibia, Mr Louis Pienaar, later this week presents Namibia's last South African-influenced budget, apparently unsure whether Pretoria has finally cut its financial umbilical.

If the traditional budget underpinning has been pulled out, Mr Pienaar's announcement on Thursday could see the territory stumbling towards independence, hobbled by a R550-million deficit.

Government departments' spending has already been slashed right across the administration and a one-percent rise in GST to 10% was imposed from July 1.

Finance secretary Mr Johan Jones recently said a further R306m in South African-guaranteed loans is unavailable.

Mr Jones and a team of aides last week visited Pretoria but declined after a meeting with Mr Gerhard Croeser, director-general of finance, to say whether South Africa had relented.

Economists and diplomats believe South Africa is challenging foreign governments, who have accused it of exploiting the territory, to step in with their own financial aid.

"They are trying to throw it at the international community, but it won't work — their (Pretoria's) mandate has been to look after the place until independence," an administration source said yesterday.

"We have no idea what South Africa will finally come up with, but it's pretty depressing."

Mr Pienaar is unlikely to demand more from Namibia's 62 000 taxpayers, nor to increase GST any further.

# Namibia's economy balances on tightrope

BIDAM 19/7/89

221A

WINDHOEK — Namibia's economy is perched on the rim of possible expansion or decline as the territory edges towards independence.

Namibia boasts profitable mining, fishing and farming industries and one of the best economic bases in Africa, much of it due to SA money.

Per capita income, about \$1 000 a year, is among the highest in Africa and has been rising steadily.

In spite of these advantages, economists warn the next generation of leaders must not alienate wealthy whites or foreign investors in trying to meet the demands of Namibia's poor black population.

The territory is expected to gain independence early next year with Swapo expected to win elections in November. But observers criticise Swapo for lacking economic experience and for supporting socialist poli-

cies linked with crumbling economies elsewhere in Africa.

"Swapo does not conceal its belief in the moral superiority of socialism over capitalism," the organisation said in its election manifesto.

"The state will have ownership of a significant part of the country's economic resources," it added.

Such talk is popular among the black majority in a territory where the unemployment rate is estimated at 25%.

## Leave

Will it work?

SA, which has provided up to 25% of Namibia's R2bn annual budget, is expected to cut virtually all aid after independence.

Thousands of Namibia's whites, concerned about their future under a black-led government, are expected to leave the country or move their

assets to neighbouring SA.

The one black-ruled country in the region to pursue a market-oriented economy, Botswana, has grown swiftly and is often cited by economists as a model for development.

"Swapo has raised expectations (among blacks) that will be difficult to meet regardless of their policies," said a private consulting economist in Windhoek, Rainer Ritter.

But Swapo has not outlined how it will increase spending when the territory currently has an annual budget deficit of about R500m and a foreign debt of more than \$300m.

About 50 000 SA soldiers have left Namibia since the independence plan went into effect on April 1. Most were stationed in the north where Namibians fought against their presence — but relied on their money.

Thousands of Namibians employed by the military are now out of work. — Sapa-AP.

## Imminent war allegations untrue — Swapo

BIDAM 19/7/89

221A

WINDHOEK — Firsthand investigations into allegations of an "imminent state of war" in northern Namibia last weekend had come up with a "clean zero", and SA's Administrator-General to the territory, Louis Pienaar, would have to account for the claims, Swapo leader Theo-Ben Gurirab said in Windhoek yesterday. Gurirab was referring to an invita-

tion by Pienaar to Swapo leaders to attend a meeting last Friday when they were informed of an imminent invasion of 1 900 members of Plan (Swapo's military wing) from Angola into northern Namibia. Between 700 and 800 Swapo fighters were allegedly already in place.

The meeting was attended by senior UN officials, representatives of

the Frontline states and observers from the US, Britain, France, the Soviet Union and West Germany.

On Saturday, Swapo and UN officials as well as Frontline states observers travelled to northern Namibia to verify the allegations.

"We found nothing," Gurirab said. — Sapa.

6861 July 81  
Gunnensburg

By Brendan Seery, The Star's  
Africa News Service

WINDHOEK — South African Administrator-General Mr Louis Pienaar appealed to the international community yesterday to come up with finance to pull Namibia out of its budgetary hole.

He also left the future independent Windhoek government with the headache of an additional R150 million in short-term loans to add to the more than R700 million debt burden it will inherit.

Mr Pienaar did not make it easier for the new rulers when he and his financial experts refused to harness obvious financial resources by increasing GST and income tax.

Presenting the budget for the territory for 1989-90, the last under SA rule, Mr Pienaar appealed to the world to show its goodwill to the emerging state of Namibia by making available loans or aid to help cover the

# Namibia will need help with finance

221A

Star 21/7/89

planned R605,9 million deficit before borrowing.

His financial planners had made arrangements to cover all the deficit except for R133,6 million and that sum would have to be raised through international donations or loans.

Mr Pienaar said there was a "disturbing" inability of revenue to cover the government's running expenses, let alone financing capital development.

Mr Pienaar said: "This leads to the uncomfortable conclusion that the country is enjoying a standard of services which it cannot afford."

The budgeted expenditure for 1989-90 is R2 238,8 million and income is projected at

R1 683 million.

A total of R392,1 million of the deficit will be financed through direct SA budgetary aid (R80 million), an SA contribution to the expenses of the Resolution 435 exercise (R78,2 million), a withdrawal from a redemption fund for government debt (R8,9 million) and the issue of short-term securities (R55 million).

The SA Government had indicated it was willing to stand guarantor for a Reserve Bank overdraft of R80 million, but this guarantee would extend only to October 31 this year.

The amount left still to be financed was therefore R133,6 million.

Mr Pienaar noted that further financing, in the form of loans from SA and overseas sources, did not "appear too favourable", considering SA's refusal to guarantee Namibian loans and the uncertainty surrounding the independence process.

● The United Nations Secretary-General, Dr Javier Perez de Cuellar, will spend part of this weekend in Lusaka for talks about the Namibian situation with President Kenneth Kaunda, a UN spokesman in New York announced.

This represents a change in plans since the secretary-general had intended to go to Mogadishu after his meeting with Minister of Foreign Affairs Mr Pik Botha in Pretoria, and then fly to Addis Ababa for the summit meeting of the Organisation of African Unity.

He will leave Pretoria for Lusaka later today and travel to Addis Ababa on Sunday.

● See Page 6.

**Fond hopes** *Final*

Swapo's election manifesto calling for a mixed economy in Namibia has strengthened hope within the territory.

SWA Chamber of Commerce and Industries president Des Mathews says a "flood" of new companies continue to set up offices in Namibia. This is evidence of what he calls "continuous optimism" among entrepreneurs there. In June alone, 55 new groups established themselves.

"This far exceeds last June's figures and includes new foreign and SA interests opening operations here," he explains. "Namibian businessmen are taking a wait-and-see attitude. There is definitely no panic."

And, although some small businessmen have moved their money to SA, many larger companies hit by sanctions in SA are likely to set up in Namibia as it moves towards independence.

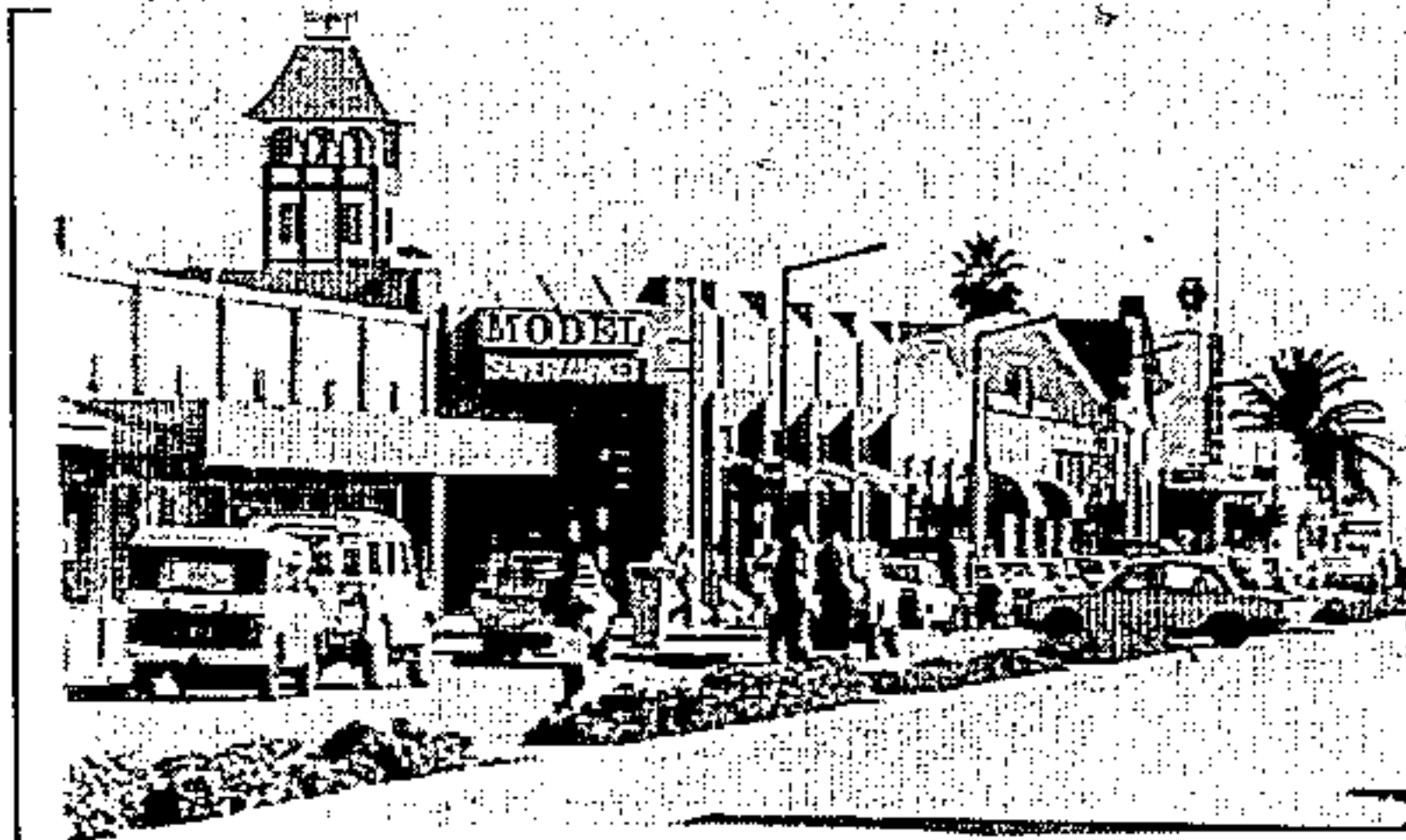
Mathews' views mirror predictions made in a report by Metzje and Ziegler chairman Peter Bieber three months ago.

Entitled "The Case for An Economically Free Namibia," the position paper contends that Namibia will become "Africa's Hong Kong" as long as its first government does not impose exchange controls. Such controls would be unnecessary, Bieber argues, because Namibia is unlikely to be affected by the same "run on the banks" which crippled post-independent Zimbabwe.

Bieber may be right. Namibia's small businessmen have held SA passports for years and, while many have moved assets south of the Orange, there is little chance that money will pour out of the country in the months before independence. Large foreign corporations, which often lead a currency exodus, hold very few forex reserves in Namibia — most are held at overseas head offices or in SA.

To take advantage of the situation, Bieber suggests, Namibia's next rulers will have to create a new currency outside the Rand Monetary Area (RMA).

Swapo executive Anton Lubowski speculates that the new state "won't stay in the RMA, although the process of setting up one's own currency will take about two years. The longer we stay with the RMA, the weaker our own economy will get, as the falling rand will drag us down with it."



Swakopmund . . . no more a sleepy hollow

Namibian monetary policy would permit the export of profits, as long as a portion of profits from foreign investment are invested in the country. These comments echo Swapo leader Sam Nujoma's recent announcement that "the present time is not one for nationalisation."

Unisa economist Ben van Rensburg, who in March prepared an Assocom report on Namibia's economic prospects, predicts Namibia will have to wait longer than two years to earn enough foreign exchange to declare monetary independence. But Swapo's new stance has changed his views, expressed two weeks ago, that Swapo's socialist rhetoric would be "bad for business."

"I believe Swapo means what it says," he explains. "Not only will they inherit a capitalist economy, but there is a strong inclination for profit-making among many Swapo supporters, especially the Ovambo."

ey will not leave a healthy Namibia. But the real test of attitudes will only come after the November elections. ■

He expects the new state to follow Botswana's economic model — encouraging foreign investment and the maintenance of private property — rather than the Zimbabwean pattern of massive borrowing to finance social programmes without any real economic growth.

Economists from both countries are advising Swapo planners in the hope that white mon-

(221A) *Final*  
21/7/89

# Namibian budget: begging bowl held out

WINDHOEK — Administrator-general Louis Pienaar, presenting Namibia's last SA-linked budget yesterday, held back tax increases and extended a begging bowl to foreign donors to meet a R133m deficit.

In spite of his veneer of cautious confidence, government sources said SA retained a stranglehold on the administration's ability to cover public debt.

One insider said it was feared Pretoria, foreseeing a probable Swapo government, was stage-managing a destabilisation policy by withdrawing budgetary support and loan guarantees.

SA Finance Minister Barend du Plessis is holidaying on a hunting farm east of

KEVIN JACOBS

Windhoek, but officials said he planned no official contact with authorities.

Pienaar, governor of the territory until November elections precipitate a new government, budgeted for revenue of R1 971,7m and assessed state spending at R2 239m to March 31 next year.

In what he termed "a leaner but fitter" budget, Pienaar warned that the territory's economy was vulnerable, pivoted on a too-narrow tax base and supported a high-quality services infrastructure it could not afford.

"The discipline we are applying now, the

felt we are tightening to live as far as possible within our means, will benefit next year's budget," Pienaar said in a nationally broadcast speech. "Next year a new government will inherit less debt, and will be able to build on peace."

Public debt would be reduced this year to R718m which was "relatively small compared to the country's economy". Further payments next year would leave independent Namibia's first government with a R549m debt. — "a healthy inheritance"

Pienaar projected a pre-borrowing deficit of R381,7m and loan obligations of

□ To Page 2

## Namibian budget

R224,1m, leaving the administration to find R605,9m. The shortfall would be financed in part by Pretoria's reduced budgetary injection of R80m (cut by R226m), R78,2m from SA earmarked to cover costs of implementing resolution 435, a R170m carry-over from the previous year, and a R55m short-term securities issue.

Pienaar said Pretoria guaranteed overdraft facilities for R80m until the end of October, leaving a R133,6m shortfall.

At the top of Pienaar's options list, to be taken up in an additional budget later in the year, is a request to foreign donors.

"The international community can be asked to contribute. In that way they can already prove their goodwill towards this country while an international settlement for independence is under way."

He said the administration could fall back on SA, or take up loans.

"SWA/Namibia finds itself in an invidious situation," he said. "It is expected overnight to advance from crawling to walking, while the whole world gives advice — but that is as far as their willingness to help extends."

"All these possible options are under

221A □ From Page 1

intensive investigation and negotiation," Pienaar said. One can only trust that the territory does not face a financial crisis before independence."

Capital expenditure was reduced from last year's R264m to R189m.

"The country badly needs foreign development aid, which, it seems, will not be available until after independence.

"More disturbing is the inability of revenue to cover the government's running expenses, on the maintenance of services, administration and infrastructure.

"This leads to the uncomfortable conclusion that the country is enjoying a standard of services which it can't afford."

With 16,2% inflation and "extreme uncertainty" countrywide, tax increases were dismissed, after a one-point GST rise to 10% from July 1.

"The problem is that the tax base is too narrow — too few people earn a taxable income," Pienaar said. "In future the tax base will have to be broadened by the creation of productive and common wealth-producing employment — a daunting task for a future government."

● See Page 4

# Slaughter of rhino begins as SA troops move out

8/21/89  
221A

A SUDDEN dramatic escalation in rhino and elephant poaching in Namibia, as South African security forces pull out, has shocked conservationists and prompted strong police reaction.

The entire black rhino sub-species Chobiensis is thought to have been wiped out. Should there be any survivors in nearby Botswana it is unlikely that there are more than 10 left alive in the world.

Shock figures released this week revealed that the carcasses of 26 elephant and 11 black rhino were found in the area between June and July. The Rhino and Elephant Foundation set the figure at 30 and 13.

All that is standing between certain extinction for the animals is the group of South West African Police Force (SWAPOL) anti-poaching units.

The activity of poachers has reached unprecedented proportions following the withdrawal of security forces, according to Swapol spokesman, Chief Inspector Kierie du Rand.

Police are despatching more than 250 men to the western Caprivi and others to Ovamboland.

But Democratic Party spokesman Mr Rupert Lorimer says this is not enough and has given animals in vast wilderness

**DAWN BARKHUIZEN**

little more than six months to live.

He attacked the authorities for failing to take preventive action and ignoring warnings that poachers would run riot.

Members of the Rhino and Elephant Foundation are standing by to take action against the "worst thing that could have happened at the worst-time". Foundation vice-chairman Mr Clive Walker says the scale of the slaughter has been the greatest he has seen in any short time.

"Should there be any surviving rhinos and should their numbers be as low as anticipated, it seems their only chance of survival will be translocation to an unknown destination," he said.

Police believe that a major network is in operation with ivory and rhino horn being shipped out via Walvis Bay and South Africa.

Thirty arrests so far have led police to recover 11 tusks and one rhino horn worth more than R40 000 locally.

With less than 3 500 of the animals left in the world, the black rhino is the most endangered large mammal. The African elephant has virtually been annihilated in northern Africa.

●See PAGE 2.

Star 25/7/89

# Namibia 'must get foreign aid'

221A

Namibia would not be able to make ends meet without considerable foreign financial aid, according to an economic survey compiled by Sanlam and released today.

The survey pointed out that it would be difficult to replace South Africa as the country's most important economic partner.

"In our opinion the extent of such aid will depend mainly on whether the elected government adopts a pragmatic economic approach. In other words, whether it will retain the private enterprise system," Sanlam said.

Small enterprise would also have to play an important role in the provision of jobs.

Mining and agriculture would probably remain the backbone of the economy for many years and the economy would continue to be "very vulnerable to fluctuations in international commodity prices".

However, with the necessary foreign aid the country's agricultural and mining potential could be better utilised and the fishing industry would be able to provide more jobs. The manufacturing sector will also, in time, be able to play a greater role in the development of the country's economy.

This could bring a new period of growth, progress and stability to Namibia which would be to the benefit of the entire southern Africa, Sanlam said. — Sapa.

## Namibia needs foreign aid, says Sanlam survey

CAPE TOWN — Namibia would not be able to make ends meet without considerable foreign financial aid, according to a Sanlam economic survey released today.

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This could bring a new period of growth, progress and stability to Namibia that would benefit all of southern Africa, Sanlam said. — Sapa.

● See Page 4



CMT 1145 26/7/89 244

# Namibia faces foreign aid chaos

From KEVIN JACOBS

WINDHOEK — Namibia approaches independence with no clear planning to harness a welter of foreign aid offers, say development planners who warn of chaos ahead.

Managers of a parastatal body have stepped in to take charge with a portfolio of realistic, potentially profitable projects.

"Essentially, what we have found since April 1 is chaos in this town as far as planning for the economic future is concerned," said Bob Meiring, executive chairman of the First National Development Corporation.

"We also have so many visiting foreign economists it has become bewildering to keep track of them," the former chief executive of Tsumeb mining corpora-

tion said in an interview.

Meiring and planners in the parastatal FNDC have compiled a research portfolio that targets, analyses and assesses 160 projects in big and small business, industry and agriculture for presentation to an invited audience in Windhoek on August 3.

Present will be local business representatives, diplomats, economic advisers, political parties, central and local government officials and trade union leaders.

"We see ourselves as more of a development brokerage house than anything else," senior FNDC planner Daan Kruger said yesterday.

Meiring insists that "the only way this country can keep moving is to promote business that can generate a positive

cash flow and service the money invested in it."

He was in Vienna this week as the only Namibian parastatal representative invited to a UN Council for Namibia conference on aid, but warned before leaving for Europe that foreign aid desperately needed co-ordinating.

"If we do not have order by next year the future government will have to walk in and create some sort of order in the chaos. What concerns us is that instead of governing they will have to sit down and create the rules.

"The remnants of the South African government is keeping the cogs of government moving, but there is no planning ministry. Due to the absence of anything else, this corporation is the only structure that can, at least over this transition period, play a co-ordinating role."

Meiring's planners have compiled an investment portfolio pulling together available national statistics and targeting projects warranting investment.

"We have a basic shopping list of needs so that we don't miss the independence dowry," he said.

# SI 'committed to developing' Namibia

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221A

Financial Editor

SUN International will spend R6,5m on making the Kalahari Sands in Windhoek "one of the most luxurious hotels in southern Africa", CE Ian Heron said yesterday.

The group bought a controlling interest in Sands Hotels (Pty) the holding company owning the 14 storey hotel, with effect from July 1.

Work started at once on transforming it. Sun International development director Dene Murphy said that in spite of the large scale of the project "we are determined to have it completed by the election date."

Heron said Namibia had great tourist potential and he also expected Windhoek to become an important regional capital.

"Sun International has big plans in Namibia," he emphasised.

"We look forward to the independence of Namibia in October and the opportunities this will bring. Sun International is absolutely committed to investing and developing in that country.

"Our policy is always to promote the tourist industry in the countries in which we operate and that's what we plan to do in Namibia.

"It is scenically beautiful. It has a spectacular coastline and outstanding game reserves.

"We also envisage Windhoek becoming an important regional capital and we will cater for the needs of the business and diplomatic community who travel there."

# Namibian hotel for Sun International

Times 30/7/89 221A

Business Times Reporter  
SUN International is  
moving into Namibia.

The hotel, resort and casino chain has bought a majority shareholding in prestige hotel Kalahari Sands in Windhoek, and is spending R6,5-million to make it one of the most luxurious in Southern Africa.

Chief executive officer Ian Heron says Sun International has big plans in Namibia.

## Opportunities

"We aim to make the Kalahari Sands a hotel that all the people of Namibia can be proud of. We look forward to the independence of Namibia in October and the opportunities it will bring.

"Sun International is committed to investing and developing in the country. We believe that Namibia has tremendous untapped tourist

potential which the group has the knowledge and expertise to help develop."

Mr Heron says the company's policy is to promote the tourist industry in the countries in which it operates. Namibia will be no exception, especially because of its considerable natural resources.

Namibia is scenically beautiful, with its spectacular coastline and game reserves. It has a developed infrastructure and the people are friendly and efficient. He believes that with these attributes, Namibia could become one of Africa's major tourist destinations.

"We also envisage Windhoek becoming an important regional capital and we will cater for the needs of the business and diplomatic community who travel there."

"The 14-storey Kalahari

Sands stands in the heart of Namibia's capital and has long been a premier hotel. Sun International acquired it by buying a controlling interest in holding company Sands Hotel.

The deal became effective on July 1, and Sun International immediately started refurbishing Kalahari Sands.

The 181 bedrooms have been upgraded. The public areas are being redesigned. There will be a new a la carte restaurant to seat 100 people and a 140-seat coffee shop as well as a new luxury bar.

Sun International development director Dene Murphy says that in spite of the large scale of the project, the group is determined to have it completed by the time the elections are held.

By October, businessmen, holiday makers, families and children from both Namibia and South Africa will be able to stay in the hotel.

# Namibia issues challenge to SA business people

CAP 714/15 9/8/89  
ZZIA

Financial Editor

NAMIBIA will present both challenges and opportunities to SA business people — "and those with foresight will reap the rewards", says Hugh Robinson of Ernst & Young (Namibia).

In a press statement, Robinson warned that SA companies with operating branches in Namibia might be disallowed.

"Companies with head offices in the Republic would be obliged to act quickly in the event of such action."

He thought it would be wise for SA companies to consider training local Namibian management and staff to overcome work-permit restrictions.

It was also possible that restrictions might be placed on the removal of funds from Namibia.

"SA companies wishing to operate in Namibia in the long term need to take this into account."

And he expects the general level of taxation in Namibia to increase "in order to finance the development of the newly-independent country".

Plus factors were the opportunities which would exist if Namibia became a member of the British Commonwealth and/or a member of the Organisation of African Unity.

Robinson said SA business in Namibia would change dramatically in the next two years — but the exact nature of the change was unlikely to be known before next year.

There were three possible scenarios — a capitalist government which maintained cordial relations with SA, a capitalist government which cut ties with this country, and a socialist government which cut ties with this country.

"Under all three, I believe the government will curb the flow of funds from Namibia," said Robinson.

"The extent of these exchange control curbs will differ as an independent Namibia will probably introduce its own currency system in due course."

Plans should be made for each possible scenario "to take advantage of the situation at an early stage".

Companies already operating in Namibia should consider making changes immediately. Companies not yet there should consider "whether they want to position themselves" to start up in the country.

"There is much uncertainty about the future in Namibia and companies continuing to operate there will face both risks and opportunities."

# UN body deliberately favours Swapo - claim

By David Braun  
The Star Bureau  
WASHINGTON — The US government has been urged to cut off all further funding of Namibia's independence process until the United Nations Council for Namibia has been obliged to drop its support for Swapo.

The conservative "think-tank", International Freedom Council, this week released a report in Washington which claimed the UN Council for Namibia (UNCN) had deliberately and systematically refused to

adhere to the terms of the impartiality package, that it had given serious attention to its role during Namibia's independence process, and that it had deliberately decided to illegally continue its activities.

The impartiality package was agreed to in 1982 by the Western contact group, the Frontline states, Nigeria, Swapo and, later, South Africa. The UN endorsed the package.

In addition to stipulating freedom of speech, assembly and movement, the right of peaceful

return of exiles and detainees, the repeal of discriminatory laws which might abridge the conduct of free and fair elections, the impartiality package includes directives for the Secretary-General and UN bodies to act impartially throughout the transition process.

The International Freedom Council claims the UNCN considers itself exempt from these provisions.

The council said in its report: "Historically, UNCN activities have been aimed solely at pro-

viding an international support apparatus for just one of the parties involved in the Namibian election process — Swapo. There is no evidence of a change in this proclivity.

"To date, the UNCN continues its partisan activities designed to boost Swapo's image internationally and inside Namibia."

The council called on President Bush to withhold payment of \$78 million (about R210 million) for the independence process until the UNCN had been brought into line.

STW 9/18/89

# Walvis Bay

S/Twms  
13/6/81

## Namibia's

# SA lifeline

221A

FORTRESS Walvis is entered through four South African-manned border posts where the blue and white Untag flag does not fly.

Its citizens live 800km to the north of the nearest piece of South African turf. Yet theirs is a prized slice of the Republic bounded on three sides by soon-to-be-independent Namibia.

The townsfolk in SA's last colonial outpost are slowly coming to terms with their double identity.

And they are braced for the political haggling over the enclave's future.

Swapo has served notice that it intends to "liberate" Walvis Bay, "even if it means we must go into the sand dunes to do it".

### Mood

It sets the scene for a post-independence flashpoint.

This week, the fishing boats came back to port brimming with good catches. It was confirmation of the promise that this could be a bumper season for the fishing industry, the town's lifeblood.

So the mood swings back and forth between nervous political fitters and booming business confidence in the future of Walvis Bay — possibly as a free port under a post-independence agreement.

Says Walvis Bay port director Mr Bill Shewell: "The mood is

looks at the economic implications for Walvis Bay in an independent Namibia

### David Jackson



very mercurial — it can change from month to month. State-ments from the newly emerging political players can affect it quite a bit — but a few well-placed reassurances can settle it down again."

A sabre-rattling Sam Nujoma vowed in March that Swapo would liberate "every inch" of Namibia, including Walvis Bay. But businessmen there believe the more realistic scenario was sketched by Swapo's secretary-general, Andimba Toivo ja Toivo.

He conceded the new government would have to reach an agreement with South Africa to use the port, even if it meant paying fees "until the sovereignty issue is resolved".

Mr Shewell believes the future of Walvis bay is indisputably linked with South Africa.

"The South African flag will always fly here, just like the British flag in the Falklands. "But hostility is not part of the phraseology... It's a low-key approach, re-

flected at the entry points to this enclave sandwiched between the Atlantic Ocean and the Namib Desert. Identity and passport documents are checked — but formalities are minimal.

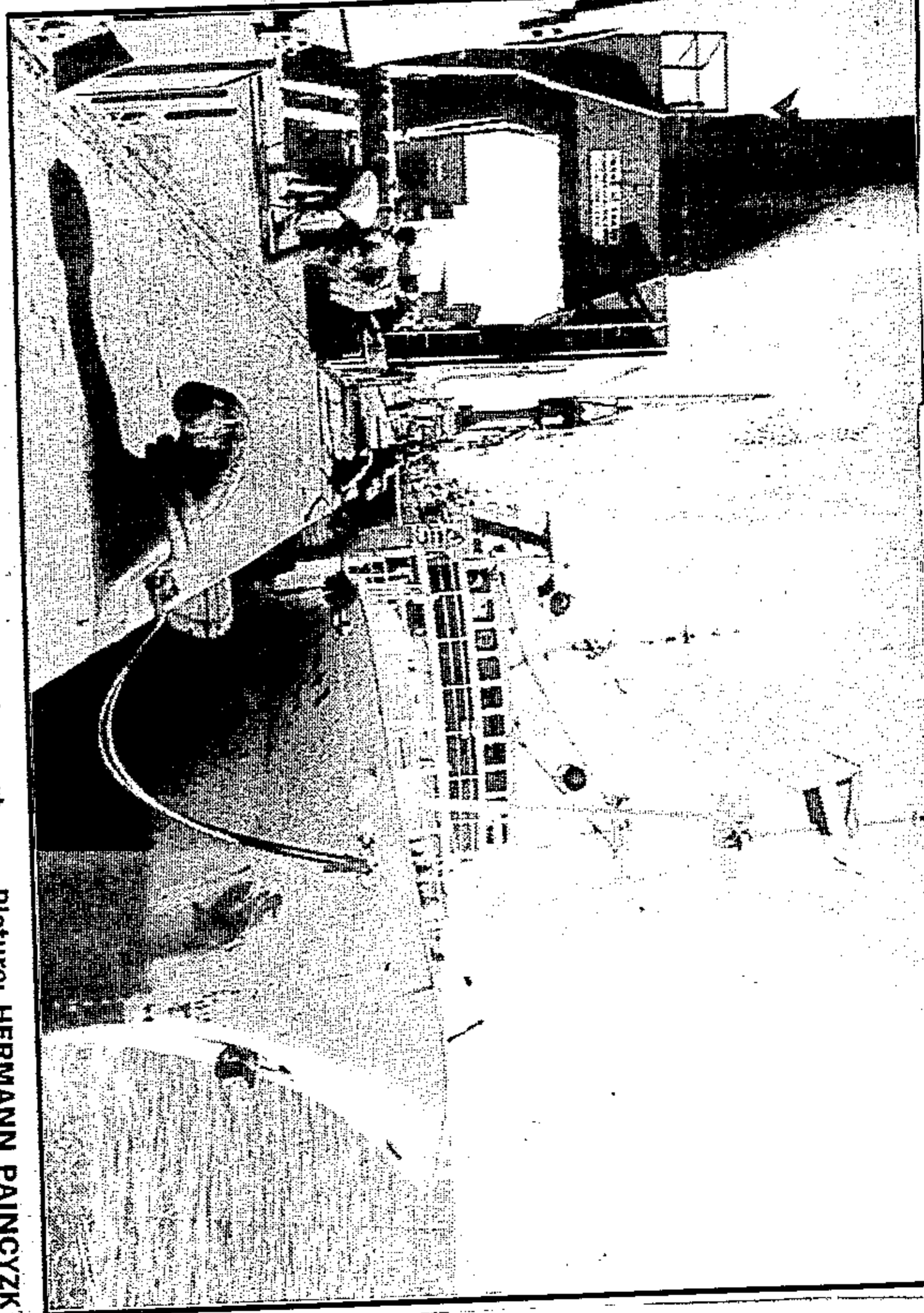
Says Mr Shewell: "It's one of the things that reassures people here. The way they handle people going through gives the impression not of a frontier post, but of a hassle-free monitoring point."

"This is not a Berlin Wall-type scenario." Walvis Bay (population 26 000, of which about half is white) does not have the image of a town under siege.

### Active

There are all the outward trappings of prosperity. House prices have doubled in the past two years. Many of the new homes come complete with wine cellars and saunas.

With the upturn in the fishing industry, most of the fishing



GATEWAY ... Walvis Bay, Namibia's only deep-water port

boat owners are buying homes there. In the past, they tended to live in the Republic and go home when the season was over.

The town clerk of 31 years, Mr Jan Wilken, says there has been an increase in business activity in the past year. "All the boats are active, the repair people are active and there is considerable building activity."

He believes the prospects for fishing will be even greater once Namibia applies for the extension of its fishing zone to the internationally accepted norm of 320km. For years, Namibia has suffered at the hands of foreign fishing trawlers, who have been helping themselves to the rich sea harvest just 25km off the coastline.

But the stereotype of Walvis as a drab fishing town, living in the shadow of its picturesque neighbour, Swakopmund, 33km up the coast, is a thing of the past, says Mr Wilken.

Since the administration of Walvis Bay was handed back to

South Africa in 1978, money has poured in for the town's upgrading and the development of its tourist potential.

Part of a R12.5-million two-year programme includes new resort complexes at Langstrand and Dolphin Park. Investment prospects are good and "we are very optimistic", says Mr Wilken. "Walvis Bay has become a much more pleasant place to live in over the past six to eight years."

### Trump

It is also South Africa's trump card and it makes political and economic sense to ensure that it is thriving and self-sufficient.

As Namibia's only deep-water port, some 85 percent of Namibia's exports pass through Walvis bay — uranium, diamonds, copper, lead — and so do many of its vital imports, at present coming mainly from South Africa. International consultants have privately ruled out the prospect of an alternative

port — there have been rumours of a site north of Swakomund — as economically unfeasible. The territory's only railway line also runs from Walvis Bay to South Africa.

Reality dictates that Walvis Bay — in the medium and short term — will be Namibia's lifeline. At least, that's how much of the local business community sees it.

Martie Malan, executive manager of public relations and human resources for Woker Freight Services, which is part of the Rennies group, says: "Our whole management team is confident ... we have already strengthened our team in Windhoek in anticipation."

According to shipping company businessman Mr Hartmut Heitmann: "We are getting inquiries from countries that previously didn't even bother replying to our telexes. African and Eastern Bloc countries are looking for new markets in the region — irrespective of which way the election goes."

Picture: HERMANN PAINCZYK

# Financial rand cut-off: Envoys pay up in SWA

CME 10/15/86  
13/18/86  
Own Correspondent

2214

WINDHOEK — Withdrawal of a financial rand facility has overnight doubled the cost of acquiring property for latecomers in the booming diplomatic sector.

Foreign government missions — one of the biggest recent influences on Windhoek's real-estate market — have bought up dozens of residential properties at a 50% discount on hard currency by using the financial rand as a conduit.

Finance department officials said yesterday the facility available to non-residents since 1986 had been withdrawn from last Thursday, in line with a similar cut-off in South Africa.



221A



By Sven Lünsche  
 Britain's UK mining giant RTZ has sold its 33,55 percent stake in the Unisel gold mine and a 12 percent holding in GF Namibia for a total consideration of R200 million.

RTZ had acquired these interests in June this year when it bought the worldwide mineral assets of British Petroleum, but has indicated that it would limit its Southern African holdings to substantial interests in Namibia's Rossing uranium mine and the Palabora copper operation.  
 The 33,55 percent stake in Uni-

## RTZ sells interests in Unisel and GF Namibia

sel, one of South Africa's more profitable gold mines, has been sold for R185 million. Gencor and its associate Genbel have together bought 5,1 million shares, or 18,2 percent of Unisel, which pushes its total holding to a controlling 55 percent.

Gencor itself is taking 3,35 million shares and Genbel 1,78 mil-

lion shares of Unisel, which is already managed by the group's mining and mineral arm, Genmin.

Anglo American has acquired RTZ's remaining 4,4 million Unisel shares for R84,8 million.

Commenting on the acquisition Gencor executive director Tom de Beer said that the purchase of Unisel was viewed as significant.

Unisel is located in the mineral-rich area of Welkom and in addition to the mine lease owns the mineral rights over the farms Jurgenshof, Tarka and Adamsonvlei."

Mr de Beer added that the group's stake in Unisel was in line with Gencor's holdings in other long-life mines, namely Oryx and Beatrix.

RTZ's stake in GF Namibia has been sold for R15,5 million. GFSA controls about 80 percent of the stake, but a spokesman for the group could not disclose the buyer of RTZ's interest this morning.



May the new Governor be spared such travails and enjoy a serene reign — in all our interests.

## Untag buses

UNTAG has taken delivery of seven HLC buses, worth R2,5-million, from Associated Automotive Distributors (AAD). They will carry Untag personnel from Windhoek to other bases. *St James 20/8/89*

The buses were constructed at AAD's Blackheath plant, Cape Town. The bodies were supplied by Santini and Busaf. SA manufacture enabled AAD to meet urgent delivery requirements.

The 65-seat buses are fitted with air-conditioning.

221A

AK(a) 34/309 (221A)

# SWA Fish sees profits plunge by 62,6 percent

By DICK USHER, Business Staff  
SOUTH West Africa Fishing Industries (SWA Fish) interim results for the half-year to end-June showed sharp drops in turnover, income and profit.

Turnover dropped about 75 percent to R4,7-million, group pre-tax income fell 62 percent to R2,7-million and bottom-line profits fell 62,6 percent to R3,1-million.

The interim dividend was unchanged at 65c a share.

Chairman Mr C L Walton said the decrease in earnings was mainly attributable to the sale of the group's Walvis Bay salt operations, unfavourable weather conditions which had adversely affected lobster catches and the appearance of small pilchards mixed with other species which restrained normal pelagic catching activities.

He said the 1989 pilchard quota was set at 50 000 tons, of which SWA Fish was allocated 3 334 tons. Catches of other species remained quota free. The company's participation in United Fishing Enterprises (UFE) increased to 20,33 percent and total quotas to those participating in UFE increased to 16 400 tons.

The UFE factory processed 44 636 tons during the review period compared with 71 357 tons for the same period last year.

In spite of unfavourable conditions the UFE pilchard quota was caught in full.

29/8/89

# Host of hurdles 'lead to black deprivation'

22/A  
SM

By Jovial Rantao

Black deprivation was brought about by a host of institutional and legal hurdles constructed by the ruling clique, Professor Fanuel Tjingaete, Professor of Economics at the University of Namibia, said in Sandton yesterday.

In a keynote speech during a seminar on "Black Economic Empowerment", Professor Tjingaete said blacks could pull themselves up by their bootstraps to a certain point, but if the institutional and legal obstacles in their path were not removed by Government, white businessmen and the international community, not much would be achieved in the field of black economic empowerment.

Mr Eugene Nyathi, the director of the Johannesburg Centre for African Studies, said the impact of sanctions and disinvestment on black economic em-

powerment had to be seen in the context of the continuing quest for political and economic justice in South Africa

"Financial and trade sanctions, and other strategies are denying Government the ability to sustain itself. The economic empowerment of blacks will take place after the demise of the status quo.

"Sanctions and disinvestment can only hasten this painful, but necessary process," Mr Nyathi said.

Dr van Zyl Slabbert, the director of the Institute for a Democratic Alternative for South Africa, said South Africa was trapped in a three-phased spiral of violent evolution.

"The white minority domination has moved to a negotiation mode through the National Party. And when former State President P W Botha shifted from separate states to one state, it was seen as a betrayal in some quarters of the white minority," he said.

# 'Namibia mixed economy'

221A

CAP 71745 29/1/89

By AUDREY D'ANGELO  
Financial Editor

A SWAPO government of Namibia would be pragmatic and encourage "a healthy mixed economy", a member of the Swapo secretariat, Anton Lubowski, told Cape Town business people last night.

He was speaking to a large audience at a talk on "Investment in the new Namibia" organised by stockbrokers Simpson McKie Inc at the Mount Nelson.

Lubowski said an independent Namibia would be economically independent of SA. "The bulk of our exports already go to the UK, West Germany, Japan and Switzerland. Only 25% go to SA."

At present it was being dragged down by the weakness of the SA economy. After independence it would "no longer be bothered by the economic sanctions now being imposed on SA."

Lubowski said a Swapo government would reassess Namibia's membership of the rand monetary and customs union. It intended to join the Southern African Development Co-ordination Conference (SADCC) and Preferential Trade Area.

However, Namibia would need foreign investment in order to develop

its resources. And, Lubowski assured his audience — some of whom were sceptical — there would be no risk of nationalisation.

"If we nationalise anything at all it will be farms with absentee foreign owners which are not run economically."

"We will look into the possibility of a Central Bank and, hopefully, one day issue a new Namibian currency."

"However," he assured his audience, "this does not mean that we intend to trap capital with overly stringent exchange control regulations."

"We plan to impose fair and reasonable regulations on foreign exchange because we have confidence in the economy of the future Namibia and its ability to attract capital."

"But we will take steps to ensure that the Namibian people share in the fruits of the economy. This means that there will be fair and reasonable taxation on profits."

It would welcome investors in mineral-based processing industries such as metal refineries, local diamond sorting and cutting, the production of agricultural implements, grain mills, beverage distilleries and food processing, packaging and canning factories.

# One Billion <sup>22/A</sup> pension fund *Sowetan 11/9/87* to be decided

NAMIBIA'S 49 000 government officials will be given the choice on October 1 whether to pay over their accumulated pension benefits into retirement annuities or to transfer their benefits to a new pension fund, the commission of civil pensions, Mr Hugo Truter, has said.

Legislation on the subject was being prepared and would be promulgated not later than October 1, he said in Windhoek.

In terms of the planned dispensation, government employees will be given a one-off opportunity of making a once-only payment of their pension benefits to date into a retirement annuity at Old Mutual, Sanlam or Southern Life, free of commission.

## Salaries

Accumulated pension benefits consist of R3 contributed by the state for every R1 paid by employees, as well as interest.

After October 1, all Namibian government officials, including those who exercised the annuity option, will become members of a new pension fund to be managed by a private assurance company, yet to be appointed.

Contributions to the new fund will be deducted monthly from their salaries, but no deductions will be made for contributions to the annuities.

Namibia's government pension fund, which became independent from South Africa in 1980, presently amounts to about R1 billion.

It is expected many officials will choose the annuity option. - Sapa

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By Robyn Chalmers

**NATIONALISATION** will be out and a mixed economy will be in if Swapo attains a two-thirds majority in the Namibian elections, says Swapo spokesman Anton Lubowski.

Mr Lubowski spoke to businessmen in Johannesburg this week in an attempt to encourage South African investment in Namibia.

He acknowledged that Namibia faced problems in the short term, but said independence was the best thing that could have happened to it. It allowed Namibia to escape SA's "corrupt mismanagement of the economy and ended its treatment as an economic colony".

Mr Lubowski said immediate goals included the development of a manufacturing industry, a lessening of economic dependence on SA, a reassessment of its position in the common monetary area and taking a fresh look

# Swapo gives SA fair deal promise

221A  
SI Times 3/9/89

at the banking sector, which was controlled largely by SA institutions.

"We are encouraging SA investment because we need its financial assistance and its skills. Swapo will be reasonable and fair in its economic policies.

"We will strike a balance between social justice, distribution of wealth and economic policies. We do, however, expect a commitment from all foreign investors that they will reinvest a portion of their profits in Namibia."

Wholesale nationalisation was unlikely. Any nationalisation that did take place

would mainly affect farmers. About 300 farms were owned by foreign investors who were often absent and unable to run their land profitably, he said.

Swapo would concentrate on a mixed economy which would incorporate a balance of State enterprises, co-operatives, joint ventures and private-sector participation.

Mr Lubowski said SA public servants would be retained as long as they did not work against a Swapo Government.

"There are many departments which will have to be created and others which are

severely understaffed. We will have to expand the civil service and will need all the people we can get.

"We are considering the possibility of attaining International Monetary Fund loans to finance this expansion."

Longer-term goals included setting up a central bank, a new currency, exchange control regulations, making a bid for Walvis Bay and upliftment of the population through education.

Namibia had a 30% unemployment rate, between 55% and 60% of the people were illiterate and about 90% of all supervisory and managerial positions were occupied by whites, he said.

Asked whether Swapo would attain the two-thirds majority necessary to write the constitution, Mr Lubowski said he believed it would if the elections were free and fair.

"Unfortunately, we believe that this is not the case — 80% of Namibians have never voted and many have no idea how to register."

S/Times 2/19/89

221A

RECENTLY listed hotel chain Karos has clinched pole position in the race to exploit the expected tourism boom in post-independence Namibia.

In partnership with Windhoek-based business interests Karos has assembled land holdings suitable for hotels in three of Namibia's game areas.

The R30-million project includes provision for a 400-bed international standard hotel 3km from the main entrance to Etosha game park.

Work will start on the Etosha hotel in January and it should be completed for the Christmas season.

### Environment

Planning will start next July for the other hotels — on the Zambezi River 16km from Katimo Mulilo in the Caprivi Strip and at Sesriem, next to the popular Namib Naukluft park and near the Sossus Vlei and the Namib dunes in southern Namibia.

The hotels will be designed to ensure that they do not adversely affect the bush environment. Natural vegetation will be left in place and Karos has hired a former Natal Parks Board official to ensure that the game viewing drives do not disturb the wildlife.

"We are conservationists at heart," says Karos chairman and joint managing director Selwin Hurwitz.

The new development and the construction of the R17-million Karos Kruger Hotel near the main entrance to the Kruger National Park, due for completion in March, leaves the group well placed to capitalise on the rapidly growing market in Europe and the US for bush-experi-

# Karos steals a march in tourism bid

By Ian Smith

ence holidays.

A major asset is the land on which the hotels will be built. The Etosha hotel will go on 20 000ha of former cattle farms. The site has a 14km border with the national park.

The Sesriem hotel will be built on a 40 000ha site next to the park, and the Caprivi hotel has 300ha of land.

Joint managing director Stan Hoffmann says: "The big sites will ensure that the effect on the environment is kept to a minimum. It is in our own interests to preserve the wildlife and its natural habitat.

"A conservation programme is being designed in line with specifications laid

down by the Namibian authorities."

The development will be done by a Namibian company, Netgro, in which Karos has an important stake.

### Waterhole

The major Namibian partner is businessman Willie du Toit, who is chairman and major shareholder of Industrial Transport & Commercial Holdings.

The Etosha hotel will have a 2,5km landing strip and a game lodge with its own waterhole.

The site for the Caprivi hotel was bought from the SA Defence Force, which had a club on the banks of the Zambezi. The facilities are on a short lease to another hotel operator.

From Page 1

### Liberty deal

may also be developed in time. S/Times 3/19/89

GFSA's cash flow is about R200-million a year after dividends. Cash flow is a function of gold revenue and costs. He hopes that gold at \$358 this week is at a nadir.

"Physical demand is good. This year we haven't seen the gold and forward loans that inflated supply last year. Gold's weakness is a function of currency markets."

GFSA has not asked its

shareholders for money since 1971.

The company is reluctant to borrow to fund mining ventures. Not only are interest rates too high, but mining companies cannot claim interest costs off tax until mines earn revenue. That can take five years.

GFSA policy is to borrow only to fund working capital. Northam will have to carry a heavy inventory of products.

## Untag on the buses

Foreign troops in Namibia as part of the Untag force are being based about the country in South African vehicles.

Untag has already taken delivery of seven 65-seater buses worth R2,5 million from Associated Automotive Distributors (AAD) Truck & Bus.

Decked out in traditional UN white livery, they are being used to ferry personnel between Windhoek airport and military bases around Namibia.

Said a spokesman for AAD: "They are fitted with semi-luxury bucket seats and the latest air-conditioning units, to help foreign contingents cope with the harsh climate.

"We built the buses in Cape Town, got the bodies from Santini and Busaf and the engines from Atlantis Diesel. So the South African content is very high indeed.

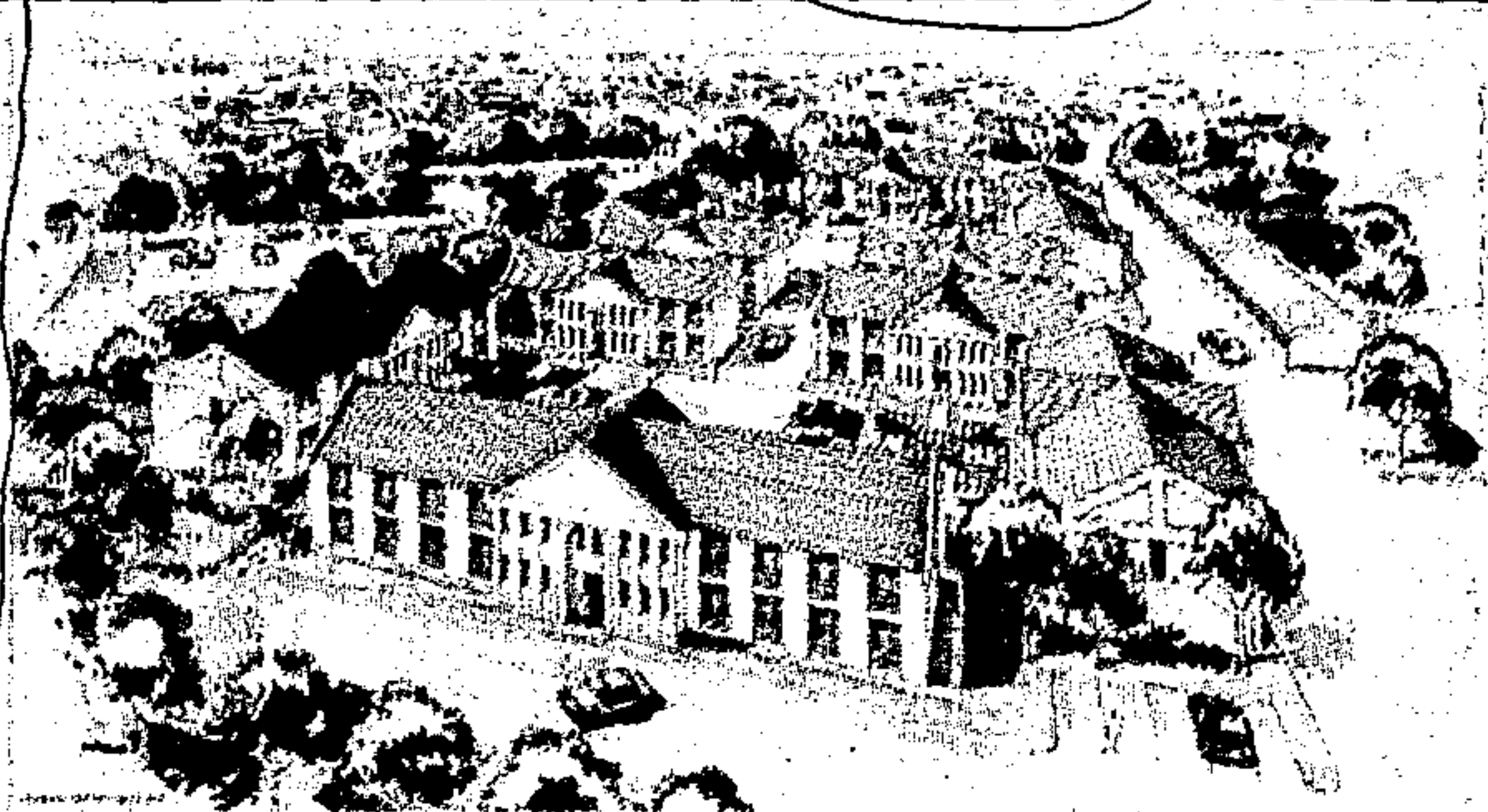
"We also used steel suspension to make them robust enough for even the harshest operating conditions, because we know what the territory is like up there."

22/11  
4/19/89



Steer 5/9/89.

221A



A R12 million office development has been planned for Highway Gardens adjacent to the Jan Smuts highway, by Edenvale-based brokers and developers, SM Sneeck Property Sales. Key feature of the Paul Stubbs-designed office development is the flexibility of space to meet tenants' requirements.

"A total of 10 blocks ranging from 531 to 830 sq m will be positioned in a landscaped environment," says an SM Sneeck spokesman. Site works have begun and building per unit is estimated at about three months, with the first units ready for occupation next January. Rents are pitched at R18 a sq m plus R2 operating costs. Bosfon Construction is the main contractor.

## Windhoek growing fast

Property development in Namibia is growing apace ahead of the country's independence in November.

Windhoek is already experiencing a property boom with commercial property investments totalling about R200 million.

"Developers have responded to the prevailing feeling of confidence, with

four large projects underway in the Central Business District," says an official of the research department of Anglo American Property Services (Ampros).

"There is at present about 187 000 sq m of existing office space in Windhoek with a further 23 400 sq m under con-

struction."

The retail sector, too, is getting a boost, with a further 33 580 sq m being added to the present 94 500 sq m.

New projects on the way are:

- The Sanlam development which will bring on more than 4 000 sq m of retail space and 14 700 sq m of offices. The shops are 100 percent prelet and offices 88 percent let;

- Mutual Plaza, the Old Mutual project which is in colonial style. Costing about R44 million, it will comprise 10 000 sq m of shops on two levels and office space. The complex is fully let;

- Southern Life Tower which will have total lettable space of 3 700 sq m. Shops and offices are 50 percent prelet;

- Wernhil Park, the R50 million development in the Tal Valley, which will provide 19 000 sq m of retail space, a cinema and parking. This project is 75 percent prelet.

Ampros points out that in order to accommodate the expected influx of visitors to Windhoek, three of the city's major hotels have undergone a revitalisation and extensions.

S/Times 10/9/89

221A

# Windhoek boom

**Business Times Reporter**

AS Namibia draws closer to independence, Windhoek is experiencing a property boom.

"Whether sustained growth continues after April 1 next year will depend

largely on the nature of the government elected in November," says Ampros.

New commercial property investments total about R200-million. In spite of uncertainty about the country's future, developers have responded to the prevailing spirit of confidence, with four large projects underway in the central business district.

There is about 187 000m<sup>2</sup> of office space in Windhoek, and 23 400m<sup>2</sup> is under construction. Retail accommodation totals 94 500m<sup>2</sup> and 33 580m<sup>2</sup> is being built.

Projects include the Sanlam development at the corner of Peter Muller and Kaizer streets, which is on schedule. It will provide 4 100m<sup>2</sup> of retail space, offices on 13 floors and 235 parking bays.

Mutual Platz, the Old Mutual development, is being built to colonial style. It will cost about R44-million and comprise shops on two levels, offices on five and 200 parking bays. The complex is fully let.

Southern Life Tower will have a total lettable area of 3 700m<sup>2</sup> and Wernhil Park, the R50-million development at Tal Valley, will provide 19 000m<sup>2</sup> of retail space, a cinema complex and parking.

In the planning stages is the Kaizer Street Plaza.

Three hotels have been refurbished or plan extensions. They are the Kalahari Sands, the Safari and Namibia Sun.

Ampros Research says the immediate boom has merely met the needs of some of the international governments and agencies which have moved in.

Star 11/9/89 (221A)

## Namibian mine blamed for deaths

The Star's Africa News Service  
WINDHOEK — The Tsumeb Corporation Limited (TCL), a subsidiary of Goldfields Namibia, was found criminally liable last Thursday for the deaths of seven copper miners when part of its Kombat mine flooded last November.

The verdict was handed down in Tsumeb by inquest court magistrate Mr A H Coetzér. Windhoek Attorney-General Mr Etienne Pretorius now has to decide whether to prosecute TCL for culpable homicide.

The miners died when water burst into the mine following blasting operations at the lowest mining levels.

A Johannesburg advocate, Mr Edwin Cameron, appearing on behalf of the families of the men who died in the disaster, argued that TCL had become complacent during the 25 years it had been mining in the Kombat area where underground water was plentiful and constituted an obstacle to mining.

A simple and cheap safety procedure could have prevented the deaths of the seven miners, Mr Cameron told the court.

The Star  
**Finance**

# Stripping to begin at Auchas this month

Star 26/9/89

221A

**WINDHOEK** — Pre-production stripping of approximately 2,5 million tons of over burden would begin this month to expose sufficient diamondiferous ore for the first three months of production at the planned Auchas mine in southern Namibia.

The CDM company said in Windhoek yesterday construction had begun on the infrastructure for the R90 million diamond mine on the north bank of the Orange river, 50km from Oranjemund.

The mine, employing about 300 people, was expected to come into production by the middle of next year.

A treatment plant, workshops, and offices were presently being built at Auchas.

The Auchas plant would treat diamond

bearing material to be mined at Auchas itself as well as at Daberas and Arris Drift.

Mining of the ore deposits — two at Auchas and one each at Arris Drift and Daberas — was expected to yield more than 100 000 tons of head feed a month.

CDM said the ore was deposited in deepened portions of an ancient valley of the Orange river, covered by 20 to 30 metres of partially cemented sand and gravel.

Mining of the diamond ore would be carried out through conventional open pit methods, it added.

CDM presently employed 5500 people and annually contributed between 10 percent and 16 percent to Namibia's gross domestic product, according to the statement. — Sapa.

Table with multiple columns of financial data, including various numerical values and possibly stock prices or exchange rates. The table is partially obscured by the main article and contains faint, illegible text.

# New mine to add sparkle to Namibia soon

810ay 26/9/87  
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□ In his 1988 chairman's review, De Beers' Julian Ogilvie Thompson said the mine at Auchas would yield some 45 000 carats of large gems a year. — Sapa.

# Tide turns in Namibia ivory wars

Star 30/9/89

221A

**WINDHOEK** — Conservation officials in Namibia believe they are beginning to stem a surge in the illicit ivory trade which followed the withdrawal of South African troops under the independence accord.

They scored their latest success on September 16 when police smashed a major international smuggling syndicate after months of investigation, arresting 25 suspects.

Officials seized 980 elephant tusks, weighing about seven tons and valued at nearly \$2 million (about R5.5 million), in what they believe was Africa's biggest haul of illegal ivory.

"This is the biggest haul made in Africa," said Colonel Johan Meintjies, head of the police Diamond and Narcotics Squad which also investigates poaching, after the raid in the farming town of Okahandja, 70 km north of Windhoek.

The tusks were found hidden behind a load of vegetables in a refrigerated truck.

The tusks come from more than 500 elephants, young and old, says Mr Brian Jones, a spokesman for the Department of Nature Conservation.

Mr Gerhard Roux, spokesman for the Administrator-General of Namibia, Louis Pienaar, said: "It was with the assistance of the South African police that Namibian police achieved this result."

Environmentalists say ivory is smuggled from Angola, Zaire, Zambia and Zimbabwe by way of Namibia or Botswana. It is then shipped to Taiwan and Hong Kong for processing.

Some of the men detained in the raid could face 10 years in jail under penalties that have been tightened since the latest poaching spate began.

Poaching has increased this year since the number of South African forces in Namibia was reduced under the UN Independence plan for the huge desert territory. Since July only 1 500 South Africa troops

**PETER KENNY**

have remained in Namibia, confined by UN orders to two northern bases.

Police say poachers had previously been deterred by the South Africans who were trying to prevent infiltration from Angola by South West African People's Organisation (Swapo) guerillas.

Before the latest arrests, police had followed the smugglers through Namibia from Rundu, a small town on the Angolan border in the northeast, watching them since July 16. "We waited until we thought we had the biggest and most fish before we pounced," said Colonel Meintjies.

Rundu, on the Kavango River, has been a conduit for ivory from Angola and arms supplies to the National Union for the Total Independence of Angola (Unita) rebel movement there. The area on either side of the river teems with elephants and other game, now threatened by poachers.

Some of the seized tusks were huge, others were tiny, taken from baby elephants. The biggest weighed 40 kg. Police also seized 14 rhinoceros horns and a few hippopotamus teeth.

Conservationists fear that one of Namibia's most precious resources, its abundant wildlife and especially its threatened black rhinoceros, faces a major menace from poaching. "Since July this year we have captured at least 80 poachers," police Chief Inspector Kierie du Rand said.

In some areas the police are using former bush fighters from Koevoet — the now disbanded counter-insurgency unit — to hunt the ivory dealers.

Namibian police say the anti-poaching units have had a marked effect. But Swapo opposes the scheme, saying all former Koevoet members should be dismissed from police duty because they intimidate Swapo supporters. — Reuter.

**SACC**  
**calls for**  
**day of**  
**prayer**

1st

October

1989

THE South African Council of Churches has called on its member churches to observe Sunday October 29 as a day of prayer for Namibia.

In a statement the SACC said its regional councils had been invited to organise special ecumenical services on that day in anticipation of the forthcoming independence elections in Namibia.

The SACC, in conjunction with the Southern African Catholic Bishops Conference, has prepared liturgies for use by churches in their regular services on Sunday.

These are available from church head offices and regional councils.

The SACC has also prepared a document on "Namibia - The Process to Independence" - which gives details of the country's historical background.

# Untag 'not ignoring' Namibia environment

AKGus  
12/10/89

221A

By JOHN YELD, Environment Reporter

ALTHOUGH environmental concerns are not being ignored, there are limitations to what the United Nations can consider during the transitional period in SWA/Namibia.

This was the response from the United Nations Development Programme (UNDP), part of the Untag force in the territory, after criticism from prominent international conservationist Mr Nick Carter.

Mr Carter expressed concern last week that while UN agencies had carried out surveys of various Namibian resources — including water resources, agriculture and fisheries — environmental surveys had been excluded.

## Economic value

"Although wildlife and environment-based tourism are reportedly second only to mining in economic value, according to the UNDP liaison office no surveys have been done of Namibia's wildlife and environment," he told The Argus.

Asked to comment, UNDP liaison officer Ms Emily Pastor said Mr Carter had "most unfortunately" misunderstood the agency's message.

"To be sure, the UNDP is not ignoring environmental concerns at all," she said.

"However, as I reported to Mr Carter, there are limitations to what can be considered under the transitional period in Namibia."

Ms Pastor said Namibian sectors for immediate attention had been identified by the UN's "high-level" consultants in a "Reconnaissance Mission Report" in June.

## Environment a concern

These sectors were education, agriculture, fisheries, water resources, the fiscal system, health and second-tier administration — not mining as had been reported — and fact-finding missions had been "fielded" in collaboration with the relevant UN agencies, she said.

"By no means does this preclude environment. In fact, as explained to Mr Carter, environment was a concern of many of these missions.

"Based on the reports of these studies and other information available, the independent Namibian government, when elected, may choose to identify environment, according to its own priorities, and the UNDP in partnership with the government may assist in designing programmes to serve this sector."



# Lion's share for Swapo, DTA

381 Star

14/10/89

**WINDHOEK** — A few drops of rain fell in Owambo this week. They were the first seen for six months since April and barely enough to fill a teaspoon.

But they put the smile back on a few faces and momentarily erased the memories of an otherwise miserable week.

This northern Namibian district has not known peace for 22 years, and when a phantom peace shimmered in with the signing of a ceasefire between South Africa and Swapo, to be effective from April 1 this year, war returned full-scale to the region on the same day.

This week Owambo simmered in the aftermath of last weekend's violence which, said SWA police in the district, was instigated by Swapo's principal rival, the Democratic Turnhalle Alliance, after Mr Sam Nujoma addressed a record crowd estimated at 70 000.

### Pangas and mortars

While mortar bombs, grenades and gunfire exploded, pangas and knives softly thudded into human flesh. The more fortunate victims escaped with scalps wounded by sticks and stones.

With just under four weeks to go before the voting, it is anybody's guess to what degree intimidation and violence will influence the outcome.

The parties at the centre of the storm, Swapo and the DTA, are both confident of success at the polls.

Swapo's head of the election directorate and senior member of the politburo, Mr Hage Geingob, predicts "an easy 80 percent win" for his party.

He says the recent spate of violence — last weekend was the second successive one — hostilities had bro-

### JON GWELANE

Ken out between Swapo and the DTA in Owambo — is evidence that his party's main opponent, sensing defeat at the polls, is desperate.

But Mr Dirk Mudge, chairman of the DTA, sees matters differently. He places the blame for the outbreak of violence squarely at Swapo's door and says his opponents are rapidly losing support.

Mr Mudge is confident of winning, and says his party is picking up new support "all the time".

Even then, given the undeniably mammoth rallies Swapo has held over the past few weeks, the support DTA claims to be gaining.

Apart from the straight fight at the top between the two most prominent parties, the picture becomes somewhat blurred down the list of contenders.

● The all-white Aksis. Christelike Nasionaal (ACN) seemed assured of its constituency's support, for traditional reasons.

The ACN is the National Party (SWA) by another name. Because of its traditional disdain for multi-racial politics the NP found itself caught short with the implementation of the Namibian settlement plan, which provides for all the country's people to participate in the process.

The party was not going to contest the non-racial elections, but had to if it was to have a voice in the legislative processes of the future state.

The way out of the dilemma of its own making was for the it to set up a front organisation, ACN, whose executive members are otherwise everyday leaders of the NP. Thus the NP is not taking part in the elections, while at the same time it is taking part.



**DIRK MUDGE:** Puts blame on Swapo.



**SAM NUJOMA:** Addressed record crowd.

The ACN seems assured of the support of its traditional membership, most of whom had remained loyal to the NP with only a few crossing the line to join Mr Mudge's DTA.

Whether the ACN will be a factor to any influential degree in a multi-racial legislature remains to be seen. Its manifesto states clearly that it believes in "own affairs" such as segregated schools, hospitals, separate central and local authorities, and a separate way of life.

### Fiery orator

Given a lesson from the past, the 20 reserved whites in the Zimbabwean parliament during the first five years of independence did not accomplish much and the ACN, assuming it captures some seats on its racialist ticket, could well go the same way.

● The United Democratic Front — no ties with the South African movement of the same name — easily fits into the third slot behind Swapo and the DTA in

the popularity stakes and, say some observers here, could hold the balance of power in the assembly in the unlikely event the two larger parties emerge from the polls level-pegged.

● The Namibia National Front (NNF) led by the husband and wife team, Dr Kenneth Abrahams and Ottillie Abrahams, is another party voters are taking notice of. Its chances of securing berths in the assembly seem more than even.

● Kaptein Hans Diergaardt of the southern district of Rehoboth is a fiery orator not famous for compromising on his beliefs. When the Namibian peace plan was implemented his Federal Convention of Namibia (FCN) did not just disagree with the settlement proposals, but called for a separate area set aside for his Basters to rule themselves away from the rest of the country, politically.

Given Kaptein Diergaardt's tenacity in the name of service for his people — he defied Administrator-General Louis Pienaar and refused to resign his leadership of second-tier government when those institutions were annulled after the implementation of the settlement plan — he could well appeal to most of his "vork" like the ACN is expected to.

● The National Patriotic Front party of Mr Moses

Katjiungua is another small party which is expected to give some of the larger o run for their money. It is a descendant of the country's first liberation movement, the SWA National Union, and boasts some articulate and well-known orators.

● Further down the line uncertainty about maintaining three parties — Swapo-Democrats, CDA, Democratic Action for Social Justice (CDA), and Namibian National Democratic Party (NNDP) blurs the picture more.

### Gutsy performance

Swapo-Democrats, a breakaway faction led by Mr Swapo's information secretary, Mr Andre panganga, is putting up a gutsy campaign performance though its chances in the elections seem uncertain.

Both CDA and NNDP found it difficult to each the required 2 000 names for the parties registered to take part in the elections.

A two-week extension on the deadline for the two left cynics wondering what char parties really had at the hustings, given that could not secure enough supporters to endorse applications to stand for election.

**New** <sup>CMT</sup>  
<sup>11/15</sup>  
<sup>16/10/88</sup>  
**pension**  
**fund law**  
**a 'serious**  
**crime'** <sup>22/11</sup>

WINDHOEK — Admin-  
istrator-General Mr  
Louis Pienaar has  
signed into law major  
changes to the Namibian  
civil service pension  
fund that critics claimed  
would strip millions  
from the retirement  
cushion.

He said the move to  
privatise administration  
of the R1,1-billion fund  
was to prevent a future  
government raiding it  
for official squandering,  
and in the interest of ex-  
pert fund-management.

But Mr Sam Nujoma  
said at the weekend that  
political opponents tar-  
geting the accusation at  
Swapo were committing  
"a very serious crime".

"No one, whether the  
government or an indi-  
vidual, has the right to  
take that money."

Mr Pienaar's procla-  
mation places admini-  
stration of the fund in  
the hands of insurance  
giant Sanlam.

The changes give the  
49 000 members the op-  
tion of converting accu-  
mulated payments  
boosted by threefold  
government contribu-  
tions into retirement an-  
nuities contracted with  
Sanlam, Old Mutual and  
Southern Life.

Mr Pienaar said he es-  
timated that only 10% of  
members would opt for  
payouts in SA.

CAP- T1975 18/10/89

221A

# New harbour for Namibia, says Nujoma

Own Correspondent

SWAKOPMUND. — Swapo leader Mr Sam Nujoma made his first visit to Namibia's west coast at the weekend since his homecoming, promising the nation a new harbour for the desert region and a pocket of land for every Namibian.

Appealing to regional sentiments, Mr Nujoma told a party rally that a Swapo-led government would set up a crash programme of agricultural reform and development, and design a fishery-protection policy to rehabilitate a natural resource plundered for years by foreign fleets.

Some 5 000 Swapo followers gathered on a Swakopmund rugby field to hear the 60-year-old leader.

No clashes with rivals were reported — in contrast to fighting that marred Mr Nujoma's appearance in northern Owambo the previous weekend — but party marshals removed dozens of weapons from Swapo supporters, including guns, knives and clubs.

Mr Nujoma avoided references to

potential dispute with South Africa over ownership of the Walvis Bay harbour enclave, but for the first time indicated publicly Swapo's interest in building a new harbour on the inhospitable desert coast.

"It is important for us to build more ports in addition to Walvis Bay, Luderitz and Swakopmund," he said.

"Perhaps north of Henties Bay, also to serve other countries such as Botswana, Zimbabwe and Zambia, and the countries beyond."

Mr Nujoma denied accusations by opponents that Swapo planned to nationalise privately owned farms, but said it was "no crime" to propose land-ownership reforms "while we have millions of indigenous Namibians, including whites, who are landless".

The party's proposed reforms would "ensure that every Namibian has land".

He also denied he planned to fire teachers currently working in the administration's racially divided education system. "We are so small that we will probably need technical assistance from other countries."

221A

13/Day 16/10/89

## Pension fund transferred

WINDHOEK — President F W de Klerk has approved legislation for the transfer of pension funds of Namibian government officials to a private board.

Administrator-General Louis Pienaar said on Friday the legislation would give officials the option to continue the pension fund or to have accumulated benefits converted into privately owned annuities.

Earlier reports said cumulative benefits of government employees consisted of R3 contributed by the state for every R1 paid by employees, as well as interest.

Pienaar said those who opted for annuities could decide whether benefits on maturity should be paid in SA or Namibia.

The measure would ensure officials could receive pensions elsewhere if restrictions were imposed on capital leaving Namibia. — Sapa.

# Pik reminds the Namibians of their widespread reliance on SA

By Jon Qwelane,  
The Star's Africa  
News Service

WINDHOEK — Foreign Affairs Minister Mr Pik Botha came here yesterday to tell Namibia's 10 political parties contesting next month's elections to map out their economy and infrastructure carefully after independence.

The South African Government wanted to inform the parties about the "complexities of arrangements to be made after independence".

Mr Botha reminded the Namibian politicians they depended on South African banknotes and coins for currency and derived between R400 million and R600 million annually from the customs union. Even the telephone calls being made from Namibia "could not take place without South Africa".

He had not discussed Walvis Bay with the parties because that was a matter for his Government and the next one in Namibia, even then only to discuss the use of the port.

The parties had to study and examine bilateral issues such as exports and imports, and Mr Botha reminded them that South Africa bought virtually all the meat produced in Namibia.

201/01/89  
Asked about the Commonwealth summit in Kuala Lumpur pressing South Africa to reform, Mr Botha said his Government was "not prepared to be pressured" into timetables by other countries, some of which had not held elections in a very long time.

"We ourselves have realised the urgency of starting negotiations with our black compatriots. We are removing apartheid.

"But it is our right to decide by ourselves as South Africans and we will not be pressured, either on our constitution or into a time within which it must be changed."

He sounded another tough note by declaring South Africa reserved the right to use "whatever means it deemed appropriate" between now and the elections, in the event of any cross-border raids being launched.

He would not say whether South African Police would be deployed in Namibia in the run-up to the elections if there was intimidation, but said Administrator-General Mr Louis Pienaar would get all the assistance to help him see through the implementation of the United Nations-sponsored peace process.

South Africa also hoped the Angolan warring parties would sign a ceasefire, he added.

# DTA 'confiscated Swapo voter cards'

The Star's Africa News Service

**KATIMA MULILO** — Police here are investigating charges that officials of the Democratic Turnhalle Alliance (DTA) have been confiscating the voter registration cards of rival Swapo supporters.

The registration cards must be produced by Namibians at polling booths to enable them to vote in next month's constituent assembly elections.

The DTA has denied the Swapo charges, saying that while two of its officials collected registration cards belonging to DTA supporters, they did this only after detecting flaws that could have rendered the votes "null and void".

Mr Dunbar Mushwena, the DTA chief political commissioner for Caprivi, said incorrectly copied identity numbers had alerted DTA officials to the problem.

"A request for DTA supporters concerned about their cards to surrender them for checking resulted in more than 4 000 cards being handed in to the DTA," he said.

Apparently the cards of Swapo supporters were included in those collected by the DTA and Swapo reported the matter to Untag and the South West African Police.

It is an offence under the Namibian Electoral Act to deprive voters of their registration cards.

Swapo's deputy election organiser for Ca-

privi, Mr Brian Simataa, insisted the confiscation of Swapo cards by the DTA was done deliberately and forcibly — a charge Mr Mushwena hotly denied.

Chief Inspector S Serfontein, confirmed the investigation of the Swapo charges, but said so far no evidence had been uncovered of people being forcibly deprived of their voter registration cards.

However he also confirmed that 92 registration cards had been confiscated from a DTA official.

Mr Simataa insisted, however, that at least another 300 cards belonging to Swapo supporters were still missing after being confiscated by the DTA.

# Pragmatism blooms

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F. Mail 20/10/89

■ Few doubt that Swapo will take the country to independence next year

That was South-West — here comes Namibia. In just over two weeks, from November 7-11, the world's most thoroughly registered electorate (689 953 voters) will go to the polls to elect 72 members to a constituent assembly. This body, which in terms of UN Resolution 435, must adopt a constitution by a two-thirds majority before an independence date is set, will in all probability continue as the country's first democratically elected parliament.



ACN

Ten political parties (in a population of 1,5m) are standing, but the contest, such as it is, is really between Swapo, "the liberators" and "the rest," of which Dirk Mudge's DTA is the most significant. The other parties, such as Ak-sie Christelike Nasionaal (ACN), a coalition of white parties of which the National Party is the major component, and the coloured-based Namibia National Front, are generally accepted as having too limited appeal to call the shots on their own. Aside from ACN's white group rights policy, the other parties are much of a muchness.



Even if no party wins 67% of the vote — which would enable it unilaterally to write the constitution — Swapo seems assured of getting at least 50%, based on its support among the Ovambo in the north; though this is by no means its only support. It needs 51% to form a government. Most observers and other parties think Swapo will easily achieve this — in spite of any damage that may have been caused by its detention camps.

The main outstanding question is whether Swapo can get two-thirds support in the assembly in order to promulgate a constitution. Some see this requirement as a potential hurdle which might prolong adoption of the constitution and thus delay independence day. Most, however, believe Swapo will easily manage to put together the required two-thirds from among the minor parties.

In any event the constitution must — in terms of a 1982 resolution of the UN Security Council — embody certain Western democratic principles: the separation of powers; regular elections by secret ballot and a bill of rights. This will form part of the Administrator-General's final business and was due to be concluded next week after consultations with the UN's Martti Ahtisaari.

Mudge, for one, doesn't believe the assembly will get bogged down over the constitution: "I think it will be easier for us to come to an agreement with Swapo on a constitution than agreeing with them on policy, especially economic policy. Our main differences will become visible only when we start determining poli-

cy."

It's interesting that, while Mudge says the DTA is in with an equal chance in the election, DTA policy calls for a coalition with Swapo. "We can't imagine a government without Swapo," Mudge admits.

"Where we do differ with others is when they say what if Swapo puts together a government and invites an individual to serve. There Mr (Jan) De Wet (chairman of ACN) says yes, and I say no. In that case, I'd prefer to be in the opposition. If I'm in the Cabinet, I want to be there in terms of the constitution and representing my party."

Swapo's Sam Nujoma, sounding for all the world like Namibia's president-to-be, has been appealing for reconciliation, thanking the SWA police for maintaining order during the campaign, releasing doves of peace and generally sounding reasonable and pragmatic.

At this rate, it would not be surprising if, as Mudge hints and others in Windhoek suggest, Swapo offers De Wet the agriculture portfolio in the new government. It would be an astute political move, like Robert Mugabe's in appointing a white agriculture minister in 1980. There are others, too, hoping for a call to join a Swapo administration — even if they have reservations about Swapo's record on democracy within the organisation itself. And some believe it will be only a matter of time after independence before

Nujoma is sidelined by Hidipo Hamutenya, who is widely regarded as the organisation's real leader.

There appears to be an outbreak of pragmatism in Namibia on all sides. This is



Nujoma

De Wet

reflected by the fact that the SWA NP leader Kosie Pretorius has called on Nujoma "for talks, not negotiations" and Swapo and ACN have exchanged letters "over our point of view" which "is still trying for some kind of group representation." In coming to a deal with Swapo, says Pretorius, all depends on what is proposed.



FCN

For the rest, Pretorius is, like Mudge, optimistic and fully intends to stay in Namibia. Indeed, the atmosphere in Windhoek is not one of impending doom. There is a great deal of new construction taking place, property prices are high and whites have generally decided to stay.

Asked whether he is happy with the way the election process is unfolding, SA's Administrator-General Louis Pienaar says: "Everything is in hand and what had to be done has been done."

Pienaar says the voter registration went better than expected. The political parties have registered. The legislation on the elections was promulgated last week. Parties will be called on to register their party lists by October 24. All that remains to be settled is the legislation on the functions and powers of the constituent assembly. The finer points will probably be dealt with between him and Ahtisaari this week.

The AG is "happy that the elections will take place — but whether they will go off smoothly depends on the voters and the political parties. If there should be undue riots or intimidation during the election, that could present an obstacle to free and fair elections."

Ahtisaari says that "in general, the situation in the country is fairly decent, although we have had minor incidences here and there ... I must say that even the violence that we have had has been fairly minimal compared to many other instances in the world. That does not mean that I'm underestimating the situation. We have to intensify co-operation with the local police so that they can anticipate this sort of thing happening."

Ahtisaari discloses he had a very good meeting with the AG last Tuesday on the last piece of legislation — the proclamation on a constituent assembly — and few things were left open.

On how long the assembly will take to



NNF



hammer out a constitution, Ahtisaari says: "We made an educated guess in 1978, when I said five months after elections. That's as good as any guess. We hope that those elected to the constituent assembly will

work diligently, adopt a good constitution and then declare the date for independence and form a government. Those who win can then proceed with independence celebrations and wave farewell to us."

He is convinced Namibia will be an independent country next year. "That aim will be met ... I think the Namibians have seen, comparing different situations on this continent and elsewhere, what are the sort of options you can advance if you really want to have social and economic development and greater equality in the society. I think they have seen good and bad choices made all over the world, and I would be very disappointed if they have not learned lessons."

But could a sovereign government not simply tear up the constitution once it is installed? Ahtisaari believes it would be "most unwise for anyone to do that, because no country is living in isolation, and, particularly if you need external resources, private or governmental, one should be very



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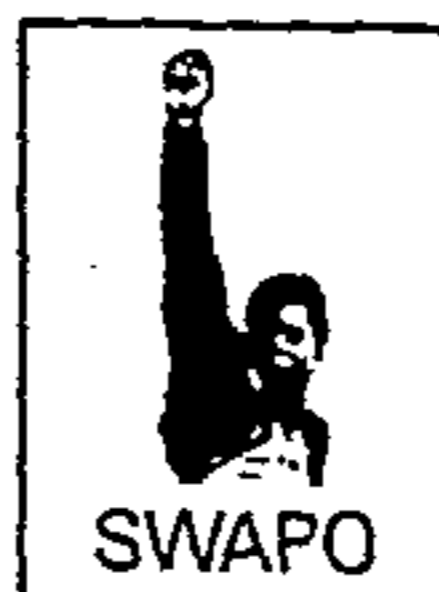
careful in tampering with that sort of thing, which will have a direct bearing on the major donor communities and the private sector. Those are the hard rules of the game which no one can escape."

Describing the political outlook from SA's view, Pienaar says: "Whoever comes to power will be obliged to maintain pragmatic relations with SA. Even if the ideologues come to power there are a number of factors which would influence pragmatic relationships." For example, there will have to be negotiations between SA and the new government on Walvis Bay, membership of the SA Customs Union and rand monetary region, which will give rise to negotiations whatever the new government decides.

Namibia's infrastructure is orientated completely towards SA. Its roads, railways, telecommunications, finance and banking are totally SA-linked. There is an enormous amount of trade, with even simple daily needs coming from SA.

Pienaar adds: "This country needs sponsors because it does not generate sufficient income locally to cover its expenses. It generates only about 55% of present budget — the rest comes from SA, partly through the Customs Union and partly through budgetary aid. The country is very

F-Mail 20/10/89



vulnerable; it will therefore in future be looking to other sponsors than SA (which has already begun to withdraw budgetary aid) and who will be those sponsors — certainly not countries behind the corroded Iron Curtain.

"It will have to get financial aid from the West, and surely under those circumstances there will be great pressure on a future government to maintain democratic principles, an open society and normal relations with Western democracies, like the EEC."

To Mudge, the real issues are democracy versus a one-party state — and a mixed or market-orientated economy versus a socialist economy. He believes the message of the decline of socialist economics is getting through to Swapo, even if it doesn't like saying it.

He points out that Swapo has created expectations and, to be able to satisfy even the reasonable expectations of people, they have to have the money and the means — and they will have that only if the economy is strong and gets investment and know-how from outside.

So far, Swapo has indicated that it accepts key elements of this view. ■





# Pragmatism blooms

Few doubt that Swapo will take the country to independence next year

That was South-West — here comes Namibia. In just over two weeks, from November 7-11, the world's most thoroughly registered electorate (689 953 voters) will go to the polls to elect 72 members to a constituent assembly. This body, which in terms of UN Resolution 435, must adopt a constitution by a two-thirds majority before an independence date is set, will in all probability continue as the country's first democratically elected parliament.

Ten political parties (in a population of 1.5m) are standing, but the contest, such as it is, is really between Swapo, "the liberators" and "the rest", of which Dirk Mudge's DTA is the most significant. The other parties, such as Akkristelike Nasionaal (ACN), a coalition of white parties of which the National Party is the major component, and the coloured-based Namibia National Front, are generally accepted as having too limited appeal to call the shots on their own. Aside from ACN's white group rights policy, the other parties are much of a muchness.

Even if no party wins 67% of the vote — which would enable it unilaterally to write the constitution — Swapo seems assured of getting at least 50%, based on its support among the Ovambo in the north; though this is by no means its only support. It needs 58% to form a government. Most observers and other parties think Swapo will easily achieve this — in spite of any damage that may have been caused by its detention camps.

The main outstanding question is whether Swapo can get two-thirds support in the assembly in order to promulgate a constitution. Some see this requirement as a potential hurdle which might prolong adoption of the constitution and thus delay independence day. Most, however, believe Swapo will easily manage to put together the required two-thirds from among the minor parties.

In any event the constitution must — in terms of a 1982 resolution of the UN Security Council — embody certain Western democratic principles: the separation of powers; regular elections by secret ballot and a bill of rights. This will form part of the Administrator-General's final business and was due to be concluded next week after consultations with the UN's Martti Ahtisaari.

Mudge, for one, doesn't believe the assembly will get bogged down over the constitution: "I think it will be easier for us to come to an agreement with Swapo on a constitution than agreeing with them on policy, especially economic policy. Our main differences will become visible only when we start determining policy."

It's interesting that, while Mudge says the DTA is in with an equal chance in the election, DTA policy calls for a coalition with Swapo. "We can't imagine a government without Swapo," Mudge admits. "Where we do differ with others is when they say what if Swapo puts together a government and invites an individual to serve. There Mr (Jan) De Wet (chairman of ACN) says yes, and I say no. In that case, I'd prefer to be in the opposition. If I'm in the Cabinet, I want to be there in terms of the constitution and representing my party."

Swapo's Sam Nujoma, sounding for all the world like Namibia's president-to-be, has been appealing for reconciliation, thanking the SWA police for maintaining order during the campaign, releasing doves of peace and generally sounding reasonable and pragmatic.

At this rate, it would not be surprising if, as Mudge hints and others in Windhoek suggest, Swapo offers De Wet the agriculture portfolio in the new government. It would be an astute political move, like Robert Mugabe's in appointing a white agriculture minister in 1980. There are others, too, hoping for a call to join a Swapo administration — even if they have reservations about Swapo's record on democracy within the organisation itself. And some believe it will be only a matter of time after independence before Nujoma is sidelined by Hridipo Hamutenya, who is widely regarded as the organisation's real leader.

There appears to be an outbreak of pragmatism in Namibia on all sides. This is

reflected by the fact that the SWA NP leader Kossie Pretorius has called on Nujoma "for talks, not negotiations" and Swapo and ACN have exchanged letters "over our point of view" which "is still trying for some kind of group representation." In coming to a deal with Swapo, says Pretorius, all depends on what is proposed.

For the rest, Pretorius is, like Mudge, optimistic and fully intends to stay in Namibia. Indeed, the atmosphere in Windhoek is not one of impending doom. There is a great deal of new construction taking place, property prices are high and whites have generally decided to stay.

Asked whether he is happy with the way the election process is unfolding, SA's Administrator-General Louis Pienaar says: "Everything is in hand and what had to be done has been done." Pienaar says the voter registration went better than expected. The political parties have registered. The legislation on the elections was promulgated last week. Parties will be called on to register their party lists by October 24. All that remains to be settled is the legislation on the functions and powers of the constituent assembly. The finer points will probably be dealt with between him and Ahtisaari this week.

The AG is "happy that the elections will take place — but whether they will go off smoothly depends on the voters and the political parties. If there should be undue riots or intimidation during the election, that could present an obstacle to free and fair elections."

Ahtisaari says that "in general, the situation in the country is fairly decent, although we have had minor incidences here and there... I must say that even had there been fairly minimal compared to many other instances in the world. That does not mean that I'm underestimating the situation. We have to intensify co-operation with the local police so that they can anticipate this sort of thing happening."

Ahtisaari discloses he had a very good meeting with the AG last Tuesday on the last piece of legislation — the proclamation on a constituent assembly — and few things were left open.

On how long the assembly will take to

hammer out a constitution, Ahtisaari says: "We made an educated guess in 1978, when I said five months after elections. That's as good as any guess. We hope that those elected to the constituent assembly will work diligently, adopt a good constitution and then declare the date for independence and form a government. Those who win can then proceed with independence celebrations and wave farewell to us."

He is convinced Namibia will be an independent country next year. "That aim will be met... I think the Namibians have seen, comparing different situations on this continent and elsewhere, what are the sort of options you can advance if you really want to have social and economic development and greater equality in the society. I think they have seen good and bad choices made all over the world, and I would be very disappointed if they have not learned lessons."

But could a sovereign government not simply tear up the constitution once it is installed? Ahtisaari believes it would be "most unwise for anyone to do that, because no country is living in isolation, and, particularly if you need external resources, private or governmental, one should be very

careful in tampering with that sort of thing, which will have a direct bearing on the major donor communities and the private sector. Those are the hard rules of the game which no one can escape."

Describing the political outlook from SA's view, Pienaar says: "Whoever comes to power will be obliged to maintain pragmatic relations with SA. Even if the ideologues come to power there are a number of factors which would influence pragmatic relationships." For example, there will have to be negotiations between SA and the new government on Walvis Bay, membership of the SA Customs Union and a monetary region, which will give rise to negotiations whatever the new government decides.

Namibia's infrastructure is orientated completely towards SA. Its roads, railways, telecommunications, finance and banking are totally SA-linked. There is an enormous amount of trade, with even simple daily needs coming from SA.

Pienaar adds: "This country needs sponsors because it does not generate sufficient income locally to cover its expenses. It generates only about 55% of present budget — the rest comes from SA, partly through the Customs Union and partly through budgetary aid. The country is very

vulnerable; it will therefore in future be looking to other sponsors than SA (which has already begun to withdraw budgetary aid) and who will be those sponsors — certainly not countries behind the corroded Iron Curtain.

"It will have to get financial aid from the West, and surely under those circumstances there will be great pressure on a future government to maintain democratic principles, an open society and normal relations with Western democracies, like the EEC."

To Mudge, the real issues are democracy versus a one-party state — and a mixed or market-orientated economy versus a socialist economy. He believes the message of the decline of socialist economics is getting through to Swapo, even if it doesn't like saying it.

He points out that Swapo has created expectations and, to be able to satisfy even the reasonable expectations of people, they have to have the money and the means — and they will have that only if the economy is strong and gets investment and know-how from outside.

So far, Swapo has indicated that it accepts key elements of this view.



NPF



SWAPO



SWAPO-D



UDF

F. Mail 20/10/89

# Mounties swop gloom for some African sun

WINDHOEK — Tens of thousands of kilometres away from the gathering gloom of a north American winter, 100 Canadian "Mounties" — officers of the Royal Canadian Mounted Police — arrived here this week in the heat of a Namibian summer to help the UN usher one of Africa's last colonies to independence.

Although the Mounties have a legendary reputation for travelling to remote corners to "get

their man", this is the first time the force has been used in significant numbers to assist in a UN peacekeeping operation.

Those expecting shades of Nelson Eddy and Jeanette MacDonald in "Rose Marie" would have been faintly disappointed when the Canadians disembarked from their chartered Ethiopian Airlines Boeing 707 and lined up with military precision on the tarmac at Windhoek airport.

## BRENDAN SEERY

Only two of the senior officers of the group were wearing the black trousers, red tunics and gold braid of the ceremonial RCMP uniform. The rest were kitted out in the light khaki tropical uniforms which are standard-issue for Canadian Armed Forces personnel on assignment in hot climates.

According to the con-

tingent commander, Chief Superintendent Larry Proke of Toronto, there were more than 2 000 volunteers for the 100 vacancies available on the group sent overseas. The result was that the RCMP was able to select people with an average of 15 years' police experience to send to Namibia.

The UN had, when asking member countries to provide extra police monitors for the Resolu-

tion 435 implementation, specified that policemen seconded here should have at least six years' experience.

The Canadians will provide badly needed reinforcements for the 1 000 or so UN police monitors already in Namibia who have been hard-pressed to meet their task of monitoring the activities of the SWA Police.

Resolution 435 called originally for 500 police monitors.

# Fanie Botha's nephew's standing for Swapo

# Nervous theologian sees himself as a draughtsman

2617X Sowetan 26/10/89

**WINDHOEK** - Danie Botha is nervous. The shy, mild-mannered theologian doesn't feel comfortable giving interviews.

"I'm not a publicity-seeker," he says. He also says he is not a political animal, despite having been nominated as one of Swapo's six white candidates for the Con-

**SOWETAN Foreign Service**

stituent Assembly to be elected in November. His position, at number 26 on the list, means that he will probably get elected to the Constituent Assembly, even if SWAPO polls less than half the votes (which a good many pol-

itical analysts here consider unlikely).

He is not even a member of SWAPO, and sees his role in the Constituent Assembly as one of a draughtsman of the new constitution. There has been no suggestion, he adds, that he should serve as a SWAPO MP on a party-political platform.

He says he believes that his inclusion, and that of the other whites, in the list of candidates, shows that SWAPO is genuinely committed to a democratic policy of non-racialism and to reconciliation.

In the middle of a sentence the phone rings. Botha answers. Gravely he tells his caller "Ja, ja, I

know. But I can't live with armed guards around me all the time". He explains later that someone has just taken a pot shot at the home of one of the other whites on the SWAPO candidate list, and that friends of his are concerned for his safety.

"That's just what I mean, about people who are still prisoners of their own beliefs, people who are locked up in their own fears, and who will harass, or spread disinformation or even kill people because they believe it is right."

Danie Botha has seen such people in these "mental prisons". 35-year-old Botha has been in Namibia only since 1984, but believes passionately that the country has a future, and in the justice of the struggle of its people.

Cape Town-born and educated (at the Jan van Riebeeck High School - "the oldest Afrikaans school in the country" - Botha came here originally on a one-year contract to lecture in Biblical Studies at the Academy for Tertiary Education.

The Stellenbosch-trained theologian quickly realised - through contact with his students - that all

was not rosy in the Namibian garden.

Sitting in his cluttered and busy-looking Academy office (located with everything from posters of Albert Einstein to a COSATU calendar) he says he identified with the struggle of the Namibian people against apartheid and colonialism and, in particular, found the bush war to be ruinous and pointless.

His acceptance of selection to the SWAPO candidate list was not without agonising. He says he believes he can make a contribution to the formulation of guidelines for a free Namibia that can serve as an example for those on the other side of the Orange river.

## Puppets

He rejects suggestions that the whites nominated by SWAPO will be the organisation's puppets and are mere window-dressing. He believes that even if SWAPO does win the two-thirds majority it will need to dictate a new constitution, there will still be vigorous debate among its Constituent Assembly members, and that the organisation does not have a prepared constitu-

tion awaiting the more "rubber stamp".

SWAPO does, he admits, have its "skeletons in the cupboard", as is to be expected of an organisation, which has just emerged from a long and bitter war. But he believes, forgiveness and not recrimination is what Namibia desperately needs now.

He is reluctant to talk too much about his family (he is a nephew of former South African Cabinet Minister Fanie Botha), save to say they do have their differences of opinion about matters political. He says, though, that his way of looking at the world through a Christian, Biblical perspective, is largely a reflection of the values learned from his parents who, incidentally, met when doing missionary work.

"I was privileged to have been exposed, in my family, to the broader South African reality."

"It is time that whites in the southern part of Africa begin to accept that they are living in Africa and that they can break out of their isolation."

"The so-called enemies are just fellow South Africans who share such a lot with us."



CMT Trax 30/10/88 2014

# UK firm exploring Namibian seaboard

WINDHOEK. — A seismic survey ship, Patrick E Haggerty, has begun extensive operations off the Namibian seaboard to test for gas and oil-bearing deposits, the chairman of Swakor, Skerf Pottas, said here on Friday.

The data-gathering is expected to be completed by mid-February.

Pottas told Sapa the survey was being carried out by a UK organisation associated with oceanic seismography, Halliburton Geophysical Services (HGS), on behalf of UK-based Exploration Consultants (Pty).

The full results of the seismic survey would be released by the end of next year.

Pottas said the survey would cover 10 000 line-km of data from the Cunene River between Na-

mibia and Angola in the north to the Orange River between Namibia and South Africa in the south.

The exploration was being conducted by Exploration Consultants at its own expense and risk on the understanding that it would acquire the right to sell the information it obtained on a non-restricted basis to oil companies with a view to exploration of any reserves discovered.

Swakor is a wholly-owned company of the Namibian state which will control oil and gas concessions off the Namibian shore.

The company has already found substantial gas-bearing sandstone deposits off the southern Namibian coast, but it needs to drill more test holes to establish the

commercial viability of the gas fields.

Pottas said a negligible amount of exploration work for oil on land had been carried out in Namibia. — Sapa

# A Swapo government 'likely to be pragmatic'

Cape Times 1/11/89  
ZZIA

By AUDREY D'ANGELO  
Financial Editor

A SWAPO government in Namibia is likely to be pragmatic in economic matters, Ben van Rensburg, professor of economics at the University of SA (Unisa), told members of the SA British Trade Association (Sabrita) in Cape Town yesterday.

They are unlikely to "nationalise with a heavy hand", alienating Owambo supporters who are very much in favour of a free market economy.

And they know that the country's fragile economy is heavily dependent on its association with SA. They also realise the important role played by whites in the economy.

"Namibia is facing an uncertain future," said the professor, who carried out a survey for Asocom. "We don't know exactly what the new government will do.

"But I have very positive thoughts about the people I think will end

up in the pound seats — Swapo. They are more realistic than we may expect.

"They have been living in countries where the standard of living has gone down the drain. They know what mismanagement can do."

In contrast, he said, they and visiting black leaders have found Namibia a well-run country "with blacktop roads and everything in place and working". He believes the new Namibian government will encourage white people to stay in the country and continue to fulfil their necessary role in the economy. They will understand that the rest of the world will be watching whites after independence. And if the whites leave Namibia it will frighten away investment.

Van Rensburg said he did not think Swapo would obtain a big enough majority in next week's election to write the constitution without

having to consult other groups.

Stressing Namibia's economic dependence on SA, Van Rensburg said that more than 70% of imports came either from or through this country. Economies of scale meant that it would be difficult for shopkeepers to import directly from overseas.

It would have balance of payments implications if Namibia decided to close the common economic borders with SA and leave the customs unions in order to internalise customs and excise duty collection.

The harbour in Walvis Bay was run, efficiently, by SA Transport Services and this would be the best thing for Namibia unless there was any attempt to use it as a political weapon.

Emphasising the need for job creation, Van Rensburg said Namibia currently had 70 000 unemployed. This would increase at a rate of 18 000 per annum unless there was a 5% rise in the growth rate.

There would be no point in improving education unless there were jobs for school leavers.

The strong mining sector, with presumably many resources to be discovered and exploited would probably be the salvation of Namibia's people from impoverishment. But it must return something to the country, in the form of job-creating investment.

And the SA connection "should be preserved with the view to the mutual benefit to be derived from the existing economic relations".

# Namibia opens black politicians' eyes, says UNISA professor

By TREVOR WALKER  
Business Staff

ARGUS  
1/11/89  
NAMIBIA had been an eye-opener for many black politicians who visited the country recently in its approach to independence, says Professor Ben van Rensburg of the University of South Africa.

At a luncheon hosted by the South Africa Britain Trade Association at the Mount Nelson yesterday, he said they had found a country with tar roads in place, electricity, health, education and social services in good order and probably above all stores well stocked with a wide range of food and clothing.

## DEPENDENCE

He said senior Swapo people were well aware the infrastructure was in good order. They had been forced to spend years in other African countries and had first-hand knowledge of the deterioration that had taken place.

Nevertheless, he said Namibia

was a poor country and it was only its heavy dependence on South Africa that had helped maintain living standards.

He said the country's top priority, irrespective of who took over, would be job creation.

Social services and health should not be seen as top priorities. What was the point in education if there were no jobs to fill, he asked.

The mines contributed 28 percent toward the country's overall economic output, but only 3 to 4 percent toward creating new jobs.

The mines and particularly those companies eager to help develop the country's potentially rich mineral resources would have to step up their social responsibilities.

Africa was on an declining economic growth and development trend as a result of natural disasters, high population growth, declining export markets and decreasing terms of trade with other countries.

DAIA  
"Africa has become a continent of destitution, of famine and human misery and the result is the West and the Eastern blocs are slowly disassociating themselves from our continent."

## SALVATION

Africa and especially southern Africa was looking towards South Africa for economic salvation.

The country's neighbours were fully aware that South Africans had the knowledge of African conditions to recognise the economically viable opportunities in their countries, and once given the right to do so would take advantage of those to the benefit of all.

If South Africa and Namibia played their cards correctly the whole process could be the first step toward a new dispensation of political freedom and economic co-operation in southern Africa.

# Oil probes resume in Namibia

From KEVIN JACOBS

WINDHOEK — Taiwanese and American oilmen are jointly preparing to pump millions of dollars into a resumed exploration programme in northern Namibia that stalled four years ago under a spreading border war. Simultaneously, government officials are tentatively drafting legislation to lighten up exploration grants and block relatively cheap and long-term leases. A wider regional search is under way for oil and gas deposits, offshore of the territory's cold Atlantic coast and across the Botswana border southeast of Gobabis. Heavy truck convoys are making

night-time runs through Windhoek with rig equipment of-flooded in Walvis Bay and destined for the Canadian-led Botswana project, believed to be financed by the World Bank. Offshore, a British seismic survey ship has begun further exploration beyond the Kudu gas-bearing field. American and Taiwanese petroleum corporations in a joint exploration project plan soon to resume work in Owambo, taking up an exploration right first granted in 1959. Etosha Petroleum Corp (EPC), wholly-owned by Brillund Ltd based in Atlanta, Georgia, took over the lease in the early 1960s

from South African Beelze Riche that permits exploration west-to-east across northern Namibia from the 20th latitude to the Angolan border.

Taiwan's state-run China Petroleum Corp (CPC) has entered a consortium agreement with EPC to begin its search again, promising a multimillion-dollar investment in the territory. An advance team is settling into Windhoek offices.

"This is big money you're talking about," Koos Brand, a lawyer representing EPC, said yesterday. The initial 25-year exploration lease was extended in 1984 but suspended within two years un-

der a force majeure clause invoked amid deteriorating security conditions in Owambo.

"There won't be any drilling right now, because since the time the seismic data was collected about 15 years ago technology has improved so much," Brand said.

"With the assistance of new technology they will be checking their old data and only thereafter proceed with a drilling programme."

CPC last year boasted multi-billion-dollar revenue from oil interests that extend to Gabon in west Africa, Ecuador, Malaysia,

Australia, Papua-New Guinea, the Philippines and United Arab Emirates.

EPC pays lease rental of US\$50c a square kilometre for a 250 000-sq km exploration area, some R325 000 a year.

An administration official said laws governing exploration rights might be tightened. "We are looking at legislation for petroleum exploration and mining to have the whole thing on a more sound basis."

"We will never grant something like that again. Right now we give exploration rights for only two years."

*CPC Trip 3/11/89 221A*

By AUDREY D'ANGELO  
Financial Editor

SUBSTANTIALLY higher profits by the Blue Continent group boosted earnings by the Cape Town-based Oceana Fishing Group (Ocfish) for the year to September 30.

Fishing activities were less profitable than had been forecast at the half-way stage.

The Namibian interests did less well than had been expected. And the pelagic season in SA waters closed unexpectedly early, because of fears of over-fishing, before the group had completed the catching of its anchovy quota.

In spite of this, attributable profit rose to R24m (R22,8m) on a turnover of R275m (R226,8m). Earnings per share rose to 260,7c (250,2c).

The final dividend was unchanged at 105c which, with an interim of 55c, makes a total of 160c for the year.

Operating profit slipped to R34,7m (R38,5m) but income from investments rose to R13,7m (R12m) and net interest received to R4,4m (R2m).

The tax bill was lower at R18,4m (R20,7m). Net income after tax was R30m (R29,8m).

Executive chairman Walter Lewis said yesterday the increased level of activity within the Blue Continent group offset to some extent the effect of the lower pelagic landings and the quiet fishing season in Namibia.

"Capital expenditure of R17,7m was mainly on vessels and plant, and additions to the canning and ice plant capacities at St Helena Bay to accommodate steadily increasing volumes of redeye herring."

● Namibian Sea Products (Namsea) formerly Sea Products (SWA), reported earnings of 163,5c (229,9c) a share. The final dividend dropped to 90c

# Ocfish gains as Blue Continent posts higher profits

(135c) a share, making a total of 155c (200c) for the year. There was a special dividend of 55c (250c).

Turnover was R8m (R13,8m) and net operating income R2m (R5,3m).

Chairman Walter Lewis pointed out that turnover figures were not comparable because of the recent restructuring of the group's lobster interests.

He said the lower earnings were due to reduced landings of rock lobster because of bad weather. Catches of anchovies and maasbanker were also lower.

Pointing out that the group and its associates would pay taxes of about R7,9m to the Namibian authorities, he said: "The group and its associates remain financially and organisationally sound and are well placed to perform satisfactorily in 1990."

"It is likely that social and economic changes will be introduced by the country's new government. Namsea welcomes the opportunity to work with the government to further the wellbeing of the fishing industry, its workforce and the communities in which it operates."

Call Tlok  
3/11/87  
221A



# Heir to a World Legacy

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## Economic minefield for Swapo

From JOHN RYAN  
Argus Africa News Service  
in Windhoek

**I**F the Namibian programme stays on course, Swapo will win next week's constituent assembly elections. That is the consensus of observers who take into account the predominance of the Ovambo tribe, which provides Swapo's main support, and a latter-day African truism which says people vote for the man who has just come out of the bush with the gun.

Whatever Swapo's margin of victory — whether it achieves that much-debated and in many ways irrelevant two-thirds majority — will be much less pertinent than how it uses its power down the economic road from independence.

In Namibia, that road will be strewn with more obstacles than most Uhuru highways since the first African states began cutting their colonial ties in the late fifties.

Those colonial nations — the Belgian, French, British and Portuguese — felt an obligation in financial terms towards their former charges. Many of them were only too happy to settle up and leave.

Namibia's position with South Africa is different. The government has had to surrender Namibia against the wishes of most of its own supporters.

Not only is its sense of accountability thereby reduced but the danger is that it could seek morbid satisfaction in seeing a Swapo administration struggle and fail in Windhoek.

Namibia has been an adjunct of South Africa for 70 years. In that time it has hardly been encouraged to evolve a balanced economy. Indeed, the economy that has developed has been highly extractive.

The country exports about 90 percent of the goods it produces. Almost 85 percent of the goods used in the territory — including half the foodstuffs — are imported.

Although in African terms Namibia appears to be fairly prosperous, that wealth is declining. Diamonds, a pillar of its rustic economic platform, probably will have been exhausted by early next century. The fishing industry, once a healthy earner, has been hard-hit by the foreign exploitation of coastal waters and the resultant need to curtail local catches.

The karakul sector has gone the way of the fur and animal skin trade, victim to the humanists.

**B**ECAUSE of the high number of imports, 75 percent of them from South Africa, Namibia's manufacturing industry is infantile. It will take years and a great deal of private investment to build it up and break that reliance.

Far from being left a dowry by its departing potentate, Namibia will inherit a hefty debt of more than R800 million which is likely to grow initially by R160 million a year because of budget deficits.

Like Zimbabwe, it will have another immediate problem: the task of finding jobs for 40 000 guerrillas and war refugees.

Sanlam estimates the country will have to attain a growth rate of 4.5 percent a year just to accommodate additions to the labour force. For the past decade, the average growth rate has been about one percent.

Unemployment will be one of the most daunting challenges. Already the level is 30 percent. If it continues to rise at the present rate, 55 percent of Namibians looking for work will not be able to find a job by the end of the century.

How will a Swapo government deal with the situation?

In the first place it would be well-advised not to aggravate it by alienating the investors that it has.

Agriculture is the nation's biggest employer and is likely to grow in importance as the mining industry falters. The 4 000 commercial farmers, most of them white, occupy 44 percent of the land, which has prompted Swapo leaders to make threats of land "redistribution".

In particular, they have said they will act against absentee landlords. However, as Namibia's Agricultural Union has noted, these account for less than five percent of the total number of white farmers.

Rather than speak of redistribution, Swapo should be planning a programme of better land use. Many white farmers, too, could do with education to this end.

Administrator-General Louis Pienaar recently appealed to the international community to provide the finance to pull Namibia out of its budgetary mire.

Once-off aid is all very well, but Swapo must not become dependent on foreign assistance. Aid is a dangerous drug. Tanzania, over the years, received more than any other country on the continent and probably did least with it.

United Nations Special Representative Martti Ahtisaari believes the solution to Namibia's problems lies not with international govern-

ments or institutions but with the private sector. That, he says, is where the big money could come from.

However, Mr Ahtisaari points out, potential investors are likely to wait to see how present investors are treated after independence.

"If they are treated well, you will have new investments," he says. "If they aren't, you will not have any and even the old money will disappear."

**T**HERE is a rider to this. Private investors are not philanthropists. They invest to their own best advantage and, equally important, as Zimbabwe has found out to its cost, they like to control their investment. They do not brook government interference or restrictive provisions like statutory employment levels and local partner involvement.

Instead of applying state curbs on investment, Swapo should take a close look at its neighbour, Botswana. By following a market-orientated economy and offering tax concessions to investors, the country is prospering.

Much of that success has come through an influx of South African firms intent on laundering their operations to escape sanctions. Although the idea might stick in the craw of Sam Nujoma and his lieutenants, the practice certainly has worked for Botswana.

On the unemployment front, there is another model recently honed in South America which is fast gaining credence throughout the Third World: small business development.

After comparatively minimal state financing, its next requirement is co-ordination. But small businesses work. After all, people have been taking in one another's washing for centuries.

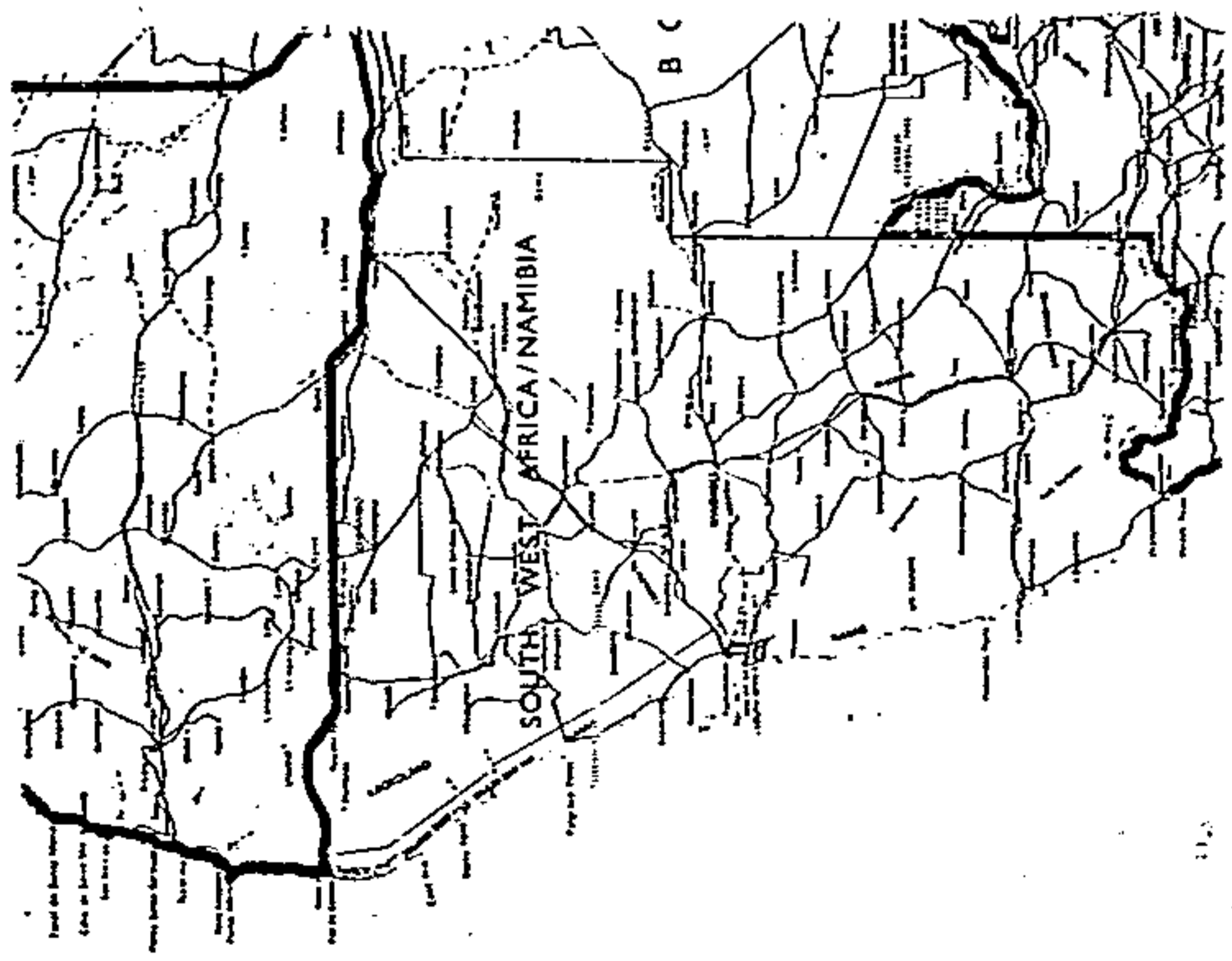
Walvis Bay will be a major factor in the progress or otherwise of a free Namibia. Mr Sam Nujoma talks grandly about annexing the harbour or creating another port along the Skeleton Coast.

Apart from the cost this would involve, does Mr Nujoma know why the Skeleton Coast is so called?

What is likely, after the rhetoric has died down, is that the South African government will offer to lease Walvis Bay to the new administration in Namibia pending future negotiations.

Swapo might find this an alternative it cannot refuse. More significantly, such a deal could help to sober relations between the parties and bring about contracted accord in other areas.

Any move that fuels co-existence between the two countries, in the end, can only be a good thing.



# Namibia — new era for SA business

THE creation of Namibia will open a new era for South African businessmen who have traditionally traded with the region — not only an era of opportunity, but also an era of increased risk.

A recent team of experts from the International Monetary Fund helped draw up financial contingency plans for the country.

A spokesman for the Reserve Bank said there were a number of options open to the new country but it was expected that in the initial stages the rand would remain the official currency.

Lesotho and Swaziland have remained in the rand monetary area, but with their own individual currencies pegged to the rand.

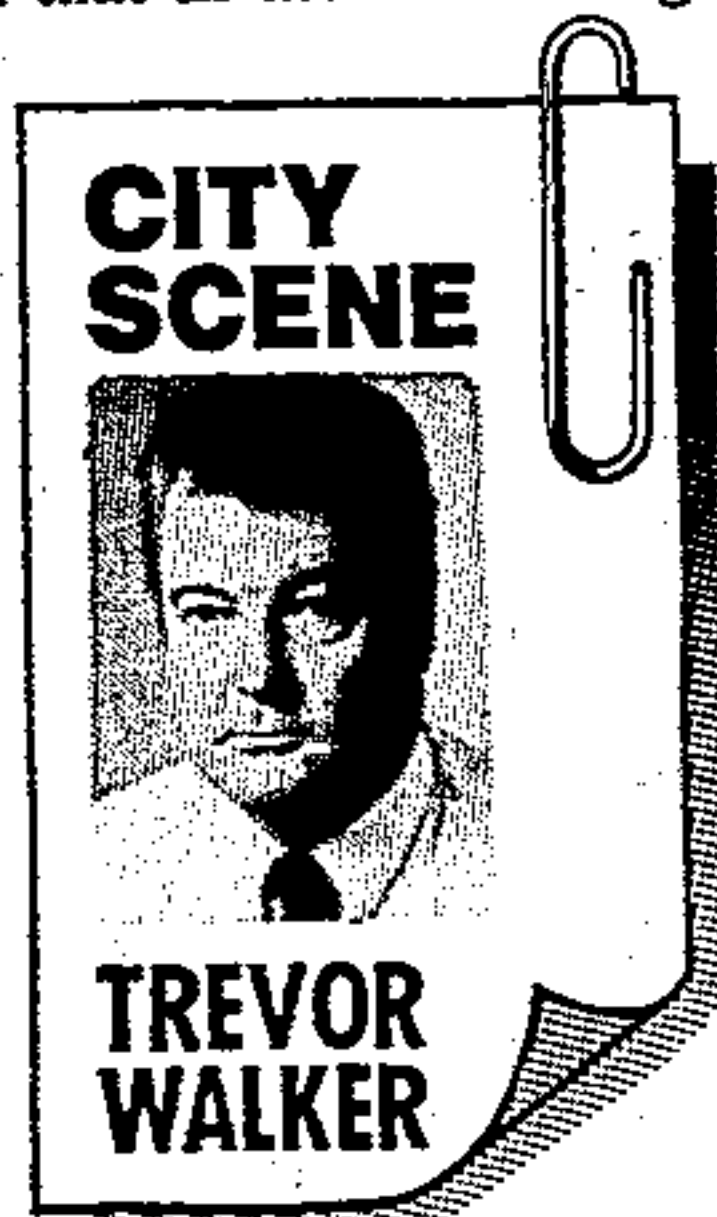
Botswana's currency, because of that country's strong foreign exchange reserve position, trades at a premium to the rand.

It is expected Namibia will eventually create its own central bank and apply for membership of the IMF and the access to cheap development loans that accompanies such membership.

South Africa has remained a member of the IMF in spite of efforts to unseat it, but has been denied access to IMF credit.

A new customs agreement with South Africa will have to be worked out in the months immediately after independence as well.

Namibia's gross domestic product is less than two percent of that of South Africa and the mining sector (uranium and diamonds) contributes about 28 percent to GDP and over 70 percent to total exports.



## Will have implications

Over 70 percent of its imports come in from the Republic, while the greater portion of its red meat production is exported to this country.

Mr Chris Leisewitz MD of Credit Guarantee says "the independence of Namibia will certainly have implications for the South African suppliers of goods and services to that country as it will change from an internal or domestic market to an export market".

Apart from the commercial credit risk, that is, the ability of buyers in Namibia to settle their debts, the South African businessman could also be exposed to political risk.

This could include action by the Namibian government preventing the importation of goods, confiscation of goods, political disturbances, the remittance of funds to South Africa and the failure by government buyers to pay.

## Export credit insurance

Credit Guarantee some time ago began providing cover against these political risks in addition to the commercial cover previously provided.

The company provides exporters the full range of export credit insurance cover for sales to Namibia even at the present transitional stage to independence.

Mr Leisewitz advises businessmen to seek expert opinion on trade with Namibia as the transitional period will be one of uncertainty.

To take full advantage of new export business opportunities, he suggests companies should consult Safto regarding general and marketing information.

It was suggested this week that South Africa has the rand, Lesotho the lisenti, Botswana the pula, Zambia the kwacha and Swaziland the emalangi, Namibians might consider calling their currency the sand as the country has plenty of that.

# Navachab's first gold pour scheduled for months' end

WINDHOEK — Namibia enters the ranks of the world's gold producers when the first gold is poured at Navachab gold mine towards the end of the month.

A spokesman for CDM (Pty) Ltd, Clive Cowley, said yesterday that plant at the mine was already operating "but at various levels of efficiency".

It was expected initial problems would soon be resolved, he said.

Navachab in central Namibia is a capital-intensive but low-cost open-cast mine with an expected yield of 2,22 gm of gold per ton of ore milled.

Annual production is estimated at 1900kg of gold.

Mr Cowley said the life of the mine

at this stage was thought to be about 13 years, but further exploration was being carried out in the Navachab area which could considerably extend the time of gold-mining operations.

Metal Mining Corporation of Canada (a subsidiary of West Germany's Metallgesellschaft) holds 20 percent of the shares in Navachab and Rand Mines 10 percent.

Erongo Mining and Exploration Ltd holds the remaining 70 per cent.

Anglo American controls Erongo with two-thirds of the shareholding in the company while CDM, a subsidiary of De Beers, holds one third of Erongo's shares.

— Sapa.

WILLING

GOV

SSA

Grade III	Handyman	Lab Assistant	Machine H/Man	Medical Orderly	Security Guard	Supervisor P/M	Lead Miller	CREWMAN
19.10	21.45	23.60	33.50	39.50	54.92	60.46	60.46	60.46
27.15	28.49	27.83	27.24	28.44	26.87	21.54	20.90	20.90
48	48	48	48	48	48	48	48	48
12/75	4/78	4/79	5/82	5/82	5/83	3/87	3/88	3/88
INCR	INCR	INCR	INCR	INCR	INCR	INCR	INCR	INCR

Opt Tm 14/11/89 ZZIA

# Namibia gold mine on line

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Erongo Mining and Exploration Ltd holds the remaining 70%.

Anglo controls Erongo with two-thirds of the shareholding while CDM, a subsidiary of De Beers, holds one third of Erongo's shares. — Sapa

# Classic clash of socialism and capitalism lies ahead

LDG  
DTA  
Star 17/1/89

WINDHOEK — Of the 10 parties which contested the Namibian independence election only two — Swapo and the DTA — have emerged with significant political power.

They tend to represent the classical clash between socialism (Swapo) and capitalism (the DTA).

This conflict will emerge to some extent when the assembly chosen in the election meets next week to start drafting the constitution that will shape independent Namibia's political future.

But as constitutions are usually broadly expressed, the differences between the two parties will emerge more sharply in the parliament that will be established once the constitution has been adopted.

The election for the assembly has left Swapo seven seats short of the two-thirds majority that would have enabled it to dictate the constitution.

It will therefore have to win the support of at least seven representatives of other parties to get its constitutional proposals accepted.

## Shifting affair

According to political analysts here, this approval will not be exercised on the constitution as a whole but on a clause-by-clause basis.

This would mean that the "horse-trading" between the parties to get agreement on elements of the constitution could be a shifting affair, with different alliances being formed for different clauses.

To shut out the DTA on any one clause Swapo would in theory need to win the support of at least seven of the 10 delegates who represent the minority parties — four from the United Democratic Front (UDF), three from the Action Christian National (ACN) and one each from the Federal Convention of Namibia, the Namibia National Front and the National Patriotic Front.

But this might not always be possible and in practice Swapo is likely

## Both parties in favour of a unitary state

to have to do deals with the DTA.

Both parties favour a bill of rights but may have different views on what it should contain.

The DTA wants the bill of rights to be enforceable by the courts whereas Swapo is vague on this point.

Both favour periodic elections but Swapo's election manifesto is unclear on whether it envisages these in a multiparty system (as the DTA does) or a one-party system.

Whereas the DTA clearly favours an independent judiciary and freedom of speech, Swapo's stance on these issues is unclear.

Both favour a unitary state but Swapo rejects the two-chamber parliament favoured by the DTA.

The differences in these areas may not be too large to be overcome and some observers here are optimistic about the constitution being completed in a matter of weeks rather than months.

An issue on which the two major parties might run into deadlock, however, is whether to turn the assembly into a parliament or to call for a general election for a parliament — something Namibians would not relish soon after last week's exhausting poll.

Converting the assembly into a parliament would allow Swapo to dictate all its decisions through its simple majority.

While the DTA might try to insist on the two-thirds provision being carried through from the assembly into the parliament Swapo is unlikely to agree.

Though clearly disappointed at not winning a dominant majority in the Namibia constituent assembly,



GERALD L'ANGÉ  
Editor, The Star's Africa  
News Service  
examines the differences in the  
policies of the major parties in  
Namibia.

Swapo has continued to propose reconciliation among the territory's conflicting parties.

This may be easier said than done if the other parties — especially the DTA — are asked to swallow some of Swapo's more extreme socialistic policies.

Right at the beginning of Swapo's election manifesto is a principle that the party presumably holds sacred yet which must stick in the DTA's craw.

It says: "The perspective of life flowing from our commitment to these ideals (solidarity, freedom and justice) is that individuals should subordinate their own personal interests to the greater good of all".

In other words, the demands of the state take precedence over the rights of the individual — a core principal of extreme socialism.

The Swapo manifesto does, however, commit the party to respecting freedom of speech and of the press.

Yet this is directly contradicted elsewhere in the manifesto with an undertaking that journalists and news media will be required to be registered by the government.

Freedom of worship, movement and association are offered, together with the protection of property against arbitrary seizure.

Swapo favours an independent judiciary but does not give it the right to interpret and safeguard the constitution.

And it appears to envisage a politically flavoured judiciary by saying it must be staffed with people "whose ideological disposition will ensure that our people's long cry for justice is honoured".

To DTA members committed to free enterprise, Swapo's dedication to socialism must emerge with alarming clarity from a paragraph of the manifesto that says that "Swapo does not conceal its belief in the moral superiority of socialism over capitalism."

## Mixed economy

"Egalitarianism forms the basis of its vision of a just social order."

Swapo's economic policy on ownership relations is that there will be state, co-operative, joint venture and private participation in the economy — in other words, a mixed economy.

"The central plank of Swapo's policy on economic restructuring is to achieve a measure of national control over the country's resources and to bring about a balance between just economic returns for the Namibian people and reasonable profits for foreign and local private investors," the manifesto says.

Giving an assurance that "there will be no full-scale nationalisation of the land", the manifesto says Swapo's objective will be "to transfer some of the land from the few with too much of it to the landless majority".

CAPE TOWN 24/11/89  
**Hoes get heave-ho**

**WINDHOEK** — Hoes and pangas imported into Namibia as part of an agricultural aid package to returnees from exile, will not be distributed until the UN special representative, Mr Martti Ahtisaari, gives the go-ahead, Untag spokesman Mr Fred Eckhard said here yesterday.

The agricultural implements were moved to places of safekeeping after fears had been expressed that the implements could be used as weapons during the election campaign.

Mr Eckhard said seed and other implements had already been distributed to returnees. — Sapa

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# Namibia fish exploitation to continue?

CAT Times 28/11/89  
221A

Own Correspondent

WINDHOEK. — Namibian officials, backed by the United Nations, are hoping to force a last-minute change of heart on fishing nations preparing to parcel out the territory's unprotected fishing grounds on the eve of independence.

East Bloc nations are among the 16 members of the Madrid-based International Commission for South-East Atlantic Fisheries (ICSEAF) exploiting Namibia's fishing banks by refusing to recognise its offshore rights.

Vociferous critics of South Africa's former control of the territory lead the fleets that freely syphon some R2,5 billion from Namibia's natural resources.

"ICSEAF will once again be dishing out Namibia's fish," Sea Fisheries director Dr Jan Jurgens said yesterday, in advance of the commission's annual meeting, beginning on December 6 in Palma de Majorca.

Dr Jurgens said his officials hoped for a last-minute invitation to attend the meeting after ending earlier arrangements that had Namibian fisheries' representatives tagging on to a South African delegation as observers.

ICSEAF refuses to recognise a Pretoria-declared 340-km offshore zone, citing UN denunciation of South Africa's administration as illegal.

Sources say Untag administrator Mr Martti Ahtisaari has offered his full backing to efforts to propose a 340-km fishing zone even before formal independence.

AFRICA

# Change in fishing rights hoped for

6/22/89  
221A

**WINDHOEK** — Namibian officials backed by the UN are hoping to forge a last-minute change of heart among fishing nations preparing to parcel out the territory's unproteced fishing grounds on the eve of independence.

Eighteen bloc nations are among the 16 members of the Madrid-based International Commission for South East Atlantic Fisheries (ICSEAF) exploiting Namibia's fishing banks by refusing to recognise its offshore rights.

Vociferous critics of SA's former control of the territory lead the fleets that frantically syphon about R2bn from

KEVIN JACOBS

Namibia's natural resource.

"ICSEAF will once again be dishing out Namibia's fish," Sea Fisheries director Dr Jan Jurgens said yesterday, in advance of the commission's annual meeting beginning on December 6 in Palma de Majorca.

Jurgens said his officials hoped for a last-minute invitation to attend the meeting after ending earlier arrangements that had Namibian fisheries representatives tagging on to an SA delegation as observers. ICSEAF refuses to recognise a Pre-

toria-declared 200-mile offshore zone under the 1972 Law of the Sea Convention, citing UN denunciation of SA's administration as illegal.

"We cannot prescribe to them, but if I was in their shoes I'd realise there is no real option — independence is a fact, it's coming," Jurgens said.

Sources say Untag administrator Martti Ahtisaari has offered his full backing to efforts by political parties represented in the Constituent Assembly to propose a 200-mile fishing zone even before formal independence.

Jurgens said no ICSEAF member-

nations had indicated they would propose a moratorium on exploitation of Namibia's waters until an independent government was able to declare its own exclusive offshore zone.

It was not clear yesterday whether Swapo or minority political parties planned intervention at the ICSEAF meeting, Jurgens said officials had "something up their sleeves".

A recent study by the UN Development Programme concluded that Namibia's fishing industry could produce 1.5-million tons annually, "which could place Namibia among the world's more important fishing nations".



# Dreaming of a wet Christmas

WE were dreaming of a Wet Christmas here in parched Windhoek.

Promising black clouds circled the city as we sat down — in shorts and T-shirts (shoes optional) — for our traditional Christmas night dinner.

As we ate, drank, pulled crackers and talked around the overloaded table on the (cooler, but still warm) stoep, the clouds evaporated.

Boxing Day's oppressive humidity broke into a three-minute evening shower, barely enough to settle the dust, but the first rain which has fallen on Windhoek since some time in April.

Although it only brought what the weathermen here so aptly call "druppels", the shower was important enough to rate a mention on the late TV news by beaming newscaster Michaela Schroete.

1989 has been a strange year in many ways.

Resolution 435 and all that, ushering in independence and ringing the far-reaching changes, has only been the half of it.

But it has taken the limelight away from the perennial topic of the weather, which has really been weird this year.

Namibia is not a country blessed with good rainfall, but what does come normally conforms to clockwork-like patterns.

In Windhoek, we normally have soaking, cooling showers in October — the first, or "false" rainy season.

Around 12mm falls on average during that months, settling ris-

ARGUS 28/12/89 221A  
**NAMIBIA:**  
**NEW NATION**  
By BRENDAN SEERY  
in Windhoek



ing dust and calming the vicious post-winter winds.

This year, there was nothing in October.

The irritating South-Easter-type gales that make August and September so unbearable, continued unabated, right into December.

Municipal officials lamented that the gusts were playing havoc with their attempts to tackle the growing litter problem in the city centre.

On Swapo's day of election triumph, in November, raging whirlwinds engulfed throngs of demonstrators in Kaiser Street and dampened many a revolutionary's ardour.

## Swept away

In other towns — like Rehoboth and Tsumeb — strict water rationing is in force, and has been for some time.

Here in Windhoek, water department officials reckon there is enough stored dam water to last for another three years.

In northern Namibia, where the bulk of the 40 000 returned exiles have re-established their homes, things are also said to be critical.

Local lore has it that the rainy season only starts in earnest on the Kaiser's birthday — January 26.

Which means at least another four weeks of patchy cloud and

sweltering temperatures.

And the countryside getting drier and drier — if that is possible in a country where the veld looks drought-ravaged even in a good year.

The weather boffins are not unduly pessimistic, though.

Their records show that in the 1933/34 season, there was no rainfall recorded in Windhoek in October, but that when the rains began a couple of months later, they broke all records.

Not to mention many farm dam walls, and quite a few houses (which were in low-lying areas in Windhoek and were lost when rivers burst their banks).

One of the interesting side-effects of the 1934 floods was the establishment of fish in the desert.

Carp in farm dams had been swept away by flood waters and eventually found their way into the Kuiseb River which cuts through the Namib desert to Walvis Bay.

When the floods abated and the Kuiseb dried up once again, carp were stranded in deep, sheltered rock pools in the river's canyon which penetrates some of the most hostile desert in the country.

The fish were still there in the early 1940s, when they provided food for fugitive Germans hiding in the desert vastness to escape internment as enemy aliens.

So, we wait and watch — growing now even more concerned about the rain the the constitution and the new government which will dictate our political future.

**WILL** an independent Namibia survive economically?

This is the multi-million rand question on everybody's lips after South Africa's threat to "disinvest" as soon as the territory attains independence.

Some Namibians believe that the new government will have to toe Pretoria's line if Namibia is to survive economically.

South Africa's Foreign Minister Pik Botha has indicated that certain agreements will have to be finalised with the incoming government.

The economy has become the subject of fierce debate in Namibia.

Three groups have dominated the Namibian economy: foreign mining companies, white commercial farmers and South African fishing companies.

More than two-thirds of all investment in the Namibian mining industry is owned by South African-based corporations. Mining accounts for 34 percent of the gross domestic product and 80 percent of export earnings.

#### Taxless

The tax receipts from mining make up about half of the estimated government revenue, although some of the mining companies have been allowed to operate without paying taxes for years.

At present, the transnational corporations are taxed considerably less than in other African countries. Consolidated Diamond Mines, for example, pays higher taxes in Botswana than it does in Namibia.

There is not a single mining company operating in Namibia that is wholly or partially owned by Namibians. This has meant that Namibia's minerals — its main source of wealth — are effectively monopolised by Western and South African corporations.

With such a stranglehold on the key economic sector, these corporations have oriented Namibia's economy towards the export of unprocessed raw materials.

Thus, much of the wealth of the mining industry flows to foreign bank accounts of the transnational and South African corporations in the form of profits, dividends, remittances and capital transfers.

The revenue and foreign earnings from Namibia's mining industry will become the most important element in restructuring and developing the country's national economy.

Investors may be required to reinvest into the country's economy a significant part of their profits.

To stabilise the country's economy and decrease its dependence on the mining sector, mining would have to be integrated with the rest of the economy and could be used to boost the weak, underdeveloped industrial sector.

Mineral-based processing industries — such as the manufacture of fertilisers, production of agricultural implements, manufacture of construction materials, metal refining and diamond sorting, valuation and cutting — will have to be developed.

#### Redress Imbalance

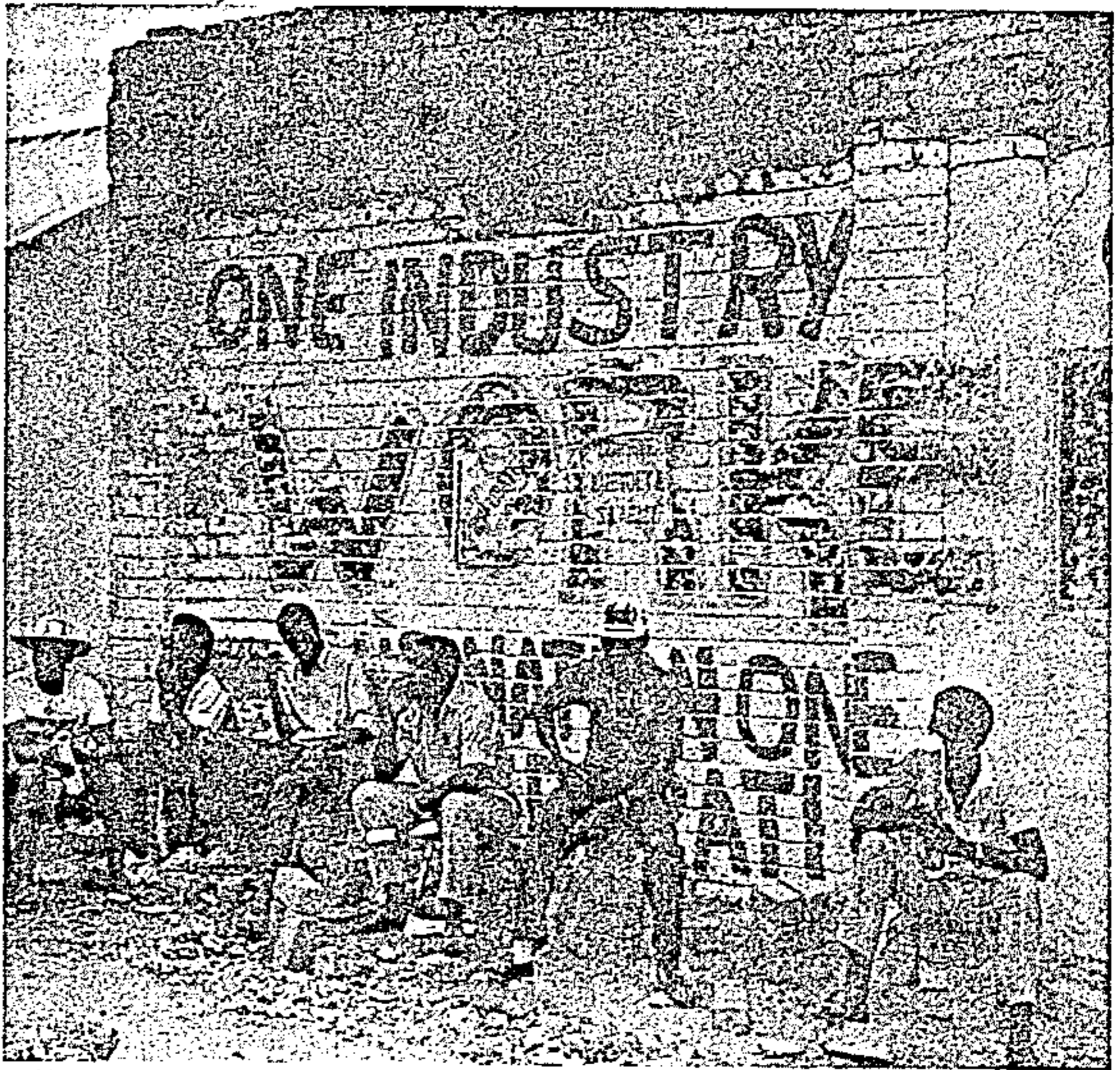
The agricultural sector is vitally important to Namibia. Although there are only 4 500 commercial farmers, this sector employs 16 percent of the total labour force and sustains almost 25 percent of the total population.

At present, 65 percent of the land is owned by whites, and a vigorous policy of land reform would have to be implemented to redress this imbalance.

According to official figures, as much as 48 percent of all these farms are owned by foreign absentee landlords. Land reform would redistribute these farms to the landless.

A large percentage of agricultural products are presently imported from South Africa while fertile areas in the Ovambo, Kavango and Caprivi lie fallow and unirrigated.

The fishing industry is a massive resource whose benefits have long been denied to the Namibian people and has instead been over-exploited by South African companies.



Namibian workers sit outside their union office in the Katatura Community Centre with the Swapo slogan on the wall behind: "One Industry, One Federation, One Nation".

# SA chains on Namibian economy

80/11-6/12/89  
221A  
South

*The new government of independent Namibia will have to undo years of exploitation of the country's wealth. The multi-million rand question is whether the Namibian economy will be able to survive without South African support. REHANA ROSSOUW examines the issues:*

The allocation of high catching quotas to the South African fishing fleet and lax control have greatly contributed to the devastation of Namibia's fish resource.

Breaking the ties of dependence on South Africa will not be easy, nor will it happen overnight. Swapo has stated in numerous policy documents that it does not envisage large-scale nationalisation, but rather the ploughing of resources and wealth back into the country.

South Africa has cut its budgetary assistance to Namibia from R308 million in the 1988/89 fiscal year to a mere R80 million in the current financial year. This leaves the new government extremely vulnerable.

There are, however, a few advantages to economic independence.

Haunted by the spectre of sanctions, South African companies in Namibia are incorporating locally.

Mandatory quotas for imports from South Africa will be relaxed. Mining equipment, for instance, could be purchased from Europe, North America and the Pacific.

Unlike some of the south and central African countries, Namibia can circumvent South African rail routes or ports to transport its goods to international markets, although Walvis Bay — the country's major port — remains in South Africa's hands.

Since much of Namibia's output of fishmeal and oil, some tinned fish

and almost all beef cattle are sent to South Africa to satisfy the country's demand at prices usually far lower than those attainable on the world market, Namibian food producers may thrive on independence.

Instead of benefitting from its relationship with South Africa, Namibia has had to forego the development of its own slaughtering, cold storage and processing industry and is denied access to world markets. Independence will end this unjust relationship.

Namibia has enough arable land to produce most of its food crops, but South Africa has deliberately discouraged Namibian farmers from embarking on commercial production of cereals, fruit and vegetables to keep the country a captive market for South Africa's food surplus.

Thus, contrary to the repeated claim that Namibia is heavily dependent on South Africa, the country could — given time and space — establish its own independent national economy with its own trade routes and world markets.

Independent Namibia will stand to benefit economically from multilateral economic associations like the Southern African Development Co-ordination Conference (SADCC), the Preferential Trade Area (PTA), the Council for Mutual Economic Assistance (CMEA) and others.

Namibia is presently a partner in

the Southern African Custom Union (Sacu), but the allocation of customs revenues to the country is at the discretion of South Africa.

Sacu permits the free flow of South African agricultural and manufactured products to Namibia, thereby undermining the development and growth of local output and manufacturing firms. Under Sacu, Namibia pays indirect tax to South Africa.

#### Restructuring

Since 1915, Namibia's Balance of Payments (BOP) has been significantly favourable. An independent Namibia would have to insist on the repatriation of the country's share of foreign exchange reserves accumulated and invested in South Africa and elsewhere in the world by the Reserve Bank of South Africa.

The enormity of the task of economic restructuring and development which lies ahead must not be underestimated. Provision must be made for the magnitude of financial, technological and managerial requirements.

Concerted efforts must be made to obtain the necessary capital assistance, technological training and managerial support from friendly countries and international organisations to implement the policy of restructuring and developing Namibia's national economy to achieve growth, equity and economic independence.

# Namibia <sup>Stev</sup> has wealth of human resources

*Who's Who of Southern  
Africa 1989-90*  
(First National Bank R139)  
Reviewed by FRANK JEANS

As Namibia heads for independence amid an air of understandable uncertainty, there is no shortage of professional folk in business, science and the humanities to help steer the country into First World enterprise.

There are almost 170 top names of the Establishment ready to play vital roles in the dawn of Namibia and the Untag aftermath.

Certainly, First National Bank is to be complimented for including them in its in-depth and comprehensive Who's Who for 1989-91.

## Passionate

The present mood of Namibia is summed up passionately by Professor Attie Buitendacht, Rector and Vice Chancellor of the Academy in Windhoek, in an introduction to the biographical section:

"To foretell the future would be impossible. What is possible, however, is to nurture faith and a positive attitude towards independence, which, thankfully, is present in most of the people of the country.

"There is generally a positive expectation, a sense of excitement but also much uncertainty. Polarisation is rife, fuelled, among others, by the media.

"In general, every citizen grasps towards democracy as the saviour but it is also evident that there are many interpretations of what is meant by democracy."

## Six-point thrust

That well-known forecaster of trends and events, Clem Sunter, believes there is a six-point thrust to national well-being: job-oriented education; the encouragement of healthy work ethic through a small government; low income tax; a sound family system; encouragement of big and small business; and social harmony.

In contrast to the Namibian "human staying power", one notes the South African "brain drain" and under the heading Who's Where, there are no fewer than 138 personalities and business luminaries who, for one reason or another, have left these shores.

# Namibian mine <sup>ATC 5</sup> strikes <sup>7/12/89</sup> gold bars <sup>22A</sup>

Argus Africa  
News Service

WINDHOEK. — Namibia's first operational gold mine, Navachab in the western town of Karibib, has struck its first gold bars.

The mine is expected to yield at least two tons of gold a year and has a life-span of 14 years.

A spokesman for the Erongo Mining and Exploration Company, which holds 70 percent of the Navachab shares, said 750 000 tons of gold-bearing ore would be mined every year and each ton was expected to yield 2,22 grams of gold.

## OPEN CAST

Navachab has been described as a capital-intensive but low-cost open-cast mine established with a capital outlay of R85 million.

The mine is to pay back half the R28 million injected by the government to pay for a water pipeline.

Navachab is jointly owned by Erongo, Metal Mining (20 percent) and Rand Mines (10 percent).

# Namibian skills shortage

*CMC Times  
7/12/89  
2214*

**Own Correspondent**  
WINDHOEK. — International bodies are stepping into fill crucial jobs that will be left vacant by the departure of hundreds of skilled South African soldiers assigned to civilian posts.

Positions that will be worst hit within the next few weeks are air-traffic controllers, medical staff and rural teachers.

Namibian authorities have launched a recruitment campaign for air-traffic controllers and are reorganising management of the territory's air space as part of a programme to meet the loss of departing military supervisors.

Nearly 900 skilled SADF members were kept in place as civilians — with UNTAG agreement — despite the total withdrawal of South Africa's military machine. But they are being pulled out soon, leaving holes in skilled services.

## Anglo chairman in talks with Nujoma

Star  
7/12/88  
By Jon Qwelane,  
The Star's Africa  
News Service

Q21A  
ture involving a wide range  
of subjects.

WINDHOEK — Anglo-American director and chairman of De Beers, Julian Ogilvy-Thompson, and his deputy, Nick Oppenheimer, held private talks with Swapo leader and Namibia's executive state president-elect, Sam Nujoma, here on Monday.

The meeting was confirmed by Consolidated Diamond Mines (CDM), De Beers Namibian subsidiary. Mr Ogilvy-Thompson is also chairman of CDM.

The get-together with Mr Nujoma was at CDM's invitation.

The meeting with Mr Nujoma was private, and followed earlier meetings in London between the two executives and the Swapo leader.

Although no details of the discussions were given Mr Clive Cowley, spokesman for CDM, said the talks were an exchange of a general na-

Swapo has, in its election manifesto, assured investors that it will not embark on a grand nationalisation of resources, and will also not embark on a socialist-oriented economy.

The party, through its leaders and publications, has repeatedly said that in an independent Namibia there will be a mixed economy in which the state does not play much of a management role.

It has also said, that while it would allow investors and businesses such as mines to operate on the basis of making profits, it would ensure those profits were shared to the benefit of both the investors and the Namibian population.

After the talks Mr Nujoma and his delegation were invited to tour the diamond sorting facility at CDM headquarters in downtown Windhoek.

# Ocfish on acquisition trail

CHE Tents  
14/12/89

221A

Financial Editor

OCEANA FISHING GROUP (Ocfish) is negotiating further acquisitions which will fit under the Blue Continent umbrella, a spokesman said yesterday.

Executive chairman Walter Lewis pointed out in a statement issued with the annual report that the group's "diversity of earnings sources" was among factors which helped it to achieve a satisfactory increase in earnings in the year to September 30.

He said expansion and acquisitions increased investment income and improved management efforts had all helped to cushion the group against "the adverse effects of lower pelagic landings and poorer returns from Namibia".

Lewis said: "The group's strategic focus will continue to be concentrated

on its core businesses of inshore fishing, trading, cold storage and the provision of marine-related services.

"Planning and capital expenditure in these areas are aimed at maximising productivity and efficiency, developing value added lines and structuring operations to allow for an even quicker response to changes in market forces.

"Acquisitions and capital expenditure in the past year broadened the group's infrastructure and market share in developing branches of the fishery — such as redeye herring, tuna and squid — and increased the capacity of its cold storage network.

"Capital expenditure, excluding acquisitions, in the year ahead is budgeted at R14,4m and will be financed from the group's own resources.

"Major items include additions to production premises and infrastructure, vessels, and plant and equipment such as further cannery and ice plant extensions."

In the report, Lewis says further growth in earnings from services has been projected.

In the year to September, Ocfish lifted attributable income to R24m (R22,8m), representing earnings of 260,7c (250,2c) a share.

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Your guide to gilts

# Investors eye Namibia

WINDHOEK. — After a decade of instability and economic stagnation, bankers and businessmen in Namibia are hoping the territory will soon have a new constitution that guarantees political freedom and free markets.

Since Swapo gained a majority in independence elections in early November, potential investors and aid donors have been queueing in the wings.

Foreign companies have registered subsidiaries in Namibia and the state-run Industrial Development Corporation has been flooded with inquiries about investment and aid opportunities.

"Major multinationals and donors have been in here to test the water," said Bob Meiring, chairman of the body, the First National Development Corporation.

"But no-one will put money in here unless they can repatriate their profits. All those organisations making inquiries have made it clear that before they come in there has to be a market-related economy, a reasonable tax base and no exchange

Cape Times 19/12/89  
Businessmen

hope for 221A

free markets

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Businessmen hope that Africa's newest nation will learn from the failed socialist experiments of many older ones.

They are optimistic that Swapo will abandon its Marxist roots and agree to a constitution that provides for a multi-party democracy and an open, market-driven economy.

Namibia's economy, ravaged by war and isolated by sanctions directed at its SA rulers, has averaged real economic growth of less than 1% over the past decade.

"I believe that if the constitution is right there could be a dramatic jump in the growth rate to up to 10% in the first 24 months of independence," said Meiring.

A team of IMF experts recently helped to draw up a financial blueprint for the country, which includes the establishment of a central bank.

Bankers said at least R70m was switched out of the country to SA on the eve of the elections, but most of it trickled back into Namibia after the result was known.

Companies are registering at an unprecedented rate ahead of the April 1 deadline for a new constitution set by the United Nations. About 535 companies registered in the first 11 months of this year compared with 276 in 1988, according to Windhoek company registrar Christo Schutte.

"Many companies are hiving off their Namibian branches and giving them separate corporate identities. But many are subsidiaries of foreign companies, including Britain's Lonrho Plc and West Germany's Volkswagen AG as well as some big-name Japanese trading houses." — Reuter



9/0 am 22/12/89

## Namsea facing out bad weather

BRENT MELVILLE

NAMIBIAN Sea Products (Namsea) chairman Walter Lewis expects to shrug off unfavourable climatic conditions for lobster fishing and achieve budgeted landings — improving significantly on earnings — for the coming year.

The group, whose investments are mainly in Namibia's inshore fishing industry, posted disappointing results last year due once again to adverse climatic conditions for lobster and mixed shoaling by pelagic species.

In terms of last year's production, pelagic fish processed was down to 13 566 (25 103) tons, fish meal to 2 782 (5 616) tons, and fish oil to 531 1 595 tons. The only bright spot in terms of pelagic was in canned fish which increased to 192 555 cartons (163 836).

### Reduction

221A

There was a large drop in the number of frozen whole cooked rock lobsters to 224 300kg (430 570kg). Frozen tails (4,54 kg units) increased to 964 (701).

The poor haul was detrimental to earnings. Turnover dropped to R8,1m (R13,8m) with net operating income decreasing by 63% to R2,0m (R5,4m). Earnings dropped 32% (after extraordinary items related to the surplus on disposal of shares in a subsidiary of R1,5m) to 199c (291c).

Lewis said the reduction in lobster was relatively small and did not indicate a decline in the resource.

He said the supply of pilchards appeared to be stable, auguring well for the future as long as off-shore operators did not fish into it.

"It is hoped that the country's government will declare a 200m exclusive economic zone as a matter of priority to enable it to introduce conservation methods," he said.

STATE 23/02/87 (221A)

# Foreign firms in rush to get place in Namibia

**WINDHOEK** — After a decade of instability and stagnation, bankers and businessmen in Namibia hope the territory will soon have a new constitution guaranteeing political freedom and free markets.

Since Swapo gained a majority in independence elections in early November, potential investors and aid donors have been queuing in the wings.

Scores of foreign firms have rushed to register subsidiaries and the state-run industrial development corporation has been flooded with inquiries about investment and aid opportunities.

"Major multinationals and donors have been in here to test the water," says Bob Meiring, chairman of the First National Development Corporation.

"But no one will put money in unless they can repatriate profits. All those organisations making inquiries have made it clear that before they come in there has to be a market-related economy, a reasonable tax base and no exchange controls."

Businessmen hope that Africa's newest nation will learn from the failed socialist experiments of many older ones.

But potential donors and in-

"Our cautious optimism on the economy has come about because of the way Swapo has been talking and acting since the election," says Abel Gower, director of Consolidated Diamond Mines, a De Beers subsidiary.

Fears that Swapo might nationalise the mines, banks and farms are receding since the party failed in the November election to gain the two-thirds majority that would have enabled it to write its own constitution.

Bankers estimate that at least R70 million was switched out of the country to SA on the eve of the election, but most of it trick-

led back into Namibia after the poll result was known.

Companies are registering at an unprecedented rate ahead of the April 1 deadline for a new constitution set by the UN.

About 535 companies registered in the first 11 months of the year, compared with 276 in 1988, says Windhoek company registrar Christo Schutte.

Many new registrations are off their Namibian branches and giving them separate corporate identities.

But many are subsidiaries of foreign companies, including Britain's Lonrho and West Germany's Volkswagen.

## CHRISTOPHER WILSON

Investors such as the EC and the US have made it plain Namibia must have an acceptable constitution.

Experts from the International Monetary Fund (IMF) recently helped draw up a financial blueprint, including establishment of a central bank.

Swapo officials are aware of the prevailing sentiment.

Many have swapped the Maoist style tunics for dark business suits. They have begun to talk admiringly of Botswana, which, like Namibia, is rich in diamonds and minerals.

# Weather knocks Namsea profits 28,7 percent to R9,4 million

WEATHER unfavourable for lobster fishing and mixed shoaling by pelagic species resulted in Namibian Sea Products results declining considerably this year.

Turnover dropped 41 percent to R8 million, resulting in pre-tax income declining 48 percent to R10 million for the year ended September 30.

## Lower tax

Lower profits reduced tax payable to R617 000, leaving income after tax of R9,4 million, 28,7 percent down on the previous year.

After extraordinary items, bottom line profit was 32 percent down at R8,3 million.

Executive chairman Mr Walter Lewis said lobster catches in the 1989/90 season were lower than at the same time last year.

Strong winds and big swells in the Luderitz area had hampered fishing.

In the 1988/89 season, landings up to January were ahead of those for the same period in 1989, but declined principally owing to the effect of a reversal of the usual wind pattern.

Warm northerly winds persisted for longer periods, bringing substantial rains to the interior, and the absence of the prevailing south-west wind hindered the ocean's upwelling process.

As a result, the sea water in the lobsters' environment tended to stratify with a relatively low oxygen content and higher temperatures than usual.

As a consequence the lobsters had tended to congregate in surf-aerated water, high up in the reef areas, and were unable to feed normally.

Pelagic fishing was characterised by shoals of mixed-sized fish which resulted in temporary suspensions of fishing during the season.

The pilchard quota was completed, but anchovy landings

were well down on previous seasons.

Anchovy fishing was halted in mid-August because mixing of juvenile pilchards persisted.

● Macmed Health Care is of-

fering shareholders one bonus share or a dividend of 20c a share from the proceeds of the sale of Orthomed. Shareholders have until February 2, to decide.

DICK USHER

## Hake quota slashed

WINDHOEK. — There has been a substantial reduction in the fishing quota for foreign trawlers operating off the Namibian coast, according to the Director of Sea Fisheries in Namibia, Dr Jan Jurgens.

Dr Jurgens, on his return from a meeting in Spain of the International Commission for Southeast Atlantic Fisheries, said the hake quota had been reduced from this year's 497 000 tons to 410 000 tons next year.

The snoek quota remained at 36000 tons.

Dr Jurgens said it was disappointing that foreign fleets

would still be allowed to fish in Namibian waters.

He had hoped for a compromise as there was a lot of international goodwill toward the country, but it was hard to reconcile the willingness of the world to help Namibia with unabated depletion of its fish resources.

## Sunter promoted

CLEM Sunter's swift rise up the Anglo American corporate ladder continued yesterday, when he was appointed chairman and chief executive of the gold and uranium division. — Business Staff.

(221A)

## Swapo casts around for economic policy

WINDHOEK. — The South West Africa Peoples Organisation (Swapo), the winner of last month's pre-independence elections in Namibia, declared in its election manifesto: Swapo does not conceal its belief in the moral superiority of socialism over capitalism.

But now is scarcely the moment in history to be proclaiming the virtues of socialism especially in Africa, where socialist policies have signally failed to create morally superior societies, leaving a legacy of economic decline which is scarcely an inspiration for Namibia.

So Swapo has toned down the Marxist rhetoric of its first 20 years as a liberation movement, and prefers now to preach the merits of social responsibility rather than socialism.

Speaking at his first Press conference after Swapo gained a majority in the 72-member constituent assembly last month, Mr Sam Nujoma, the Swapo leader, committed his party firmly to a mixed economy and said he welcomed foreign investment in Namibia.

Swapo officials say they wish to avoid the economic mistakes of other post-colonial African countries: the large-scale nationalisation of assets is offered as an example.

Top officials spent many years in exile in Angola, Zambia and Tanzania where socialism was tried, and failed giving them first-hand experience of the system's shortcomings.

But neither are they persuaded of the virtues of capitalism: the failures are there, whether they (African countries) opted for socialism or capitalism, there is as much corruption in (capitalist) Ivory Coast and Malawi as in (Marxist) Ethiopia, says Mr Theo-Ben Gurirab, Swapo's secretary for foreign affairs.

Mr Gurirab says Namibia must elaborate a system suited to its own needs, but it is far from clear yet what kind of a system that would be.

Swapo officials say they are still studying various aspects of the Namibian economy, and will announce detailed policies later.

This evidence of flexibility is welcomed by local businessmen. They are pleased that Swapo has said it will join the International Monetary Fund (IMF) which sent a delegation to Windhoek just before the elections and welcome the fact that Swapo officials are looking at the newly industrialised countries of the Far East as models.

A Swapo delegation recently visited Malaysia to study its investment code.

Swapo officials stress their desire to co-operate with the business community in Namibia, which is dominated by Consolidated Diamond Mines, a De Beers subsidiary, and Rossing Uranium, controlled by RTZ. Senior members of the Swapo executive have already held talks with both companies. — *Financial Times*.

# Namib

## Air wings

in on

growth

CV-717B 27/12/89

221A

NAMIB AIR, the fast-growing national carrier of Namibia, has launched an intensive sales and promotion campaign to take full advantage of the expected increase in tourist and business travel to the new independent country.

Keith Petch, GM of Namib Air, says the marketing of the airline's services will receive top priority in 1990.

"New sales offices have already been secured at Jan Smuts International Airport and at D F Malan Airport in Cape Town.

"Next year, an extremely well-situated office will be opened in a prestige pedestrian mall now under construction in the Central Business District of Windhoek."

Petch said the airline's marketing manager, Frank Aldridge, would head the Namib Air delegation to the world's premiere travel and tourism show, ITB in West Berlin in March.

NAMIBIA - ECONOMICS

1990

# Cheaper petrol for Namibia?

ANCUS  
11/1/90  
221A

Argus Africa News Service

**WINDHOEK.** — Petrol at a price of a little more than 23c per litre — that's the tantalising prospect for Namibian motorists if post-independence trade links with Angola become a reality.

And so desperate is Luanda to revive its battered economy and infrastructure that it has no objections to third-party or "back door" trading with South African companies via Namibian intermediaries.

A group of Namibian businessmen who have just returned from Angola told journalists in Windhoek that cheaper fuel was just one of the ways in which this country could benefit from trade links with Luanda.

Mr Peter Koep, a Windhoek lawyer who accompanied the group, said petrol produced by the Angolan state fuel company, Sonangol, was on sale in Luanda at 22,51c a litre, and that there were "plenty of cars on the streets" in the capital.

The businessmen said the prospects for trade with Angola were good, and that there was the possibility that payments for Namibian goods and services would be made through the barter system, with the Angolans able to provide petrol, coffee, timber and diamonds as exchange commodities.

Mr Koep said that, although the subject of petrol imports was not discussed with the Angolans on this trip, he was sure "others" had been raising the question with the authorities in Luanda.

## SOUTH AFRICAN CONNECTION

And, during meetings with top Angolan government officials and the country's President, Joe Eduardo Dos Santos, the Namibian businessmen were told the South African connection was no problem.

Mr Koep remarked that, while the Angolans would prefer not to have direct trade or business links with South Africa, they accepted the reality that the Namibian economy as a whole was linked to South Africa.

# Signs of a boom ahead for Namibia

AKG 3/1/1990

221A

By CHRISTOPHER WILSON of Reuter in Windhoek

SCORES of foreign firms have rushed to register subsidiaries in Namibia and the state-run industrial development corporation has been flooded with inquiries about investment and aid opportunities, following the territory's first fully democratic election in November.

## ECONOMICS

"Major multinationals and donors have been in here to test the water," according to Mr Bob Meiring, chairman of the First National Development Corporation.

### Inquiries

"But no one will put money in here unless they can repatriate their profits.

"All those organisations making inquiries have made it clear that before they come in there has to be a market-related economy, a reasonable tax base and no exchange controls," Mr Meiring said in an interview.

Businessmen hope that Africa's newest nation will learn from the failed socialist experiments of many older ones.

They are optimistic that Swapo will abandon its Marxist roots and agree to a constitution that provides for a multi-party democracy and an open, market-driven economy.

### Investors

Administration officials have welcomed the overseas interest in Namibia after 74 years of South African rule.

But potential donors and investors such as the European Community and the United States have made it plain Namibia must have a constitution acceptable to the West.

Namibia's economy, ravaged by war and isolated by anti-apartheid sanctions directed at its South African rulers, has averaged real annual economic growth of less than one per cent over the past decade.

"I believe that if the constitution is right there could be a dramatic jump in the growth rate to up to 10 per cent in the first 24 months of independence," Mr Meiring said.

A team of experts from the International Monetary Fund recently helped to draw up a financial blueprint for the country, which includes the establishment of a central bank.

But, despite talk that Namibia could soon have its own currency, bankers said the territory's heavy economic dependence on South Africa would ensure that the rand remained in circulation here for some time.

Swapo officials engaged in daily constitutional debates in Windhoek's ornate Tintenpalast are aware of the prevailing sentiment.

Many have swapped the Maoist-style tunics, favoured in African socialist countries, for dark business suits.

They have also begun to talk admiringly of Botswana, the prosperous democra-

cy next door, which like Namibia is rich in diamonds and minerals and has a population of only 1.5-million.

"Our cautious optimism on the economy has come about because of the way Swapo has been talking and acting since the election," said Abel Gower, director of Consolidated Diamond Mines, one of the biggest companies in Namibia and a subsidiary of South Africa's giant De Beers corporation.

"The key question is how Swapo will balance its ideological stance against the need for a prosperous economy," he added.

Fears that Swapo might nationalise the mines, banks and farms are receding since the party failed in the November election to gain the two-thirds majority that would have enabled it to write its own constitution.

### Frightening

Instead Swapo has been forced into constitutional talks with a grab bag of political opponents, including its bitterest rival, the Democratic Turnhalle Alliance.

Bankers estimate that at least R70-million was switched out of the country to South Africa on the eve of the elections, but most of it trickled back into Namibia after the poll result was known.

"There was a massive flight of capital and huge pressure on deposits just before the election," said one local banker.

"Many people here drew

on their overdraft facilities and sent their cash back to South Africa. It was a frightening time for many whites, but that seems to be over now."

Companies are registering at an unprecedented rate ahead of the April 1 deadline for a new constitution set by the United Nations.

About 535 companies registered in the first 11 months of this year compared with 276 in 1988, according to Windhoek company registrar, Mr Christo Schutte.

Many new registrations are South African companies hiving off their Namibian branches and giving them separate corporate identities.

But many are subsidiaries of foreign companies, including Britain's Lonrho Plc and West Germany's Volkswagen AG as well as some big-name Japanese trading houses.

### Registrations

"Some of these firms are simply forming companies here in case they can use them for something later. But others are not simply paper registrations," said Meiring.

"Numerous South African companies used to have just a post box here, but now they have a warehouse and are paying taxes here.

"It's a good indication that we could be in for an economic boom," he added.



Stev 5/11/90

221A

Water restrictions imposed

# Drought threat looms larger in Namibia

WINDHOEK — Namibia enters the year of its independence with the spectre of severe drought looming ever larger — especially in the densely populated northern regions.

Only one part of the country — the north-western Caprivi Strip — had more than half its average rainfall by the end of last year.

According to figures supplied by the Weather Bureau in Windhoek, Katima Mulilo in the Caprivi had 171,4 mm in October, November and December 1989, compared with an average of 256,2 mm for those months.

Other areas fared much worse — Rundu in the Kavango region had only 30,1 mm of its normal 158,8 mm, while Oshakati in the Owambo region had virtually no rain, compared with an average of 104,2 mm.

Subsistence agriculture is the main economic activity in these regions and residents now face a major crisis.

In many areas water holes have dried up and trips of 40 km a day to water stock are not uncommon.

Agricultural specialists say years of overgrazing have reduced the ability of the veld to survive periodic droughts, with the result that grazing is fast depleted when the rains stay away or arrive late.

## Restrictions

In the major commercial grain growing area — the so-called Tsumeb-Otavi-Grootfontein triangle — rainfall has been low and planting has been done.

Tsumeb, which had 66,7 mm of its average 150,1 mm by the end of December, instituted water restrictions some time ago. Residents are allowed to water gardens only between 3 pm and 7 pm.

At Otjiwarongo, where a dismal 12 mm of an average 117,7 mm had fallen by the end of December, water supply is limited to nine hours a day.

The only reassuring fact is that major dams are still reasonably full, although most are slightly lower than at the same time same last year. — Sapa.

## Firms wary about Namibian fishing rights

CAPE TOWN — SA fishing companies with interests along the Namibian coast are concerned that some foreign governments are offering financial assistance to Swapo in return for Namibian fishing rights.

Although Swapo has stressed it will not nationalise the commercial and agricultural assets of SA companies in Namibia once the country is independent, there has been uncertainty

about fishing rights.

Walter Lewis, chairman of Oceana Fishing (Ocfish) — whose subsidiary, Namibian Sea Products (Namsea), contributes up to 18%

to the group's bottomline profits — said the group had been talking to West and East European countries to determine the extent of their interest in the Namibian fishing industry.

LESLEY LAMBERT (2/19)

Many of these foreign governments are making offers to the interim government to provide finance with strings attached — one of these strings being fishing rights," he said in his annual report.

His group had also held discussions with Namibian politicians, but it appeared the situation would remain uncertain until the various ministries and political positions had been filled.

Namsea's results to September 1989 were lower than expected and did not match the good performance of the last three years. Unfavourable climatic conditions had an impact on landings and results.

# Ocfish to expand base operations

By AUDREY D'ANGELO  
Financial Editor

FOREIGN governments are offering financial help to the Namibian interim government — with strings attached, Walter Lewis, executive chairman of the Oceana Fishing Group (Ocfish), told shareholders at the general meeting yesterday. And one of the industries in which they are interested is fishing.

Replying to questions from Solly Frank of the Shareholders Association of SA, Lewis said the Oceana group, too, was making approaches to the interim government.

He stressed that the group's Namibian interests provided only between 16% and 18% of bottom-line profits.

After the meeting Lewis said that the group was continuing its policy of expanding the base of its activities, making it less dependent on the fishing industry.

He pointed out that the Blue Continent cold storage network had been expanded in the past year. Expansion would continue in the current year.

But he said he was far from pessimistic about the outlook for the group's Namibian activities. So far foreign companies had only been looking at the Namibian white fishing industry, in which Ocfish was not involved, and not at pelagic fishing or rock lobsters.

White fishing in Namibian waters was mostly carried out by Soviet, Spanish, Bulgarian and Polish trawlers "and SA companies, in a small way".

Lewis told shareholders that a cut in the current year's total allowable catch (TAC) for the industry to 150 000 tons of anchovy in SA waters, com-

pared with 350 000 tons last year, was disappointing. "It is hoped that further scientific surveys and the results of fishing operations will allow for an increase later in the year."

But it was encouraging that the pilchard TAC in SA waters had been increased to 35 000 tons compared with 30 033 tons last year. Ocfish's quota is 5 249 tons compared with 3 936 tons last year.

Discussing the Blue Continent group, Lewis said that TRT Shipping Services was expanding its operations and services by establishing a base in the Transvaal to allow for growth in the PWV area.

Discussing Namibian operations, he said the 1989/90 lobster season had been disappointing so far. The season closed on April 30 and it was hoped that weather and sea conditions would become more favourable.

Lewis pointed out that the stronger rand might impact unfavourably on export earnings for lobsters.

"At this early stage of the current financial year, before the 1990 pelagic seasons have commenced, it is difficult to make an accurate forecast of the year's earnings.

"The recent strengthening of the rand could have an effect on lobster export realisations.

"However, it is anticipated that, provided pelagic and lobster landings are commensurate with expected quotas and fishing effort, earnings for the year could be of the order of those achieved in 1989."

In the past financial year, to September 30, Ocfish lifted earnings by 4% to 260,7c (250,2c) before extraordinary items, and dividends by 7% to 160c (150c) a share.

CMT Times 12/11/90 (3034) (ZZ1A)

# Lower base metal prices hurt GFSA profits

BIPAM 16/11/90

BARRY SERGEANT

AFTER-tax profits for Gold Fields of SA base metals operations — including Gold Fields Namibia — plunged 40,7% from R57,8m (September quarter) to R41,1m (December quarter).

The most serious turnaround was at Gold Fields Namibia where an after-tax profit of R15,4m in September turned into a R682 000 loss by December.

Results from the copper/silver/lead operation show a 20% increase in cost of quarter-to-quarter sales to R91,4m in December. The amount of lead sold attributable to Gold Fields Namibia increased 50% to 14 097t.

Overall, a profit after extraordinary items of R11,1m in September turned into a R1,3m loss in December.

The easing in international base metal prices was seen in Gold Fields Namibia's sales decreasing in value terms by 8,9% from R106,3m to R97,6m in the December quarter —

despite a 26,5% increase in tonnage sold. The poor results did not prevent Gold Fields Namibia paying a dividend costing R9,6m in the December quarter, to raise the 12-month dividend cost to R19,2m.

Extraordinary items, for the dewatering of the Kombat mine, fell heavily from R4,3m to R640 000. The directors state that mine production showed a decline because of difficulties at Otji-hase; production of blister copper was "limited by a shortage of concentrates", and that lower copper prices adversely affected financial results.

Gold Fields Coal after-tax profits fell to R4,2m from R4,4m. A 9,6% increase in sales to 2,4-million tons was softened by a 26,7% increase in cost of sales to R60m. Zinc Corporation reported marginal increases in after-tax profits (to R10,3m) and tons sold (to

21 309t). The cost of sales fell 20,7% to R76,3m.

At O'okiep taxed profit was marginally down to R14,3m, as the cost of sales increased 26,8% to R42,1m. At lightweight Rooiberg Tin a R711 000 profit became a R832 000 loss. Sales of tin leaped 98% to 337t as sales value increased 63,7% to R6,9m. The dent in these significant increases was an increase in cost of sales of 122% to R8,3m.

Results at copper/lead/zinc/silver producer Black Mountain were hardly changed with after-tax profit at R13,8m. Cost of sales increased 15,5% to R27,1m.

In summary, the only bright spark in the results was lead. In view of the continuing softer trend in international base metal prices, along with the continuing firming in the rand/dollar exchange rate, the outlook for the group of companies is unfavourable.

# Namibia insures its future

SA INSURERS may be required to make a sizeable investment in their Namibian operations if they wish to operate there once the country becomes independent and promulgates its own insurance Act.

In terms of Namibia's draft Bill for short-term insurance not only would they be required to register and incorporate companies in Namibia but they would also have to put up R1m in paid-up share capital with a solvency margin of 15% of gross premiums.

An SA insurance consultant, Robert Shaw, who drafted the short-term Bill on behalf of the Namibian Finance Department, says while the 15% may seem high, it should be borne in mind that in terms of the draft, no prescribed contingency or IBNR (incurred but not reported claims) reserve will be required. Neither is local reinsurance deducted from gross premiums — as in SA — to determine the solvency margin. "I believe the 15% provides an adequate safety margin and is easier and simpler to administer."

Shaw adds that a study of insurers operating in Namibia has shown that three insurers would have to put up more than R1m immediately, be-

cause their business is so large. He says the draft — which some commentators have said is much clearer and easier to read than the SA Act — requires minor editorial changes but is now substantially in final form.

An important difference between the draft and the SA Insurance Act is that intermediaries' commission will not be governed by legislation, it being left to insurers and brokers to reach a written agreement on the issue which will then be lodged with the authorities. However, if no agreement can be reached the draft Bill does provide for the possibility of legislating on commissions by way of regulation.

A further example of the way in which the draft allows for greater self-regulation by the insurance industry than in SA is that it contains no counterpart to Section 20 (bis). It will be up to insurers to decide whether to give credit to brokers though there is a provision that premiums

be paid within 90 days of "due" date. However, the draft does have a deeming provision in that a premium received by a broker will be deemed to have been received by an insurer, who will take responsibility for a broker's liquidation or abscondment," Shaw points out.

Also, classes of business have been expanded from the SA six to 10, incorporating aviation, liability, contractors and engineering and agricultural. Unlike in SA, foreign reinsurers will not have to form local companies in Namibia to operate there. And unlike Zimbabwe, Lloyds will continue to operate freely in the independent country.

If significant investment by SA companies will be required to operate in Namibia, so will competition be stiffer. Canadian and US companies are ready to start up business

there and there has been a flood of other foreign interest in the new, underinsured market.

One matter which the drafters of both the long-term and the short-term Bills — the two will be separate Acts — have yet to address is the problem of the lack of investment avenues in Namibia, which has no capital or money markets nor does it have a stock exchange.

David Rush, chief of public finance in Namibia, says that allowing insurance companies to invest overseas has drawn opposition from the SA Reserve Bank as this would open up a pipeline for exchange control contraventions.

"The other alternative would be to allow a percentage of investment funds to be invested overseas, a percentage in Namibia and a percentage in SA," Rush suggests.

Dick Geary-Cooke, executive director of the SA Life Offices Association — which has been involved in

drafting the long-term Bill — says the absence of investment markets makes it questionable whether the Namibian economy will be able to support a life assurance industry.

"When it gets its own currency this will place a constraint on the investment of funds in the SA economy as the life office has to make provision for sufficient currency in the currency of the policy holder to meet all liabilities. Another problem about investing in another currency is being caught by changes in the exchange rate."

According to Rush the majority of SA firms operating in Namibia have said they will continue to do so after independence, though three or four small ones may consolidate or drop out. Protea Assurance has, for its own reasons, decided to withdraw and has handed over its Namibian business (worth about R1m) to Mutual & Federal as and when it falls due for renewal.

Other companies are considering how they will retain a presence, for instance, whether they wish to have a fully fledged Namibian company. Their decisions will be affected by the impact on the industry of tax legislation.

221A

LINDA ENSOR

10/11/90

REVIEW

F/M 19/1/90 (221A)

**Activities:** Holding company whose associates catch pelagic fish and rock lobsters in Namibian waters. The company has a 35% direct interest and a 9,2% indirect interest in Seaflower Lobster Corp. Its pelagic interests are through its quota with United Fishing Enterprises.

**Control:** Oceana 54,4%.

**Chairman:** W A Lewis.

**Capital structure:** 4,2m ords of 50c each. Market capitalisation: R30m.

**Share market:** Price: 710c. Yields: 29,5% on dividend; 23,0% on earnings; PE ratio, 4,3; cover, 0,8. 12-month high, 1 500c; low, 650c.

Trading volume last quarter, 202 000 shares.

Year to Sep 30	'86	'87	'88	'89
ST debt (Rm) .....	nil	nil	nil	nil
LT debt (Rm) .....	nil	nil	2,3	nil
Shareholders' interest	0,59	0,67	0,40	0,49
Return on cap (%) ..	35,0	30,7	49,6	49,3
Turnover (Rm) .....	20,8	19,7	13,8	8,1
Pre-int profit (Rm) ...	11,0	10,3	13,6	8,9
Earnings (c) .....	207,5	171,7	229,9	163,5
Dividends (c) .....	150	150	450	210
Net worth (c) .....	419	408	333	367

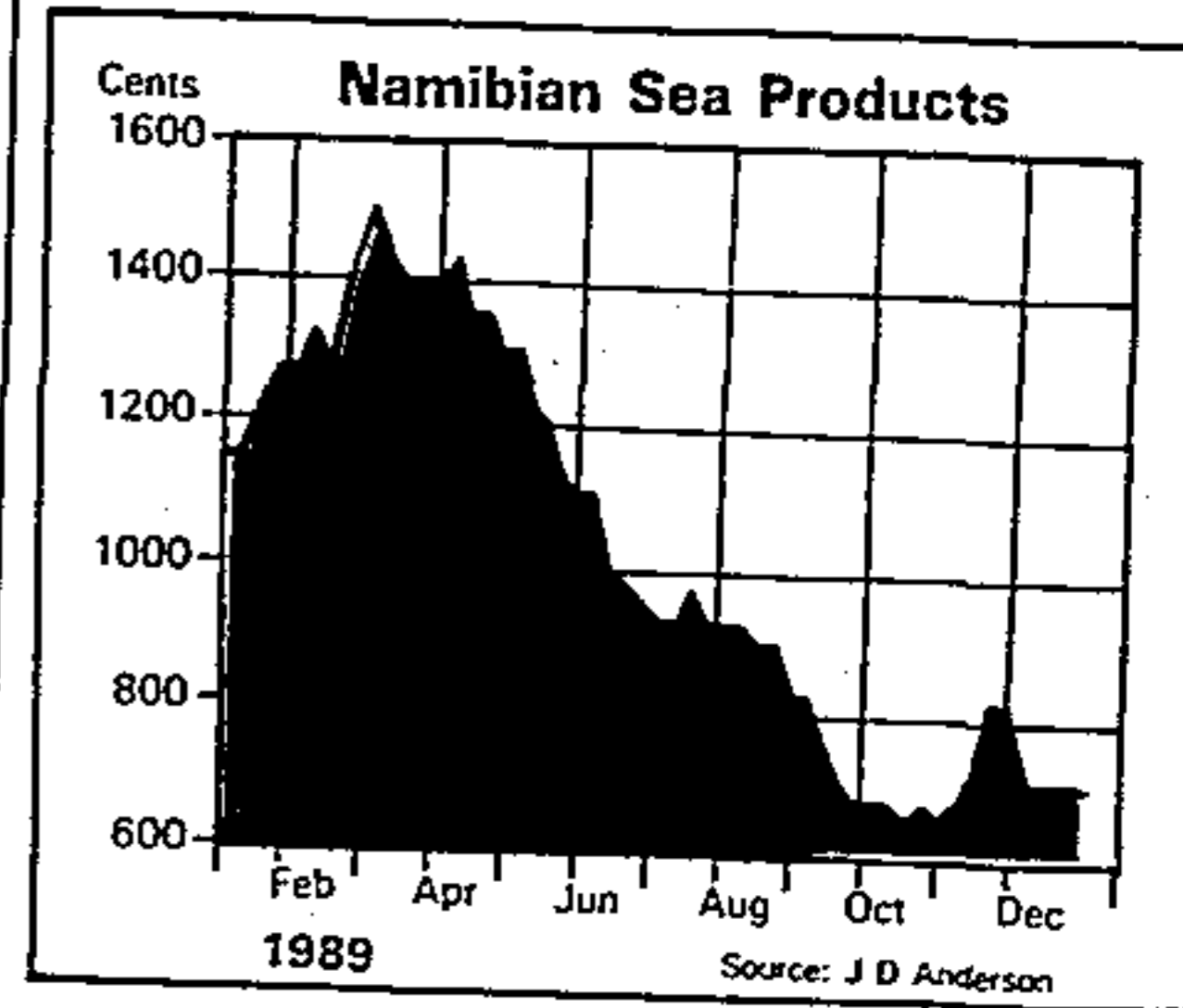
The company is the largest of Namibia's fishers but its pelagic processing and canning plants are located in the disputed Walvis Bay enclave. In theory, Namibian fishing fleets should be given preference over foreign fleets when territorial waters are extended, but overfishing by Soviet, Spanish and Japanese trawlers during the free-for-all of the Sixties and Seventies seriously depleted deep-water hake stocks; this has left present catches at almost uneconomic levels, according to Windhoek's Directorate of Sea Fisheries.

Expansion into deep-water fishing could be an important diversification for Namsea if it reduces the company's vulnerability to the climate. During the past season rock lobster and pelagic fish catches collapsed because of the weather. Namsea's share of associate Seaflower's rock lobster catch was almost halved, its pelagic fish processing reduced in practically the same proportion and the group's turnover dropped by 42%.

As a whole, Namibia's rock lobster catch dropped 39% to 1 094 t in the 1988-1989 season. As this season got under way, poor

F/M 19/1/90

(221A)



weather was affecting lobster catches and the industry's allowable catch had been cut to 1 800 t from the previous season's 2 000 t. Seaflower's quota has been cut to 1 073 t from the 1988-1989 season's 1 263 t. Pilchard quotas remain much the same as the fish resource seems stable.

Chairman Walter Lewis says Namsea has conservatively budgeted for an increase in earnings this year, implying expectations of an improved lobster catch despite the lower quotas. Whether higher earnings will lead to a greater dividend is another matter. Last year, Namsea unexpectedly declared a special dividend of 55c (1988: 250c) which gave rise to a total dividend of 210c (450c) for the year, and which coincidentally matched the R2,4m cash received in 1988 when 30% of Seaflower's quota was sold to Namibian residents.

A further special distribution seems unlikely this year and the total distribution is unlikely to be much greater than last year's 155c ordinary dividend. Even so, an unchanged 155c ordinary dividend puts the share on a prospective yield of 21,8%, which discounts the political risks of Namibian independence.

Jim Jones

NAMSEA F/M 19/1/90 (221A)

### Discounting risks

Namsea is something of an investment conundrum. Will Namibian independence and the possibility of a row between Windhoek and Pretoria over Walvis Bay damage Namsea? Or will independence enhance the company's opportunities as the newly independent country's territorial waters are extended from three to 200 nautical miles?

# Namibia insures its future

SA INSURERS may be required to make a sizeable investment in their Namibian operations if they wish to operate there once the country becomes independent and promulgates its own insurance Act.

In terms of Namibia's draft Bill for short-term insurance, not only would they be required to register and incorporate companies in Namibia but they would also have to put up R1m in paid-up share capital with a solvency margin of 15% of gross premiums.

An SA insurance consultant, Robert Shaw, who drafted the short-term Bill on behalf of the Namibian Finance Department, says while the 15% may seem high, it should be borne in mind that in terms of the draft, no prescribed contingency or IBNR (incurred but not reported claims) reserve will be required. Neither is local reinsurance deducted from gross premiums — as in SA — to determine the solvency margin.

"I believe the 15% provides an adequate safety margin and is easier and simpler to administer."

Shaw adds that a study of insurers operating in Namibia has shown that three insurers would have to put up more than R1m immediately, be-

cause their business is so large. He says the draft — which some commentators have said is much clearer and easier to read than the SA Act — requires minor editorial changes but is now substantially in final form.

An important difference between the draft and the SA Insurance Act is that intermediaries' commission will not be governed by legislation, it being left to insurers and brokers to reach a written agreement on the issue which will then be lodged with the authorities. However, if no agreement can be reached the draft Bill does provide for the possibility of legislating on commissions by way of regulation.

A further example of the way in which the draft allows for greater self-regulation by the insurance industry than in SA is that it contains no counterpart to Section 20 (bis). It will be up to insurers to decide whether to give credit to brokers though there is a provision that premiums

## LINDA ENSOR

be paid within 90 days of "due" date. However, the draft does have a deeming provision in that a premium received by a broker will be deemed to have been received by an insurer, who will take responsibility for a broker's liquidation or abscondment," Shaw points out.

Also, classes of business have been expanded from the SA six to 10, incorporating aviation, liability, contractors and engineering and agricultural. Unlike in SA, foreign reinsurers will not have to form local companies in Namibia to operate there. And unlike Zimbabwe, Lloyds will continue to operate freely in the independent country.

If significant investment by SA companies will be required to operate in Namibia, so will competition be stiffer. Canadian and US companies are ready to start up business

there and there has been a flood of other foreign interest in the new, underinsured market.

One matter which the drafters of both the long-term and the short-term Bills — the two will be separate Acts — have yet to address is the problem of the lack of investment avenues in Namibia, which has no capital or money markets nor does it have a stock exchange.

David Rush, chief of public finance in Namibia, says that allowing insurance companies to invest overseas has drawn opposition from the SA Reserve Bank as this would open up a pipeline for exchange control contraventions.

"The other alternative would be to allow a percentage of investment funds to be invested overseas, a percentage in Namibia and a percentage in SA," Rush suggests.

Dick Geary-Cooke, executive director of the SA Life Offices Association — which has been involved in

drafting the long-term Bill — says the absence of investment markets makes it questionable whether the Namibian economy will be able to support a life assurance industry.

"When it gets its own currency this will place a constraint on the investment of funds in the SA economy as the life office has to make provision for sufficient currency in the currency of the policy holder to meet all liabilities. Another problem about investing in another currency is being caught by changes in the exchange rate."

According to Rush the majority of SA firms operating in Namibia have said they will continue to do so after independence, though three or four small ones may consolidate or drop out. Protea Assurance has, for its own reasons, decided to withdraw and has handed over its Namibian business (worth about R1m) to Mutual & Federal as and when it falls due for renewal.

Other companies are considering how they will retain a presence, for instance, whether they wish to have a fully fledged Namibian company. Their decisions will be affected by the impact on the industry of tax legislation.

## REVIEW

221A

# Swapo advised to identify priorities for UN aid projects

Argus Africa News Service

WINDHOEK. — A Swapo government would have to identify priorities for investment and draw up a comprehensive programme of development, with key areas assessed, as a prerequisite to aid through the United Nations Development Programme (UNDP) coming in.

But the advent of independence to the country meant aid would soon pour into Namibia, and donor countries and agencies would meet just after independence, a UNDP administrator, Mr Pierre-Claver Damiba, said on a visit here.

He was echoing deputy special representative of the United Nations Mr Joseph Legwaila, who stated just before the november elections that a meeting of donor agencies and countries he had attended in Sweden had

promised to pour aid into Namibia after independence.

Mr Damiba said \$12 million (about R30 million) was available to the UNDP to spend in Namibia over the next 24 months, and would cover aspects of a technical nature and training.

Volunteers in medical, civil aviation and education fields were among the professionals the UNDP would be acquiring from various nations to replace the South African Defence Force personnel who had been withdrawn from Namibia in terms of UN Resolution 435.

Swapo's foreign affairs minister-designate, Mr Theo-Ben Gurirab, and Mr Damiba had already been to Botswana to consult the relevant sections of the Southern African Development Co-ordination Conference which, with the UNDP, would pilot the aid project.



A decision on a new flag for an independent Namibia — expected after the assembly sitting — has been postponed until Monday. — Sapa.

## Businessmen visit Angola

*to Namibia 22/11/90*  
WINDHOEK — A group of 15 prominent Namibian businessmen are to leave for Luanda today to hold talks with government officials and businessmen in the Angolan capital.

The trip was announced yesterday by the Angolan ambassador-designate to Namibia, A Ribeiro, after a meeting with businessmen and Swapo president Sam Nujoma. (221A)

Ribeiro said his government had requested him to make arrangements for a suitable delegation — even though the trip had been organised at such short notice — apparently as a result of Nujoma's recent visit to Luanda.

Among the advantages for Namibia of trade with Angola was that the latter was one of the world's cheapest fuel suppliers, Ribeiro said.

Sources said the visit would primarily be a familiarisation trip and follow-ups would be needed before trade links between the two countries became firmly established. — Sapa.

FIM 26/1/90 (221A)

month at a cost of R20m. Hoffman says it should be completed by the end of the year.

"We will build an upmarket lodge, costing R4m-R5m, on another part of the property," he says, "to be served by our own 2 km, tarred, landing strip. We also plan to have a houseboat on the river, which will be hired out. The lodge will be used as a base for overland trips to the Victoria Falls and our 'Across Southern Africa' safaris."

Windhoek Publicity Association chairman Henry Dames says the association and other interested parties are "looking at the possibility of developing a national tourism strategy for Namibia."

A lot of work still needs to be done. Tourists spent R80m on accommodation last year and an estimated R40m on food and beverage — chicken feed, considering the country's total tourist potential.

Namibia's natural attractions include the Etosha Game Reserve; Caprivi Strip; Fish River Canyon, second biggest in the world after the Grand Canyon; the "bottomless" Otjikoto Lake; Namib Desert, the world's oldest; a petrified forest; and the welwitschia, the world's oldest living plant.

Coastal fishing, hunting and game viewing could all grow into major earners of foreign exchange. The German character of towns like Windhoek, Swakopmund and Luderitz gives them a charm of their own, while the local beer is said to be among the best in the world.

Dames is in favour of Sun International and other concerns helping to market tourism in Namibia. He points to its success in Mauritius and the Comores.

But he says membership of Satour (the SA Tourist Board) is likely to be more of a hindrance than a help. "We have been doing our own thing for some years and I can think of no reason why we should join Satour, which is, after all, structured to promote tourism in SA, not in Namibia," he notes. ■

## NAMIBIAN TOURISM (221A)

### The Sun also shines

Two SA hotel groups have moved swiftly to corner a major share of post-independent Namibia's tourism — possibly with an eye on the expected inflow of tourists from Europe and further afield.

Sun International and Karos Hotel Group demonstrated their faith in the country's future by investing millions in its tourism sector long before the elections were held.

In July, Sun acquired a 51% stake in Windhoek's premier hotel, the Kalahari Sands, for an undisclosed sum and took over the management contract from Protea Hotels. After R6,5m had been spent on refurbishing and upgrading it to the equivalent of a four-star hotel, the Sands was relaunched late last year.

Karos has invested in three tracts of land to be developed as game parks and bases for safari operations. They include a 20 000 ha parcel in the north of the territory, sharing a 14 km boundary with the Etosha Game Park near Okaukeujo, the park's main camp; 50 000 ha at Sesriem in the south, adjoining the Namib Naukluft Park; and 300 ha on the Zambezi River, 16 km from Katima Mulilo.

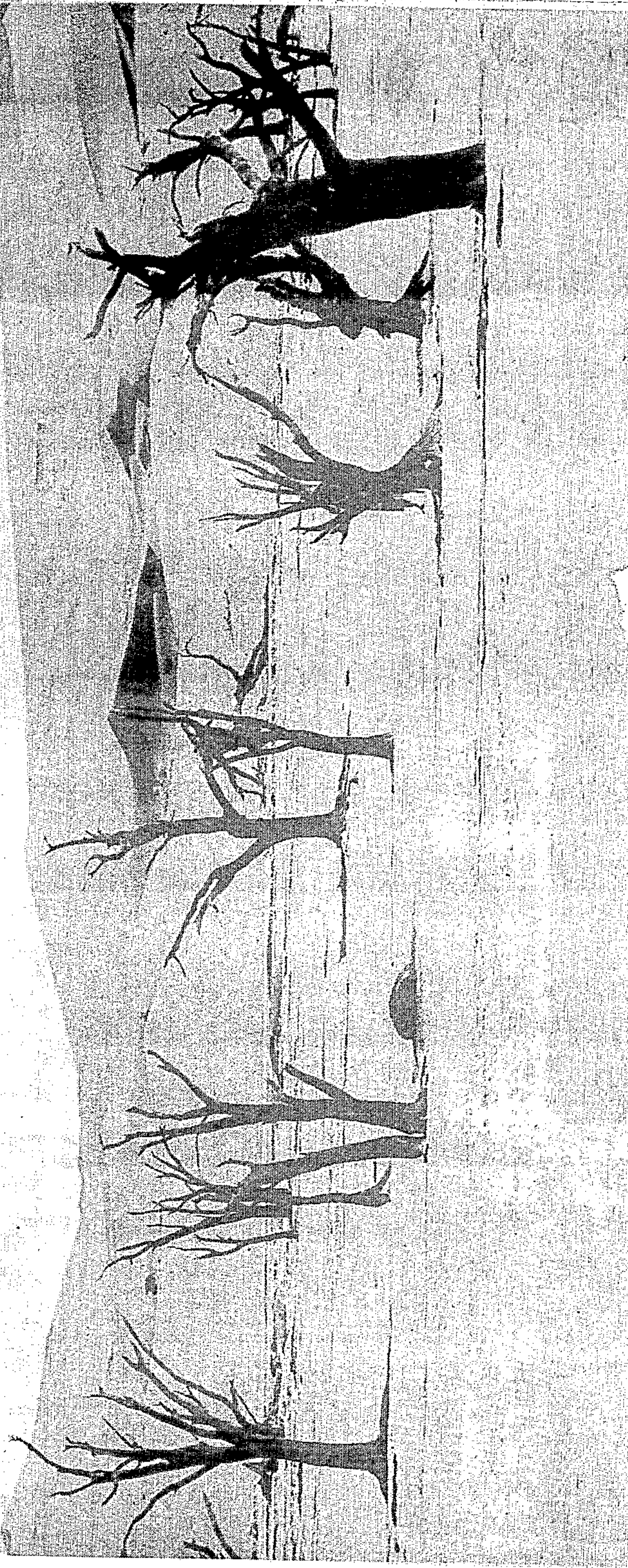
A Sun spokesman says the group is looking at other Namibian investments, including a casino. "Windhoek would be an option but Swakopmund is also in the running," he says.

The group has also discussed — with members of Namibia's constituent assembly — the possibility of using its marketing infrastructure and expertise to market Namibia as part of a southern African tourism package. The response, so far, has been favourable.

"It was pointed out that tourism creates employment opportunities for people with all levels of skills," says the Sun official. "It also has a positive spin-off on other sectors, such as the retail trade, curio shops and garages."

Karos's plans are far advanced. Joint MD Stan Hoffmann says his group intends to sell "Across Southern Africa — Namibia, Botswana and Zimbabwe — packages. And, when things settle down in Mozambique, we'll go there as well."

The first phase of Karos's new investment is a 110-room, three-star hotel, which it plans to start building near Etosha next



Namibians face a severe drought as little rain has fallen in their country. In most areas, rainfall is... are far below those recorded in previous years.

# Namibia faces drought threat

Sowetan 8/1/90

P.T.O.



FIM 26/1/90 (221A)

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# Mine bosses are hopeful after visit by Swapo minister-to-be

(221A)

MATTHEW CURTIN

SWAPO and Namibia's diamond mining industry are on the road to achieving an understanding in advance of the country's independence in April.

That is the impression of Consolidated Diamond Mines acting GM Alan Stockhill after a visit last week to CDM's Windhoek head office and Oranjemund mine by shadow minister for mines, Andimba Toivo ya Toivo.

Stockhill said yesterday Toivo ya Toivo had been invited by the CDM to familiarise himself with the diamond mining process. The shadow minister was briefed on CDM and Valco, the diamond evaluation wing of the company, before visiting the remote mine on the Atlantic Coast.

The visit was informal and a prelude to one by Swapo president Sam Nujoma in the near future. A CDM spokesman said the Swapo representative showed "political insight" and discussions had been "frank and

open".

Stockhill said Toivo ya Toivo had been impressed by the high-technology on display at Oranjemund. Stockhill was optimistic about a future "constructive relationship" with the Namibian government.

The Oranjemund mine is one of the cornerstones of the Namibian economy, contributing 12% of GDP and nearly 13% of the country's tax collection. More important, diamond sales provide a significant percentage of Namibia's forex earnings.

CDM's optimism coincides with clear indications from the Swapo leadership that it has abandoned the nationalisation fetish.

Nujoma's New Year address gave notice of the formulation of an "investment code to establish common ground between the interests of investors and of the future government".

Spent 30/1/90

BIDAY 31/1/90

221A

AFRICA

# Namibia and Angola poised for trade

**WINDHOEK** — Namibia and Angola are poised to enter into trade with one another after the return of 15 businessmen from Luanda who were impressed with the opportunities available to both countries. And it appears that, far from reducing Namibia's dependence on SA, all sides are happy for Namibia to be the conduit for indirect trade between SA and Angola.

The businessmen, who went to Luanda on a fact-finding mission, met Angolan President Jose Eduardo dos Santos and other cabinet ministers and representatives of state business concerns who apparently were not worried about indirect trade with SA.

The trip was instigated by Swapo president Sam Nujoma during his visit to Luanda 10 days ago, and the entrepreneurs were accompanied by Swapo

**BILLY PADDOCK**  
shadow minister of trade and industry Ben Amathile.

At a media conference on their return to Namibia yesterday, the businessmen said Angola was almost totally dependent on imports from Europe, and Namibia could easily step into this market at much lower prices.

## Petrol

A big bonus for Namibia in forging these trade links would be a huge reduction in the cost of petrol. In Angola a litre of petrol costs 22,15c whereas in Namibia, which gets its petrol from SA, it costs 115c a litre.

The possibility of SA benefiting from this was not ruled out, although SA does export petrol.

The businessmen examined trade and

tourism, transport and construction. Wecke and Voigts group MD Dieter Voigts said Angola was importing drinking water in 1.5-litre bottles from Portugal, and "we can very easily move in there and it will be much cheaper if supplied by Namibia".

They said Angola was in dire need of a rehabilitated infrastructure and transport system and Namibia could assist with this.

But Engineer Albie Bruckner said Namibia did not have the financial strength to invest large capital to develop Angola because it had to concentrate on developing its own facilities.

A lawyer who accompanied the businessmen, Peter Koep, said Angola had no problems accepting Namibia playing a third-party role in trade links with SA. But it did not want to trade directly with SA.

As a result of the discussions the busi-

nessmen had with government representatives in Angola, the Banco Nacional de Angola had opened an account with Bank of Namibia to facilitate payments for trade between the countries.

Namibia would gain a level of independence from SA in trade with Angola in the areas of petrol, fruit and vegetables, cement and wood. The businessmen said there were factories in Luanda which were under-producing, and with help the output could rise dramatically.

## Peace

Bruckner said Angola was a rich country but the war had damaged the infrastructure and many people had left the country.

"We got the impression they (the government) are sick and tired of war and are starting to prepare for peace".

in central Durban early yesterday.

*CAF - Times 7/2/90*

**R150m aid for Namibia** *221A*

WINDHOEK — The West German government has set aside R150 million for development aid to Namibia.

## SA 'must repay

### plundered R400m'

B/D  
13/2/90

LINDA ENSOR

22/18

THE Namibian government will approach SA and some of its insurance companies to refund R400m "plundered" from Namibia's pension fund.

At his first meeting with Windhoek businessmen recently, finance minister designate Otto Herrigel said: "The plunder of the pension fund called acrimoniously 'privatisation' has led to the flight of at least R400m capital which has left permanently.

"As the matter was implemented between the SA government and certain insurance companies, we will be looking to these to reimburse us with the amount."

Herrigel could not be reached yesterday to explain the situation regarding the pension fund.

He said that initial estimates indicated a budget deficit of R500m during the first year of independence and that the single most important public finance policy issue would be the balancing of the budget.

Namibia, he said, would have a long list of policy issues to implement, nearly all of them involving increases in government expenditure.

"It will take independent Namibia the best part of the first year of independence to organise itself to be able to fulfil the expectations of independence and to get proper control of its finances and budgeting.

"In the meantime, ways and means must be found to enlist the help of the world to finance this first year budget deficit by way of grants."



# SA govt accused of plunder

THE SA government's decision to privatise the Namibian state pension fund was a politically motivated decision which had stripped the country of major assets, Finance Minister designate Otto Herrigel said yesterday.

He said his government intended to seek restitution of some R450m which, he claimed, had been "plundered" by the Administrator General with the agency of three SA insurance companies, Sanlam, Old Mutual and Southern Life.

Herrigel said the insurance companies — whose asset portfolios had been bolstered by hundreds of millions of rand as a result of the scheme — had placed "tremendous pressure" on officials to introduce and legalise the scheme. He said they had used as motivation alleged statements by Swapo about the insecure future of civil servants under the new regime.

Herrigel said the scheme had facilitated the process of resignation with full pension benefits by civil servants whom the Namibian government-in-waiting had tried to reassure and wished to retain.

When the Namibian fund was privatised in October, members had the option of withdrawing their accumulated benefits

LINDA ENSOR

— including both their own contributions and the State's two-thirds contribution — and investing them in retirement annuities.

(221A)  
Those who did so became members of the privatised fund as from October 1, with no accumulated funds to their benefit.

As many of the approximately 5 000 members who withdrew had continued in their jobs, the Namibian government would, said Herrigel, demand full restitution of both the State's and the individual's contributions. 810m 13/2/90

The government contribution was taxpayer's money, Herrigel said.

However, as the fund's monies were invested in SA financial instruments, Namibia would have had a valuable reserve of foreign exchange when its own currency was introduced in two years' time.

Southern Life's Quentin Pretorius disagreed with Herrigel.

He said yesterday that for a long time the SWA/Namibia State Pension Fund had been underwritten by Sanlam, Old Mutual, Southern and Liberty Life, and its funds invested in SA, never in Namibia.

221A

3/04/15/2/90

AFRICA

# Namibia sets sights on self-sufficiency

WINDHOEK — Many African countries' problems have stemmed from their inability to produce enough food for their inhabitants and to create enough wealth for development, resulting in crippling interest repayments on loans.

But newly appointed Namibian Agriculture Minister Gert Hanekom has vowed that his highest priority in a bid to reduce dependence on SA is food cultivation and rural development on the largest scale ever experienced.

He has a strong supporter in Rossing Foundation director David Godfrey, who has returned from a fact-finding trip to Morocco and praises it as a source of inspiration for Namibian development.

## Necessary

Hanekom, who is GM of the Windhoek Show, was offered the Ministry of Agriculture post last week by Swapo's president Sam Nujoma. He immediately made it clear his main intention was to reduce Namibia's food imports from SA.

"I see no reason why these should be necessary. I want to make Namibia totally self-sufficient in vegetables and food supplies," he said.

Hanekom, whose portfolio includes Water Affairs, Fisheries and Rural Development, said another contribution he wished to make to his adopted country was the creation of many more jobs in agriculture and rural development, to help ease the

BILLY PADDOCK

burden of unemployment.

A chartered accountant who came to Namibia in 1957 from SA, Hanekom emphasised that his appointment had nothing to do with politics: "I am not a member of Swapo. I want to make it clear I am not politically bound". His main aim was to serve his country.

Hanekom believes much more can be done in the sectors of agriculture and fisheries despite most of the Namibian workforce already being employed in this field.

As a priority, he singled out the north, and in particular the Kavango region, as a target area for improving employment.

He also considered of prime importance the need for proper marketing mechanisms for communal cattle farmers.

"It is good and well that we are producing diamonds. But we cannot eat diamonds," he said. Farmers needed a chance to market their goods.

He saw a long and difficult road ahead and warned people not to expect results overnight, despite the fact that he was already hard at work reorganising and restructuring the ministry.

Godfrey and Hanekom are optimistic that Namibia could attain the same success as Morocco, especially with a change of attitude at the top.

According to Godfrey: "What we have suffered from in the past is a lack of commitment from central government to develop the agricultural potential of Namibia."

221A

## Namibia ready to back small mining

BLOOM 22/2/90

WINDHOEK — Namibia shadow Mines and Energy Minister Andimba Toivo ya Toivo says the future government will promote small mining in the country by providing a favourable legal framework, and technical, educational and market services, SWABC radio news reported yesterday.

In a speech presented on his behalf by shadow Deputy Minister Helmut Angula at an Institution of Mining and Metallurgy meeting in Windhoek, Toivo ya Toivo said he believed small mining would make a valuable contribution to the economy in terms of employment and foreign currency.

The challenge facing engineers was not only to maintain existing structures, but to make industrial designs and innovations that would broaden the economy and lead to accelerated and self-sustaining economic growth and development, he said. — Sapa.

In Angula

With a month to go before formal independence on March 21, a faintly anxious goodwill is the prevailing tone in dealings between bureaucrats and businessmen on the one hand, and the plethora of shadow Cabinet members on the other. That, and grim determination not to be the first to cause a stumble in the reconciliation waltz.

A few foreign diplomats and aid officials may complain that the incoming Swapo government has no unequivocal policies on the economy or anything else and that the way policies are spelt out depends on which of the ministers is talking.

But most locals, particularly organised business and agriculture, are grateful that the future government's position on most things is open to negotiation. By the end of the election campaign last year, Nujoma himself (advised by Frontline State representatives as well as the pragmatists in his own party) was assuring whites they need not fear nationalisation of mines, expropriation of farmland or loss of civil service jobs.

The nationalisation issue, which was a clear tenet of Swapo policy this time last year, softened to vaguer talk of a mixed economy. These days, in the interregnum before independence, the pragmatists in Swapo (headed by PM-designate Hage Geingob) seem well in the ascendant.

They appear acutely aware that Namibia will be competing with eastern Europe for aid and investment — and that a newly independent African nation is far less interesting or marketable than an anti-apartheid liberation movement.

In a speech read to the Institute of Mining and Metallurgy by his deputy on Monday, the shadow minister of mines and energy, Andimba Toivo ja Toivo, did not mention nationalisation at all. He urged the need to promote small mining with favourable legal, technical and marketing backup. He also stressed the country's need for engineers in attaining "accelerated self-sustained growth and development."

Foreign minister-designate Theo Ben Gurirab and the future trade and industry minister, Ben Amathila, have repeatedly stressed the need to attract foreign investors. More and more senior Cabinet members are becoming aware that the warmer the congratulations, the more vague the promises of aid. And it is when budgetary aid is mentioned that potential donor nations become particularly evasive.

Otto Herrigal, who will be finance minister, expects a R500m deficit in the first budget to be tabled after independence. Considering that last year's total budget was for R1,2bn, and that the GDP is just over R3bn, that's a hefty whack.

Expectations among Swapo's constituency — particularly the 41 000 returned exiles — of increased social services, of jobs in the already swollen bureaucracy, of one or other variety of free lunch, will be an increasing headache for government when the independence party is over.

So will its relations with organised labour.

That hot-potato portfolio has been given to Hendrik Witbooi, who is a vice-president of Swapo but not a member of the exile leaders' old boys' club.

But the independence celebrations promise to be quite a party — if a little bizarre. The guest list includes Nelson Mandela, Dan Quayle, Yassar Arafat and Muammar Gaddafi. Over 150 countries will be represented and all OAU and Frontline State countries will send delegations. And some Angolan settlement negotiations will certainly be taking place.

As well as the UN Secretary General and a multitude of UN structures and agencies, there will be a number of pop stars, aid agencies, anti-apartheid organisations and anyone who can wangle a plane ticket.

That will probably be Namibia's last turn in the limelight for a while. ■

NAMIBIA F/M 23/2/90

## Anxious goodwill (221A)

Sam Shafiishuna Nujoma, the Swapo leader and sole nominee, received a standing ovation when he was unanimously elected Namibia's first president on Friday. The special session of the Constituent Assembly saw the (by now predictably elaborate and almost fulsome) congratulations from the opposition parties.

## POWER INDEPENDENCE IS NAMIBIAN PRIORITY

THE future of new energy projects of Namibia hang in the balance until the new government comes into power on March 21 and until regional stability has been established.

The immediate need, says Swapo general secretary and Minister designate of Mineral and Energy Affairs Andimba Toivo Ya Toivo, is to make the country independent of SA for power. *B/D 26/2/90*

"A priority will be repairing Ruacana hydro-electric power station where only one of the three generators is working and where there is a shortage of water.

"We need to negotiate with our comrades in Angola for supplies of water from Calueque town."

The Calueque Dam, 35km north of the border, was extensively damaged in the war. The main catchment dam, Gove, was also been slightly damaged.

Ya Toivo is in favour of the proposed development of a further hydro-electric scheme at Ipupa Rapids, 120km downstream from

Ruacana which could cost about R800m.

"This would be a very expensive scheme and no final decision has been taken as yet but it would supply enough power to make us independent of SA.

"It would also put us in the position to export power to SA, Botswana and Zambia."

Still open to question, however, is the issue of government hands-off approach, and private enterprise investors will need clarification before they come in with new developments.

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But he adds that the government's equity participation — currently a meagre 3,3% — "will have to be discussed".

## POWER INDEPENDENCE IS NAMIBIAN PRIORITY

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# Cloud over SA fishing rights in Namibia

CAPE TOWN — Namibian authorities have increased the uncertainty surrounding the fishing rights of SA companies in Namibia by delaying the allocation of the pilchards quota for the season which starts on March 1.

51024 2772190  
A reduced pilchards quota of 40 000, compared with 50 000 last year, was published recently, but the allocation of the quota, which is normally decided in December to allow concessionaires to prepare themselves for the new season, has not yet been announced.

The quota is allocated between about eight fishing companies, the majority of which are owned by SA companies, including FedFood subsidiary Marine Products and Etosha Fishing which is held by Premier Milling. They were granted the concessions in 1987 for a seven-year

LESLEY LAMBERT

period to 1993.

Concessionaires believe that the Namibian government, which has appointed a Windhoek auditor as its minister of fisheries, will announce the allocations once it has finalised fishing policy after independence on March 21.

## Pressure

221A  
Although Swapo has stressed it will not nationalise the commercial and agricultural assets of SA companies in Namibia after independence, there has been constant uncertainty about fishing rights.

Some concessionaires are concerned that government may offer concessions to other foreign and domestic companies, watering down their

allowable catches and placing further pressure on already diminishing returns in the fishing industry.

Walter Lewis, chairman of Oceana Fishing (Ocfish) which has a stake in one of the concessionaires, Namibian Sea Fisheries (Namsea), warned shareholders at a recent AGM that some foreign governments had been offering financial assistance to Swapo in return for fishing rights.

He said he had discovered this in talks with West and East European countries in which he tried to determine the extent of their interest in Namibia.

In the meantime, concessionaires have been preparing themselves for March 1, employing crews and stocking up on packaging supplies. They are concerned about the effect of a delayed or diminished season on their cash flows and profits.

221A

SWAFISH F/M 2/3/90

### Profits pincer

Preliminary results from Swafish for the year to end-December are so poor that the directors have had to go fishing in the retained income and reserves for part of the final dividend. It is little wonder, then, that the share yields more than 21%. The market was clearly anticipating results of this sort.

Adverse weather conditions had a severe impact on lobster catches. The environmentalists state that the problem stems from the side effects of higher than normal sea temperatures, brought about by a reversal in the usual wind pattern.

Turnover fell from R20,5m in 1988 to R10,8m and operating income sank by 57% to R3m. This fall was compounded by a negative swing of R9,1m in extraordinary items, which in 1988 amounted to R8,8m but this year is a negative R255 000m. Net attributable income has swung from R17,2m in 1988 to R3,8m.

Bear in mind that in May 1988 a special dividend of 450c was paid from accumulated reserves and cash balances. Then, from the sale of the salt interests of Swafish, at a profit of R6,8m in July that year, a further special dividend of 225c a share was paid in April 1989. In total, shareholders have received a payout of R21,26m in the last two financial years. Interest income has been

F/M 2/3/90

forgone as a result.

After stripping out the effects of assets sales, net attributable income before extraordinary items fell from R7,6m in 1988 to R4,1m in 1989. Of the R3,5m difference, R2,7m is accounted for by the reduction in earnings from lobster operations, while the R800 000 balance represents interest forgone owing to the special dividend.

Reliant on catches

The company is left with a shrunken earnings base and it is now totally reliant on lobster and pelagic catches. Lobster catches have remained poor simply because of bad weather. Industry sources say that if this

F/M 2/3/90

changes and the quota is filled, profitability will rise substantially. They also say it is too early to assess pelagic catches, but with the reduction in the total pilchard quota from 50 000 t to 40 000 t, it's expected profits from this source will be reduced.

Because Swapo policy concerning allocation of concessions and rights is still unknown, there is considerable insecurity surrounding the future of SA-owned fishing interests in Namibia.

This adds another speculative factor when calculating a realistic price for the share. Right now, it is almost as vague as the weather on which earnings prospects for this year depend so heavily. Gerald Hirshon



tion of colour. I find this boring concentration on colour particularly irritating."

# Namibian farmers told: land safe, if productive

SWA (22/11) The Star's Africa News Service

(22/11) 6/3/

90 Star

WINDHOEK — Future Namibian Minister of Agriculture Mr Gert Hanekom has assured farmers that they will not lose their farms if they are productively utilising the land.

He said in a television programme that nationalisation of farming land was the "last thing" Swapo was considering.

Land, if being productively utilised, would not be taken over.

But if land was not being used effectively, "then we will have to talk with those owners".

He saw a bright future for Namibian agriculture, but establishing alternative markets to South Africa would take time. The acceptance of Namibia as the 61st member of the Lome Convention would open the way for beef exports to EEC countries.

Swapo had been promised foreign advice and technical assistance to optimise production.

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Caml. Trkts 13/3/70 (22114)

# Nujoma wants UN to let oil into Walvis Bay

**WINDHOEK.** — Namibian president-elect Mr Sam Nujoma has written to the United Nations requesting the lifting of economic sanctions against Namibia to include the South African-held harbour enclave of Walvis Bay after independence on March 21.

The letter asks all member states to lift the oil embargo against Walvis Bay.

The letter reminds the UN that it regards Walvis Bay as part and parcel of Namibia, as stated in Security Council Resolution 432.

“From 21 March Walvis Bay should be recognised as the bona fide port of entry to Namibia for refined oil products and other goods,” Mr Nujoma says. “We will naturally honour whatever destination bans may be imposed by the exporting countries” — an apparent reference to the international oil embargo against South Africa. — Sapa

# Namibia may keep links <sup>(2218)</sup> with SA

DISCUSSIONS on the maintenance of existing monetary relations between South Africa and Namibia were already at an advanced stage, the Minister of Finance, Mr Barend du Plessis, said yesterday.

It had emerged from preliminary negotiations that the future government of Namibia intended to continue existing financial relations with SA, over the short term at any rate.

Until the new government had made a formal decision on membership of the Common Monetary Area it would be necessary to conclude a temporary agreement with SA.

*Sowetan 15/3/90*  
**Monetary**

Namibia could join the full CMA agreement if it decided to maintain the monetary relations of the past.

This agreement would provide that the Rand would be legal currency in Namibia and that Namibia, as at present, would have access to the SA money and capital markets and to the foreign exchange market.

## Agreement

"Bearing in mind the high degree of economic integration of the two countries, an agreement of this kind would contain great advantages for them both.

"In the face of the fact that financial and trade operations between SA and Namibia will only flourish if uncertainties are removed, discussions on the maintenance of the existing monetary relations have already reached an advanced stage."

# Fly via Namibia straight to U.S. 221A

St Times 18/3/90

By ROGER MAKINGS

SOUTH AFRICANS will be able to fly direct to New York before the end of year.

Windhoek-based Namib Air has virtually concluded talks with SAA on the leasing of a Boeing 747 which it plans to use on overseas routes.

Sources say Namib Air has applied for landing rights in New York and it is likely that these will be granted after the country becomes independent on Wednesday.

Namib Air will also be flying to Europe, probably Germany, within the next few weeks.

The move will be welcomed by thousands of hard-

pressed SA travellers who, since SAA's landing rights were suspended in 1986, have had to travel first to Europe and then switch flights for New York.

Not only was this time-consuming, but expensive — up to R7 000 for an open economy return ticket. It is expected that almost 90 per cent of the passengers flying to New York with Namib Air will be South African.

Mr Leon Els, SAA's head of public relations, said discussions had reached an advanced stage.

The flights will originate

in Windhoek, but connecting jumbo flights will almost certainly be arranged by SAA from Jan Smuts Airport.

The Namib Air 747SP will fly to Ilha do Sal where it will refuel, as did SAA flights to the US, before carrying on to New York.

The aircraft will be crewed by pilots from SAA and cabin staff will probably be a mix from both airlines.

## Record

The move by Namib Air will not be welcomed by Zambia Airways which began a service to New York in 1988, specifically to take advantage of the US ban on SAA.

The 747SP jumbo, the Matroosberg, set a world record for long-distance flight without in-flight refuelling when it flew from Seattle to Cape Town, a distance of 16 510km in 17 hours in 1976.

This record was only broken last year in a super-jumbo Boeing 747-400.

## Row over Swapo's 'nationalisation'

810am  
20/3/90  
BILLY PADDOCK

221A

WINDHOEK — Controversy flared on the eve of Namibia's independence yesterday when opposition political parties accused the Swapo-dominated government-in-waiting of trying to nationalise parastatal corporations and institutions through the back door.

However, attorney-general Harmut Ruppel designate, at the centre of the conflict, denied the claim, calling it a smear campaign to discredit Swapo.

Standing committee members of the Democratic Turnhalle Alliance (DTA), led by chairman Dirk Mudge, National Patriotic Front chairman Moses Katjiuongua and Action Christian National leader Jan de Wet, claimed Ruppel was attempting to subvert the constitution by nationalising parastatals and statutory institutions.

It was alleged that he had submitted documentation to prime minister designate Hage Geingob for final signature. This had resulted in the Registrar of Deeds refusing to register all property transactions in the country.

Apparently the proposed nationalisation would have taken effect tomorrow, the first day of independence, but complaints from conveyancers about the disruption at the deeds office alerted DTA members.

Mudge said it was never the intention of the standing committee or the Constituent Assembly to authorise the nationalisation of statutory bodies and parastatals or to change their present relationship to the state. The intention was to ensure that property owned or controlled by the state

□ To Page 2

## Swapo

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20/3/90

221A

□ From Page 1

immediately prior to independence could not be unlawfully alienated and that such property should vest in or be controlled by the state after independence, he said.

The protesters said parastatals and statutory bodies did not fall into the same category.

However, Ruppel said the parastatals and statutory bodies named were already owned by the previous administration and his recommendations, made to ease the

problem at the deeds office, were to rationalise the existing situation.

"We are not nationalising. The clause which enables the new government to transfer assets is in the constitution which they all accepted," he said, also denying he had submitted documentation to Geingob.

□ Among the bodies involved were the Land and Agricultural Bank, the Meat, the Karakul and the Diamond Boards, the Academy (university) and the Law Society.



# Another coastline for black south, but . . .

AGUS 22/3/90 (221A)

**N**AMIBIA is independent and certain to join the Southern African Development Co-ordination Conference (SADCC), which celebrates its tenth anniversary next month.

**NAMIBIA**

This provides the SADCC with another maritime state and the potential for another outlet to the sea — a potential which is being investigated by the British multinational, Lonhro.

The SADCC — Tanzania, Zambia, Mozambique, Angola, Botswana, Zimbabwe, Malawi, Lesotho and Swaziland — exists largely to escape economic dependence on South Africa's transport network.

Its efforts have concentrat-

**Apart from the international legal problems, a Namibian Walvis Bay might not prove all that viable as another regional export outlet. Special Correspondent GRAHAM LINSKOTT considers a new assessment of the South African-held port.**

ed so far on restoring traditional import and export routes disrupted by war, such as the Beira Corridor through Mozambique (which connects Zimbabwe with the outside world) and the Benguela Railway, which connects Zambia and Zaire to the Angolan port of Lobito.

Namibia's independence has caused increased speculation that Walvis Bay could become another SADCC port.

However, the prospect is discounted by a specialist on the transport network of Southern Africa.

Writing in the Harvard International Review, Professor Gavin Maasdorp, of the Economic Research Unit at Natal University, says the reasons are political and economic.

"Walvis Bay is a South African enclave (in the same way as Cabinda is an Angolan one) — a legacy of the colonial period and, despite a UN resolution to the contrary, supported in terms of international law.

"Significantly, the New York Accord has left the fate of Walvis Bay to be decided by negotiation between Namibia and South Africa. As long as the port is in the hands of Pretoria, its use by the SADCC would increase, not diminish, dependence on South Africa.

"But more important are the economic reasons. Costly road or rail construction would be required either through the Caprivi Strip or across the Kalahari Desert to link the Namibian transport system with that of Zambia, Zimbabwe and Botswana, and it is doubtful whether traffic

volumes would justify the investment.

"Plans for a trans-Kalahari railway based on exports of coal from potential mines in Botswana were shelved when coal prices fell in the mid-1980s, and anyway both Zimbabwe and Botswana have closer ports and hence less costly routes to the sea.

"Although the British multinational Lonhro is investigating a Caprivi route to link the Zambian and Namibian railway systems, this would offer only a relatively small saving in distance for Zambia (especially the traffic-generating Copperbelt) compared with existing routes to Lobito, Beira and Dar-es-Salaam.

"The use of Walvis Bay therefore does not seem to be an economic proposition."

Professor Maasdorp says a post-apartheid South Africa could well become a member itself of the SADCC and he notes the criticism by a former Tanzanian cabinet minister of policies aimed at duplicating efficient South African systems.

Thursday March 22 1990

# Canada to lift sanctions Namibia gets R10-m boost

221A

Sowetan  
22/3/90

WINDHOEK - Canada will lift sanctions against Namibia and provide more than R10 million in assistance this year, NBC radio news reports.

Canada's Minister of

External Affairs and International Development, Mrs Monique Landry, told a media briefing in Windhoek this week contracts for processing Namibian uranium,

prohibited since 1985, would now become effective because of newly-gained independence.

Mrs Landry represented Canada at Namibia's independence

celebrations. She said the assistance would be provided through Canadian and Namibian non-governmental organisations, as well as multi-lateral channels.

The Royal Canadian Mounted Police would provide training to Namibia if requested by the new government.

She said Namibia had also been invited to join Canada's military training assistance programme for countries in Southern Africa and the Caribbean.

Canada regarded Namibia's independence as an important event and the successful implementation of United Nations Resolution 435 a world-class achievement, she said. - Sapa

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# Bush lifts US sanctions against Namibia

WASHINGTON. — President George Bush has lifted US sanctions against Namibia and predicted the United States will have a productive relationship with the country that was granted independence after 75 years of control by South Africa.

"The independence of Namibia... marks the end of colonialism in Africa," President Bush said in a statement yesterday, "and a proud beginning for the world's newest country."

Establishing full diplomatic relations with the new government, Mr Bush said he welcomed Namibia "as a full trading partner and we are taking steps to ensure that it is given access to the American market".

"With the end of South Africa's administration, all US sanctions against Namibia are being lifted," he said.

## SOBERING TERMS

Meanwhile, President Sam Nujoma's message to the new Republic of Namibia on the first full day of its independence yesterday emphasised in sobering terms the economic challenges facing his government and its supporters, at home and abroad.

"We have a dependent and lopsided economy," he said, noting the R500 million budget deficit "inherited" from the South African administration.

He noticed too Namibia's heavy reliance on food imports. He urged technical and financial assistance to develop the "fertile northern regions which could feed our nation".

● US sanctions against South Africa would be lifted only once the dismantling of apartheid was deemed irreversible by its victims, a senior American legislative leader said in Washington.

Congressman Bill Gray, the third-ranking Democrat in the US House of Representatives and the leader of a bipartisan group of American politicians which recently visited South Africa, said this week a careful reading of the 1986 Comprehensive Anti-Apartheid Act (CAAA) showed the US was bound to maintain its sanctions against South Africa until apartheid had been abolished.

The US should not accept the corporate responsibility of picking up the tab for disadvantaged South Africans, when the country itself was so richly endowed with wealth and knowhow to do this itself, Mr Gray said.

It was totally untrue for South Africans to point at children suffering from hunger and malnutrition and say that was the result of international sanctions, he said.

The cause of such suffering and deprivation in such a beautiful and wealthy land was the system of apartheid, he said.

## SA EXPORTS UP

● In spite of economic sanctions, South Africa's exports to Canada increased by 50 percent last year compared with 1988, according to the South African ambassador to Ottawa, Mr Hennie de Klerk.

He told Canadian media that sanctions had almost disappeared as an issue because the South African government believed they would be lifted by most countries in a matter of months.

Britain had already lifted some sanctions, African countries had never introduced sanctions, and trade delegations from Britain and Eastern Europe would be arriving in South Africa soon, he said. — The Argus Foreign Service and Sapa-Reuter.



# Nujoma makes the break

CMT- TIMES 22/3/70 (221A)

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WINDHOEK. — Namibia's break from a century of colonialism became final yesterday when the country's new president, Mr Sam Nujoma, charted an independent economic course — and plotted a foreign affairs policy that included an offer of mediation between South Africa and the ANC.

Mr Nujoma was sworn in as Namibia's new president yesterday morning. This was followed by the customary oath of office read out to his cabinet members as well as participants in the new parliament, the National Assembly.

## 'Foreign capital'

Debunking traditional views of the ruling Swapo as a hardline Marxist party, Mr Nujoma pleaded for an infusion of foreign capital for national development when he delivered his first policy speech as president before some 15 000 people at the Windhoek Athletic Stadium.

The new government, he said, would ensure that its investment in water, energy and the country's infrastructure helped create jobs and boost national development.

But local, private and foreign capital was needed for industries such as fishing, karakul and mining.

Wholesale nationalisation of industries was virtually ruled out with Mr Nujoma stressing the need for a mixed economy.

However, his cabinet was in the throes of drawing up an investment code to ensure that foreign companies "were good citizens and respected the rights of workers", he told the cheering crowd.

Although the new president's speech was aimed at allaying international investor fears, he continued to extend the olive branch to South Africa when he announced his government's willingness to medi-



TALKS ... ANC leader Mr Nelson Mandela chats to US Secretary of State Mr James Baker after a meeting in Windhoek yesterday.

Picture: REUTER

ate between the African National Congress and President F W de Klerk's administration.

This was in keeping with earlier statements in which he lauded the role of Mr De Klerk in bringing about the end of colonialism.

Throughout his stay in Namibia, the SA state president was feted with a warmth only equalled to that granted to Zambian state president Mr Kenneth Kaunda.

Even to the ordinary Namibian, Mr De Klerk was something of a hero, receiving roars of approval and constant applause during his speech that preceded the lowering of the South African flag. — Sapa

# A world without buffers

While it was President F W de Klerk whose presence — and funds — graced Namibia's independence ceremonies in Windhoek this week, the key decisions which mandated the event were taken in the reign of his predecessor. But it is refreshingly symbolic that De Klerk should appear on this stage.

The abandonment of the costly territory and its associated military enterprises was an early consequence of an essential basis of reform — the acceptance of limited resources. F W has been encouraging South Africans to live in the real world and that includes independent Africa.

It does not take all that long a political memory to recall the days when SA was surrounded by what were actually called buffer states: Mozambique, Angola, South-West Africa, Rhodesia, even the Protectorate. They were a buffer most obviously militarily, though this was always overstated, but also economically — being in effect an internal market buttressing the pillars of the central apartheid State.

As their amiable role declined — through a convergence of forces, military, economic and political — SA was increasingly exposed to chill winds made worse by ideological obduracy, madcap schemes to buy time and influence, and warlike interventions and raids.

The whole sorry tale is unlikely ever to be fully known, and the revelations of the Harms Commission are only the latest in a long, dreary sequence of misguided behaviour and bad faith. As this might suggest, the buffer position of the former colonies shifted internally — with the invention of the homelands, but also with State-contrived barriers between people and ideas.

Clearly, De Klerk looked ahead and saw that it could not go on, and that it shouldn't be paid for in economic degradation. There would be no winners.

Maybe P W Botha also saw what was coming; but he couldn't move consistently to reform, then ran out of time.

With the independence of the buffer states, and abolition of apartheid within the foreseeable future, the cogency of military solutions in southern Africa is dissipated. And with that, a great deal of African nationalistic fervour directed at SA as the final enemy.

The inexorable decline of European command economies presses on with another lesson for former colonies: that interdependence, access to Western capital markets and sound economic planning are prerequisites for success. The closer to independence, the less Namibia's socialists beat the drum. It is almost silent now. ■

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LUBOWSKI FIM 23/3/90

## More secrets

The SA Defence Force has silenced Nedbank, which now may not divulge any information on the financial matters of slain Swapo member Anton Lubowski. The SADF invoked the same legislation used by former President P W Botha when he exempted four SADF members from prosecution in a Windhoek murder case some years ago.

(221A)  
Serving the bank with a "Section 118 (1)a certificate", the SADF has ensured that Lubowski's lawyers are unable to investigate a trust account which Lubowski controlled while on the Swapo executive in Namibia. (This section of the Defence Act provides for a certificate prohibiting publication of any information regarded as sensitive.)

Johannesburg advocate Martin Luitingh, representing the Lubowski family, has appealed to Judge Louis Harms to intervene. The Lubowski family has retained Luitingh to counter claims made by Defence Minister Magnus Malan that Lubowski was a paid agent of Military Intelligence.

The FM learnt this week that Lubowski controlled an account, the "Paradiso Trust Bond Account". The account number is 10094 28 144 and the registered address is: A T E A Lubowski, PO Box 3714, Windhoek. A Nedbank head office spokesman has confirmed to the FM that the bank has been prohibited by Section 118 (1)a from making any statements or divulging anything about Lubowski's affairs.

However, it does seem that Lubowski controlled big sums of money through Paradiso Trust. While no one at Nedbank can divulge the information, reports before the injunction was served speculated that money was constantly being moved in and out of the trust account before Lubowski's death. Apparently the account contained about R200 000.

In his submission to Judge Harms, Luitingh said he was alarmed at the lack of detail presented by the SADF in their *in camera* evidence to the commission. Luitingh was given access to the evidence by

FIM 23/3/90

Harms.

(221A)  
The attitude of the Lubowski family has always been that they would like to assist the commission, said Luitingh. "You have referred us to certain accounts and investigations," said Luitingh. However, when he approached Nedbank to inspect the Paradiso trust account, he was told that a certificate had been served.

Luitingh added that the Lubowski family will challenge the validity of the certificate in court, should Harms not be empowered to intervene. "I do not accept that the SADF has the right to do this," he said. "I regard it as high-handed conduct ... contrary to President De Klerk's speech on March 1 that the commission would open the allegations to the bone."



Luitingh

Meanwhile, a Nedbank source has denied allegations made to the FM that the branch manager in Windhoek was instructed to destroy all records of deposits to the account. The source has also denied that Nedbank has been investigating possible forex contraventions amounting to R100 000.

□ The FM reported two weeks ago that a mysterious man had visited Lubowski's sister, well-known TV presenter Joleen du Plessis, three weeks after her brother's assassination.

He claimed that Lubowski had been murdered by Swapo and alleged that misappropriation of funds had been one of the reasons for Lubowski's death.

Eddie Botha

# Namibia faces legal threat over fish quotas

CAPE TOWN — Two SA-based fishing companies in Namibia are to take legal action against the Namibian government after their pilchard allocations were reduced by more than double the percentage of other concessionaires.

The two Oceana Fishing subsidiaries, Namsea and Swafil, were informed by the Namibian authorities last week that their allocations for the season starting March 1 had been cut by 51,6%. The total pilchard quota was reduced by 20% to 40 000 tons.

The allocations of other SA and Namibian companies with fishing rights in the region were reduced by between 8,2% and

LESLEY LAMBERT

25%, compared with last year, while 10% of the quota is understood to have been held back for Namibians.

Oceana director Sol Pick said yesterday that the treatment of the two subsidiaries was unjustified and unequitable, especially in view of the already low pilchard allocation. To protect the interests of their shareholders, the directors of the companies had decided to take legal action, he said.

SA fishing companies with interests in Namibia expressed concern earlier this month after the Namibian authorities an-

nounced the total quota, but delayed the announcement of allocations.

They were concerned that the government might offer concessions to other foreign and domestic companies, watering down the existing concessionaires' allowable catches and placing further pressure on already diminishing returns in the fishing industry. (221A)

The quota is allocated between about eight fishing companies, including Fed-Food subsidiary Marine Products, Premier Milling subsidiary Etosha Fishing and the two Oceana subsidiaries.

8/10/87 23/3/90



COMPANIES

ARGUS 23/3/90

221A

# Namibia fishing companies to fight 'unfair' quota cuts

By DICK USHER,  
Business Staff

In line with new...

TWO leading fishing companies are to take legal action against Namibian authorities over the "disproportionate" cut in their pilchard quotas for the 1990 season.

Namibian Sea Products (Namsea) and its subsidiary South West Africa Fishing Industries (Swafish) announced their decision today and said the net effect of the cuts could reduce earnings for the current year, by R450 000 for Swafish and by R570 000 for Namsea.

According to the companies, while Namibian authorities had reduced the total allowable catch of pilchard by 20 percent to 40 000 tons, their allocations had been reduced by 51,6 percent.

They said that this reduction was considerably in excess of those made to the quotas of other concessionaires which ranged from 8,5 percent to 25,8 percent.

The boards of directors thought that the "disproportionate reduction in the company's pilchard quota is totally unjustified and inequitable, specially in view of the already low quota allocation."

**NAMIBIA**

The port town of Walvis Bay is still foreign territory to the newly independent Namibia, writes ALLISTER SPARKS from this town. But there is speculation that within the next few months, the South Africans may declare the town a free port.

221 A

# Free port status for enclave town?

**A** Namibia became independent this week, the disputed port town of Walvis Bay on its western seaboard was thrown into an anomalous position — a crucial asset to the new country, yet not actually part of it.

Walvis Bay is Namibia's only port, yet it legally belongs to South Africa. Together with 1 134sq km of surrounding desert dunes, it was annexed by the British government in 1878 and attached to the Cape Colony, which later became part of South Africa, before Bismarck colonised the rest of Namibia for Germany six years later.

This means that since independence the little enclave is foreign territory to Namibians, although all their international trade will still have to pass through it.

There was widespread speculation in Walvis Bay this week that President F W de Klerk would announce some form of concession on the port during his speech at the independence ceremony in Windhoek, but he made no mention of it.

**S**OME key people in the town, such as Mayor Nico Retief and the port director, William Sewell, believe he will still do so within the next few months. They are pressing the South African government to declare Walvis Bay a free port, similar to Hong Kong, which would still be nominally owned by South Africa but leased to Namibia and administered by it.

Mr Retief said he had been invited to Pretoria on March 28 for talks with a government committee appointed to investigate the free port proposal.

South Africa took over the administration of the former German colony — then called South West Africa — under a League of Nations mandate after World War One. For 58 years it administered Walvis Bay as an integral part of Namibia, but as the campaign by black nationalists for the territory's independence gathered

momentum it reasserted the port's separate status in 1978.

This was clearly a move to give Pretoria a hold over the territory should it become independent under a hostile black government.

Apart from giving it control over Namibia's only trade outlet, South Africa has also used Walvis Bay as a military outpost, with army, navy and air force bases here.

**T**HE new Namibian government refuses to acknowledge South Africa's claim to the enclave, arguing that it is the result of deals struck between colonial powers in the last century from which the indigenous people were excluded and which they do not now recognise. Accordingly the independence Constitution regards Walvis Bay as an integral part of Namibia, and its citizens as Namibians.

This will lead to many anomalies. Most residents of the enclave will become dual citizens, including Chris de Jager, who is the MP for

Walvis Bay in the South African parliament but is regarded as a Namibian citizen by the new government in Windhoek and will be allowed to vote in Namibian elections too.

South Africa has set up border checkpoints at the entrances to the enclave, but Namibia has not done so on its side of the border.

Mr Retief admits that the town's disputed status is causing a lot of uncertainty among its 27 000 inhabitants.

"We realise that without Namibia, Walvis Bay is nothing, and without Walvis Bay, Namibia is nothing," he said. "At the same time we realise that South Africa is not just going to give it away. Governments don't do that sort of thing."

**I**F a referendum were held, Mr Retief believes a majority of people in the enclave would vote for incorporation into Namibia. "Most people here have their lives and business activities wrapped up with Namibia rather than South Africa," he said.

**Weekend FOODS**

He believes the free port proposal would be a fair compromise. "I think South Africa could keep the land but allow the administration to pass to the Namibian government. Then it could declare the enclave a free port or customs free area, boosting its attractiveness as a site for industrial development. That would benefit everyone."

Harold Dennewill, head of a big stevedoring company, thinks it could be done in three stages. First, South Africa could allow Namibia unrestricted use of the port for a trial period of two or three years, then declare it a free port.

Shewell, who also favours the free port idea, is enthusiastic about the potential of the harbour he administers. Its capacity can be expanded almost without limit and it also has the fastest turnaround of any harbour in Africa. This, Shewell says, is arousing a lot of interest in the landlocked countries of central Africa that want to reduce their dependence on South Africa's transportation system but find other trade routes inefficient and slow.

# Now Sam looks to economic upheavals

5 Times 25/3/90 221A

**PRESIDENT Sam Nujoma** of Namibia has said that a healthy, growing economy is a necessity for real freedom.

Namibia is hoping European countries, such as West Germany and Britain, will pump in substantial aid and that international companies such as Tiny Rowland's Lonrho will invest.

Germany has committed itself to giving aid to specific development projects of \$59-million and Britain of £10-million.

United Nations Secretary-General Javier Perez de Cuellar announced this week that he is to launch a UN donors' conference in June.

## Investment

Namibia is also hoping for major investment. Bob Meiring, chairman of the First National Development Corporation, believes Namibia can achieve a growth rate of 10% a year in its first two years of independence — up

By Peter Kenny  
Windhoek

from an estimated annual growth rate of 1% per annum in the last decade.

A large part of Mr Nujoma's second speech on Independence Day was an appeal for foreign — including South African — investment.

"Our economy will not be able to generate all the capital necessary for economic development. We welcome inputs of capital and technical know-how from abroad," said Mr Nujoma.

Gone was the Marxist jargon that would have characterised his speeches a year ago.

Mr Nujoma said: "Now that we have won our independence we must focus our attention on economic development."

In 1989, Namibia had a budget of R2 238,9-million and a GDP of R3 743,3-million. The economy is still very much in the hands of the 80 000 whites, while the majority of the population is still dependent on agriculture.

In 1988/89 agriculture contributed only 8,8% (R328,3-million) to GDP, but approximately 70% of the population of 1,8-million are dependent on it.

The major employer in Namibia is the bloated public service. The far north became dependent on the security forces during the long war. Depressed economic conditions were exacerbated by corrupt ethnic governments.

## Agreement

The potential economically active population in the formal and informal sectors is 430 000. There were 184 983 economically active persons in the formal sector in 1988 and the unemployment rate was estimated at about 20%.

The first joint venture between the state and private enterprise was announced on Independence day when the government said it had agreed "in principle" to the establishment of a sugar industry with Lonrho.

Namibian Agriculture Minister Gert Hanekom and Lonrho chief Tiny Rowland said: "The project should become the backbone of a major agricultural development in the northern region of the country, providing direct employment to some

4 000 people and opportunities to local farmers."

In the initial stages it is envisaged that the project will produce approximately 60 000 tons of sugar annually at an estimated capital cost of \$150-million.

Finance Minister Otto Herrigel said Namibia would remain in the Southern African Customs Union and in the rand monetary area for at least two years after independence.

"To stop movement of cap-

ital out of Namibia and to encourage its inflow leaves us with only one option: to create attractive economic and business conditions."

Namibia would, he said, establish its own central bank and later its own currency.

Mr Herrigel indicated that free market principles and investment would be encouraged by Swapo. He cautioned that the newly emerging state would have a budget deficit of R500-million in its first year of independence.

221A

**Cheers!**

WWT 26/1/70  
T-113

WINDHOEK. — Guinness has concluded an agreement with South West Breweries to brew its product in Namibia.

Guinness is well established in Nigeria, Cameroon and Ghana and Namibia will be the 15th African state to produce the well-known bear. — Sapa



Aid for (221A)

Namibia <sup>Some Jan</sup> 27/3/90

WINDHOEK - The European Economic Community is to provide Namibia with R28 million to support priority projects, the *Namibian* newspaper reported in Windhoek yesterday.

B/day 28/3/90

221A

## Media will be required to perform crucial role

THE Namibian media will be expected to perform the crucial function of raising the general level of knowledge as a pre-condition for development, says Information and Broadcasting Minister Hidipp Hamutenya.

Speaking at a conference on the electronic media this month, Hamutenya said Namibia needed to develop a vibrant media system "without which our newly liberated electorate cannot understand the intricacies of a modern democratic social order and be able to make responsible judgements."

To this end, radio and television should play an active role in education programmes.

Television services should be made available to every region through the acquisition of a satellite distribution network to complement the transmitter network.

It is estimated about R6m a year will be needed to acquire the earth station and satellite channel.

"Meeting the educational and cultural needs of the masses via the television medium is one of the imperatives for which money should be found to redress the prevailing inequity between the urban and rural communities."

Imported programmes should be carefully selected and contextualised vis-a-vis Namibia and this region of Africa.

"The programming policy should give priority to education and news. Mobilisation towards reconciliation and unity should take second place and entertainment — especially of the American soap opera kind — could take last place," he said.

B/day 28/3/90 (221A)

# Smiling Sam turns attention to luring foreign investors

AFRICA'S last colony gained its independence after 105 years under foreign rule and newly elected President Sam Nujoma has barely stopped smiling since midnight on March 21.

He has a lot to smile about.

After decades of wrangling and battle, Namibia won independence and, in an election in which 97% of the electorate participated, Swapo won 41 of the 72 seats in the Constituent Assembly.

The newly created Republic of Namibia has won instant recognition from the international community.

Hours after independence, US President George Bush announced the US would be establishing full diplomatic relations.

Portugal, Yugoslavia and Turkey were also quick to announce the establishment of full diplomatic relations with Namibia.

In Africa, Namibia can look forward to establishing ties with all of its neighbours, including SA, and joining the ranks of the OAU, SADCC and the UN, among others.

In his second public speech as President, Nujoma told his people: "Now that we have won our independence, we must focus our attention on economic development. We have inherited a lopsided and underdeveloped economy.

"Two thirds of our population are very poor by our standards and by the standards of the world," he said, calling for foreign investment.

His call for foreign investment has not gone unheeded. Hours after Nujoma took office, Namibia announced it had signed a \$150m investment deal with British multi-national Lonhro to establish a sugar project in the north of the country.

The Lonhro project will be the second biggest investment in Namibia after the Rossing uranium mine.

It will create 4 000 jobs and opportunities for local farmers, while producing 60 000 tons of refined sugar a year in the first stage.

The ultimate aim of the project is

to provide 100 000 tons a year after four to five years. This will meet Namibia's local consumption of 40 000 tons a year and provide a surplus for export.

Bush said the US was "lifting sanctions against Namibia and as a full trading partner we are taking steps to ensure that it is given access to the American market".

Canada, which is to provide more than R10m in assistance to Namibia this year, also lifted its sanctions. Of prime importance to the Canadians are the contracts for processing

ue to Z\$3m within the next 12 months.

"Building materials for factory sites, power-grid link-ups, joint tourism promotion, inputs to agricultural development, technical assistance and joint ventures could be on the cards," the report said.

And Consolidated Diamond Mining (CDM), part of De Beers, announced it would donate R5m for an educational project as an "independence gift". It is envisaged the money would be used for the establishment of a National Institute for Education Development.

Nujoma said in his first major policy speech on Independence Day an investment code for international investors would be drawn up informing them of opportunities and ensuring that foreign companies were "good citizens and respected the rights of workers".

"We are committed to a mixed economy. In this regard, we look forward to a good partnership between the state and the private sectors, because only through working together will our economy prosper," said Nujoma.

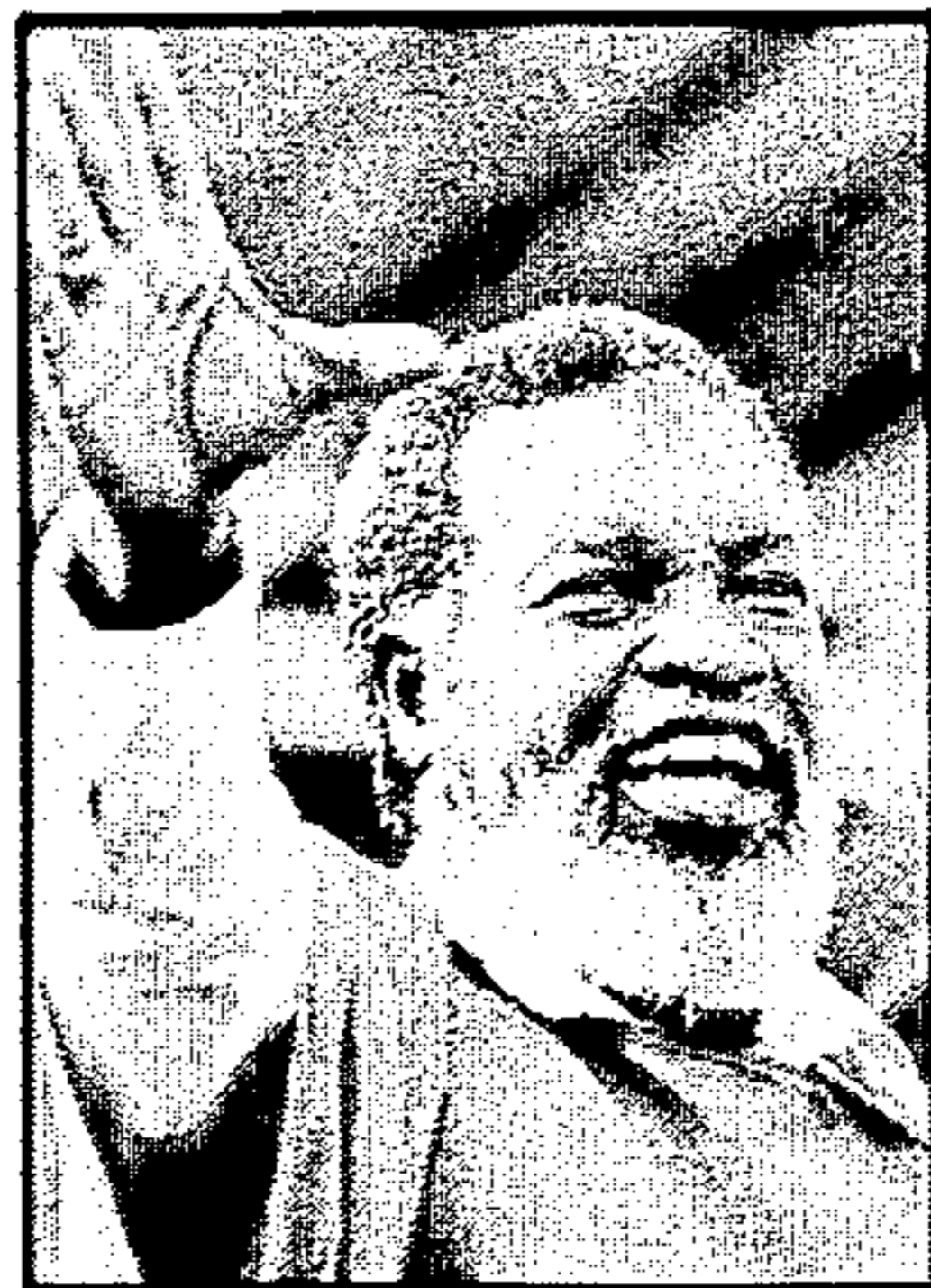
And in another discourse showing Swapo has shed its hardline Marxist policies, Nujoma said joint ventures in the fishing, karakul and mining industries involving local private and foreign capital would be the mainstay of the economy.

The government would ensure that its investment in water supply projects, energy and the country's infrastructure helped create jobs and boost national development.

Tracing the economic difficulties the fledgling state faced, Nujoma said the budget deficit of R500m was a great cause for concern. It restricted job creation and placed a great strain on imports, particularly food.

"As a result, we encourage people to remain on the land and to conduct subsistence farming. We know that with foreign investment and technical assistance, the north would be able to feed the entire country."

However, there was a great need for companies within Namibia to process the country's diamonds, karakul and fish resources.



SAM NUJOMA

Namibian uranium, mined by Rossing Uranium.

Angola sent a trade mission to Namibia before independence.

Trade between Zimbabwe and Namibia is expected to rise three-fold in the next year as the business community in Namibia takes advantage of prospects opened up by independence, according to the latest edition of the Southern African Economist magazine.

It estimated the present value of trade between the two countries was almost Z\$1m, mainly in pottery, metal products and textiles, but there were predictions the base could be broadened to increase the export val-

# Business Day

## SURVEY

*Namibia's independence carries the burden of the high expectations of the majority of its people. Most organisations concerned with investment and development believe Namibia has the potential to meet these expectations. However much depends on the first policy decisions.*

**MANDY JEAN WOODS reports.**

### TRADE LINKS WITH ANGOLA SET FOR SPEEDY REOPENING

*Business Day 28/3/90 (221A)*

FORMAL trade links between Namibia and Angola could be established within weeks of independence, says Windhoek attorney Peter Koep.

At the request of the Angolan government and Namibian President Sam Nujoma, Koep organised a visit to Angola by group of Namibian businessmen in late January to investigate opening up trade.

"It was only once we arrived in Angola that we realised the extent to which the economy had suffered as a result of the war and decolonisation," says Koep.

"Angola needs everything. The Angolans are keen to trade with Namibia, especially foodstuffs, spare parts, engines and heavy machinery."

The country is also in dire need of expertise and technology.

The Namibian delegation made contact with a Namibian bank and the Angola Reserve Bank with a view to financing and expediting trade between the two countries, he says.

An Angolan trade delegation visited Namibia in early March to investigate Namibia's resources. They were impressed by the availability of goods, competitive prices and infrastructure Namibia offered.

Koep says: "They went to Walvis Bay to see off-loading of refined oil, cement and timber facilities. They were surprised to see how under-utilised the harbour was."

"The delegation was very keen to get business going. They want southern Angola to be serviced from Namibia and are already looking for road contractors to start upgrading the roads."

"The cheaper cost of transport and the weaker currency makes it far more viable for Angola to purchase its goods from Namibia. Even our imports are cheaper to export to Angola than for them to import it from elsewhere."

# 'Loan financing at manageable level'

22/1A

NAMIBIA is a country of 823 000km<sup>2</sup> of generally arid areas with large tracts of uninhabitable land, low, unreliable rainfall, and a population estimated at between 1,2-million and 1,7-million, of which about 500 000 make up the workforce.

It is estimated that between 20% and 30% of the workforce is unemployed and a similar proportion involved in subsistence agriculture, meaning they are effectively underemployed, says First National Development Corporation executive chairman Bob Meiring.

About 70% of the population lives in rural areas and the current migration to urban centres is estimated to increase these populations at 6% a year.

The 1989 Gross Domestic Product was R3,7bn, which represents a growth rate from 1978 to 1987 in uncor-

rected currency of 12% a year against an inflation rate of slightly more.

"The consequence is that the real income per capita is declining," he says. "An encouraging turnaround has occurred in the last three years with a small increase in real GDP."

Government expenditure totals slightly less than R2bn a year which is equiv-

alent to some 50% of the GDP and represents a contribution of some 22% to the GDP, Meiring says.

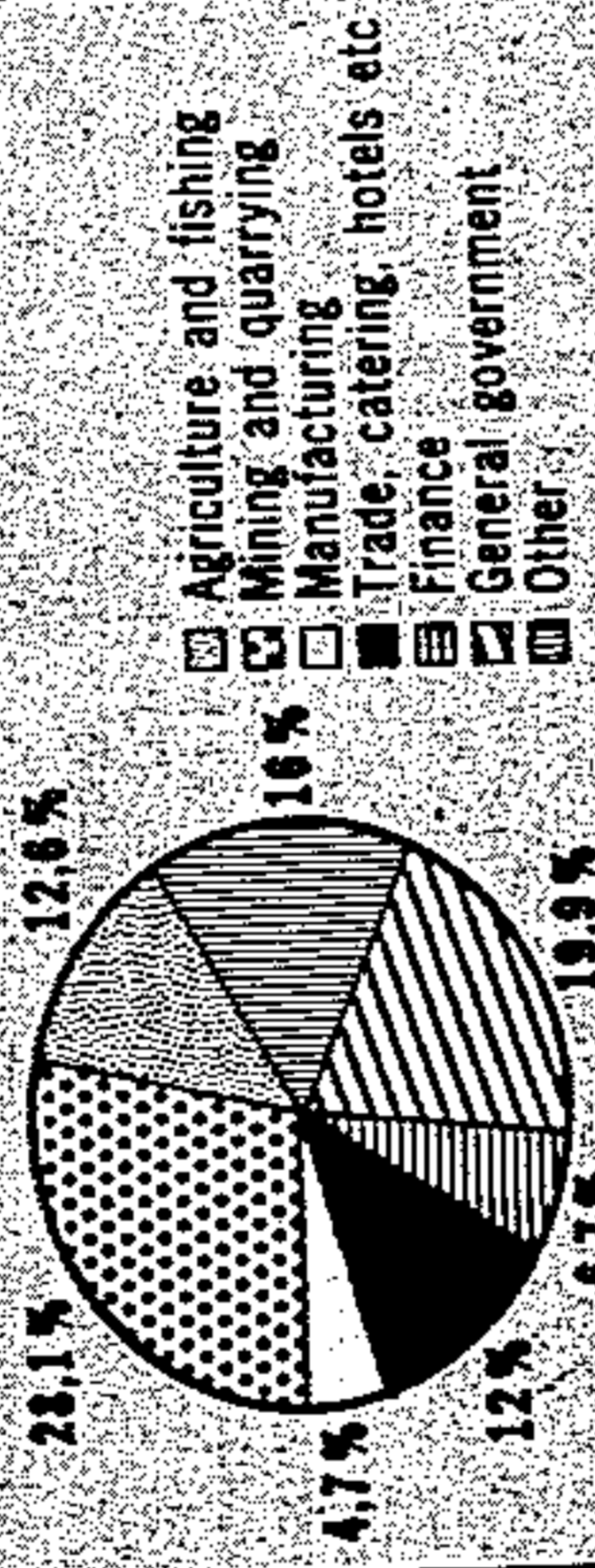
"Three percent of expenditure is financed through debt. Current loan financing costs 20% of the total budget. That covers loan servicing and capital redemption; a very manageable amount in international terms."

The distribution of the remainder is:

- R500m (25%) to second tier administration;
- R155m (9%) on the police, of which R37m was for crime prevention and R104m for counter insurgency;
- R122m (6%) for the army;
- R144m (7%) was for education, but about the same amount again was spent out of the administrative authority vote;
- R116m (6%) — about R70 to R90 per a person — for health.

Namibia's income is derived from mining taxation (R230m); sales tax (R254m) other company taxation (R120m); fuel tax (R100m); customs and excise duties (R394m); payment from SA (R158m) of which is for Resolution 435 implementation and debt finance (R55m).

## GDP structure - 1988



Graphic: FIONA KRISCH Source: STANDARD BANK, NAMIBIA



## Fishing industry could be big export earner

NAMIBIA'S fishing industry is gearing up for better times as independence brings full recognition of the extension of its territorial waters to 200 nautical miles.

Fishing quotas will now have to be negotiated with the Namibian government which will receive the royalties. Local fishermen also stand to gain from having first option on a larger fishing area.

The fishing industry is regarded as a potentially significant growth area.

In a report completed last year for Asso-com, Unisa's Prof Ben van Rensburg says about 8 000 people, about 1,5% of the economically active population, work in the fishing industry.

"In spite of severe declines in fish production since 1970, the industry still contributes to foreign exchange earnings, mainly through the export of unprocessed fish and rock lobsters," he says.

A review of commerce and industry in Namibia (SWA/Namibia Review) says Namibia has been losing out on concession fees and other revenues from countries who hitherto did not recognise the 200 nautical miles fishing limit afforded internationally recognised countries.

Thus, the waters off Namibia have been over-exploited by long-distance fishing fleets belonging to countries such as Russia, Poland and Spain.

Government has taken a first step towards ensuring stocks are built up and exploited on a sustainable basis with maximum benefits accruing to Namibia, a

Financial Times report said. The initial move was the deployment of a Norwegian scientific research vessel for an independent assessment of present stocks.

Development in this sector, while only contributing marginally to the creation of new job opportunities, will probably boost the export earnings potential of Namibia, he says.

For example, in 1986, more than 375 000 tons of Cape hake were caught off the coast of Namibia which, in terms of revenue, would have been equivalent to twice the entire annual budget of Namibia that year.

"In comparison, Namibia's catch of kingklip and hake in 1987 was 26 000 tons, which generated R34m."

Until 1977, Namibia was the world's leading supplier of pilchards and some 60% of SA's total fish landings were from Namibian waters.

Anchovy harvesting has fluctuated from a peak of 376 000 tons in 1978 to just 14 000 tons in 1984. Hake catches have shown similar declines and the average is now about half the 1972 peak of 800 000 tons.

But experts say the government plans a state-run fishing corporation and believes private investment may be inappropriate, the Financial Times reports.

Agriculture Minister Gert Hanekom says government has formulated a fishing policy. But details are unlikely to be made public before complex bilateral negotiations begin with foreign fleets on quotas and royalty payments.

Namibia

22/1A

# Windhoek in middle of R200m building boom

A CONSTRUCTION boom is on in the Namibian capital of Windhoek with projects worth R200m being built.

The foundation for the expansion in construction was laid in 1984 when the Windhoek City Council initiated a plan to revitalise the CBD and stimulate private sector to investment in the CBD.

- The current projects include:
- Development of the Post Street Mall by the city council as part of the master plan for revitalising the CBD;
  - A R47m building by Sanlam creating a 4 100m<sup>2</sup> retail space and 14 700m<sup>2</sup> office space. It is expected to be completed by July or August this year;
  - A R44m building by Old Mutual creating 10 000m<sup>2</sup> retail space and 5 000m<sup>2</sup> office space. The main tenant will be Edgars. It is

expected to be completed by October this year.

- A R52m development by Ohlthaver & List Trust Company creating 19 000m<sup>2</sup> retail shopping space. It is expected to be completed by August or September. More than 85% of the 72 stores are already let.
- A R14m building by Southern Life creating 480m<sup>2</sup> retail space and 3 700m<sup>2</sup> office space;
- A R35m, 250-room hotel being built by the Safari Hotel group;
- Alterations on five buildings totalling more than R6,5m which will create more than 210m<sup>2</sup> retail space and 1 000m<sup>2</sup> office space.

A council spokesman says another shopping complex, still being planned, is expected to cost about R75m.

In addition, the city earlier this month called for tenders for the development of a hotel and parking complex opposite the Kalahari Sands Hotel.

It could also include a casino, depending on whether or not legislation permitting gambling is passed by the new government.

CBD Association president Willie Braak says the new developments are prompted by three main factors: the almost total lack of development in the city for the past 10 to 15 years, creating a serious backlog; the municipality's decision to revitalise the CBD and create opportunities for developers; and the demand for office and retail space created in part by companies from SA wanting to establish themselves in Namibia.

Once the new developments — all within

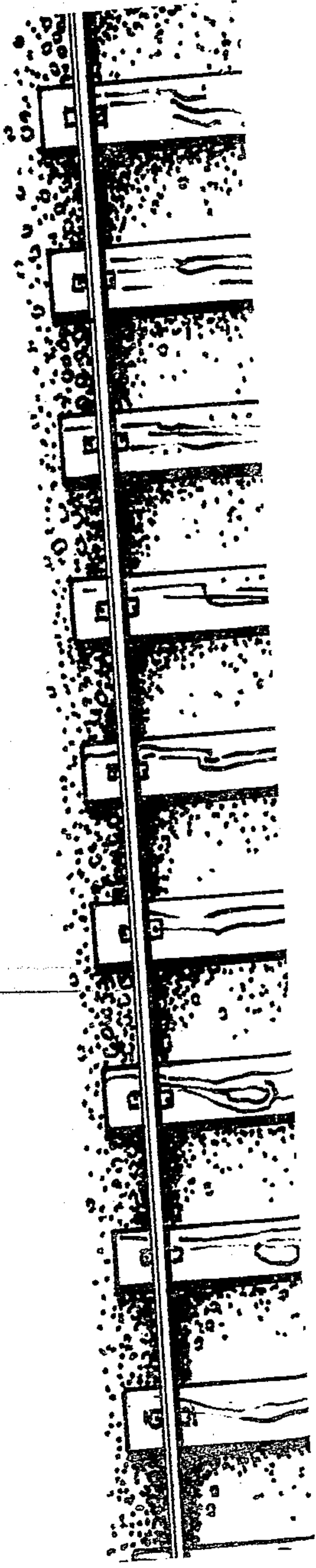
a block or two of each other — are completed, it will change the shopping habits of Namibians, Braak says.

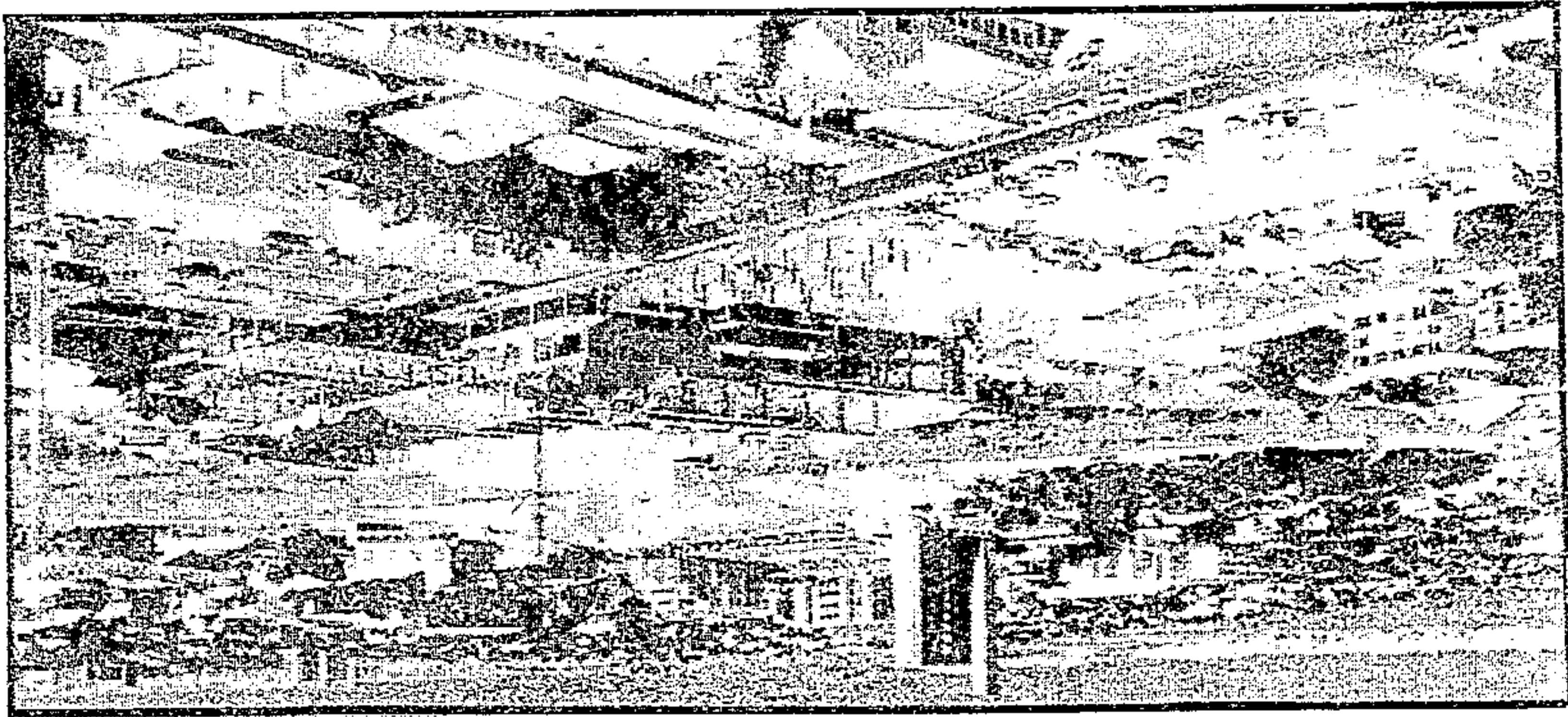
Research conducted by Ohlthaver & List Trust Company shows that R545,7m is spent annually in Windhoek, of which about 84% (R458m) is spent in the CBD. About 73% of all shopping facilities in the region are situated in the Windhoek CBD.

More than 118 954 potential shoppers live within eight minutes drive of the city centre and about 52 000 potential shoppers live within one hour of the city centre.

Chief town planner Barry Watson says the increased centralisation and changed entry points into the city centre are the two main changes that will be effected by the CBD development plan.

"Ultimately, it will be economic conditions which will determine shop sales. Economic conditions can be influenced by a positive attitude towards the future," says Watson.





Several building projects which will radically alter the look of the Windhoek CBD are nearing completion.

# Fulfillment of plans depends on initial policy direction

NAMIBIA has the ability to be self-reliant and to ultimately achieve the socio-political objectives of the new government.

But the fulfillment of these objectives depends on the direction government now takes, says First National Development Corporation of Namibia executive chairman Bob Meiring.

His remarks form part of a position paper on the socio-political framework for successful economic development in Namibia published in late January.

The availability of finance and the quality of spending will decide the rate of social progress in an independent Namibia, he says.

Finance Minister Otto Herrigel had indicated he would seek R500m in grant aid in the first year of his administration to balance the budget. He was also seeking the same amount annually for the next five years for development projects in agriculture, education, health and housing.

Meiring said: "The initial step will indicate whether Namibia will rise above its status as a Lesser Developed Country or fall into the Third World scenario."

"Potential exists to redistribute a high proportion of the budget to more productive purposes, especially the areas of education, health services and to provide capital for development," Meiring says.

"The Namibian economy was fragile and political democracy in its infancy. The extremes of social and economic inequality were wide and created an extremely emotional situation. The government was faced with the dilemma of re-pairing this inequality."

"If money is going to be generated internally it is necessary to re-allocate the limited resources to allow for additional expenditure on development or, it could also allow and indeed, actively encourage, foreign investment."

Success in achieving this was dependent on developing a suitable financial environment.

## Discounted

"It is recommended that estimates of promised donor aid are discounted significantly in reaching the directional decision," he says. Recent developments in Eastern Europe had turned potential donors' attention to the potentially more lucrative markets there. Also, donors are not ready to give money unconditionally; they wanted government to invest donor aid wisely.

"Borrowing, even on soft terms is not recommended as Namibia will have no control over the hard currency exchange rates and will carry its own risk and the cards are, initially, stacked against a strong local currency," he says.

"The final option is the only one left and is the difficult one as it is a socio-political decision by government."

"If money is going to be generated internally it is necessary to re-allocate the limited resources to allow for additional expenditure on development or, it could also allow and indeed, actively encourage, foreign investment."

Success in achieving this was dependent on developing a suitable financial environment.



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221A

### Explosion of travel links expected to open up new destinations

TRIPP Travel, an established Windhoek travel agency, is gearing itself for the future through developing links with airlines new to the Namibian skies.

Tripp MD Erich Kohne says his business has cashed in on the new Zambia Airways link between central Europe and Windhoek, via Lu-saka.

The agency has also put out feel-

ers to expand its tourist market with Air Botswana's idea of linking Windhoek and Maun, the gateway to the Okavango Delta.

Air Botswana's link to Maun will also go on to the Victoria Falls in Zimbabwe, Kohne says.

Another development which will assist international travellers is that diplomatic representations in Wind-

hoek will become visa-issuing offices.

"We expect this will save time and money as one has to keep sending off applications to embassies in SA at the moment," he says.

Tripp Travel is a recipient of SAA's Golden Wings Award for greatest increase in sales during the 1987-88 period.

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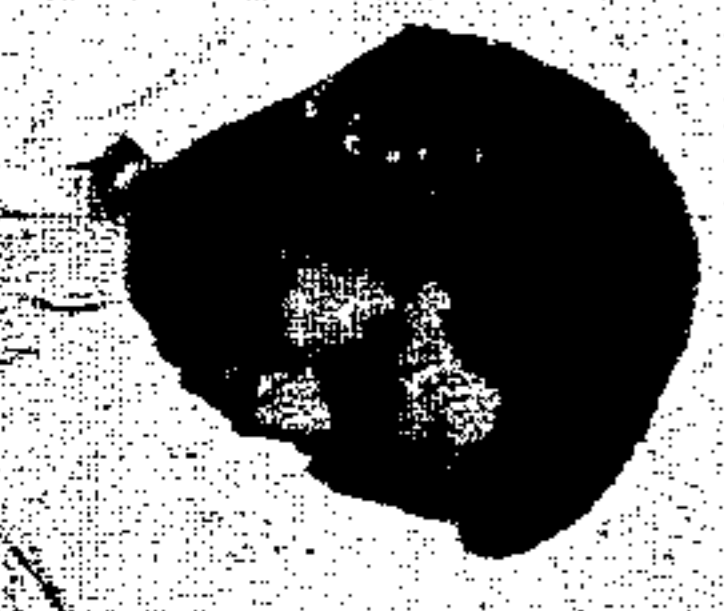
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# Race is on to prepare for big tourism boom

8/Dec 28/3/90

221A

TOURISM in Namibia is to some extent underdeveloped because of a lack of suitable infrastructure, says Directorate of Trade and Tourism assistant director Wilkie van Rooyen.

But with independence, things look set to change.

In the past year, more than R87m has been allocated for the construction of new hotels and the upgrading of existing hotels.

These include the Kalahari Sands refurbishment (R7m), the construction of the six-story, 252-room Safari Hotel (R40m), the Mokuti Lodge at the Etosha National Park (R17m), and a new Netgro/Karos hotel venture at Etosha (R23m) which is expected to open in December.

With the arrival of Unilag and numerous foreigners in the last year, hotel space has been at a premium.

"Windhoek has about 800 hotel rooms and they have been full for almost the entire year," he says.

In addition, Van Rooyen says, the Windhoek municipality earlier called for tenders for the development of a hotel complex in the city centre.

But it was not only politics that brought people to

the country. There are 44 privately owned guest farms, 40 safari companies and 64 hotels in Namibia, all of which have been operating at near full capacity for the past year.

More than 60 000 people a year visit Namibia, but this figure should now rise rapidly.

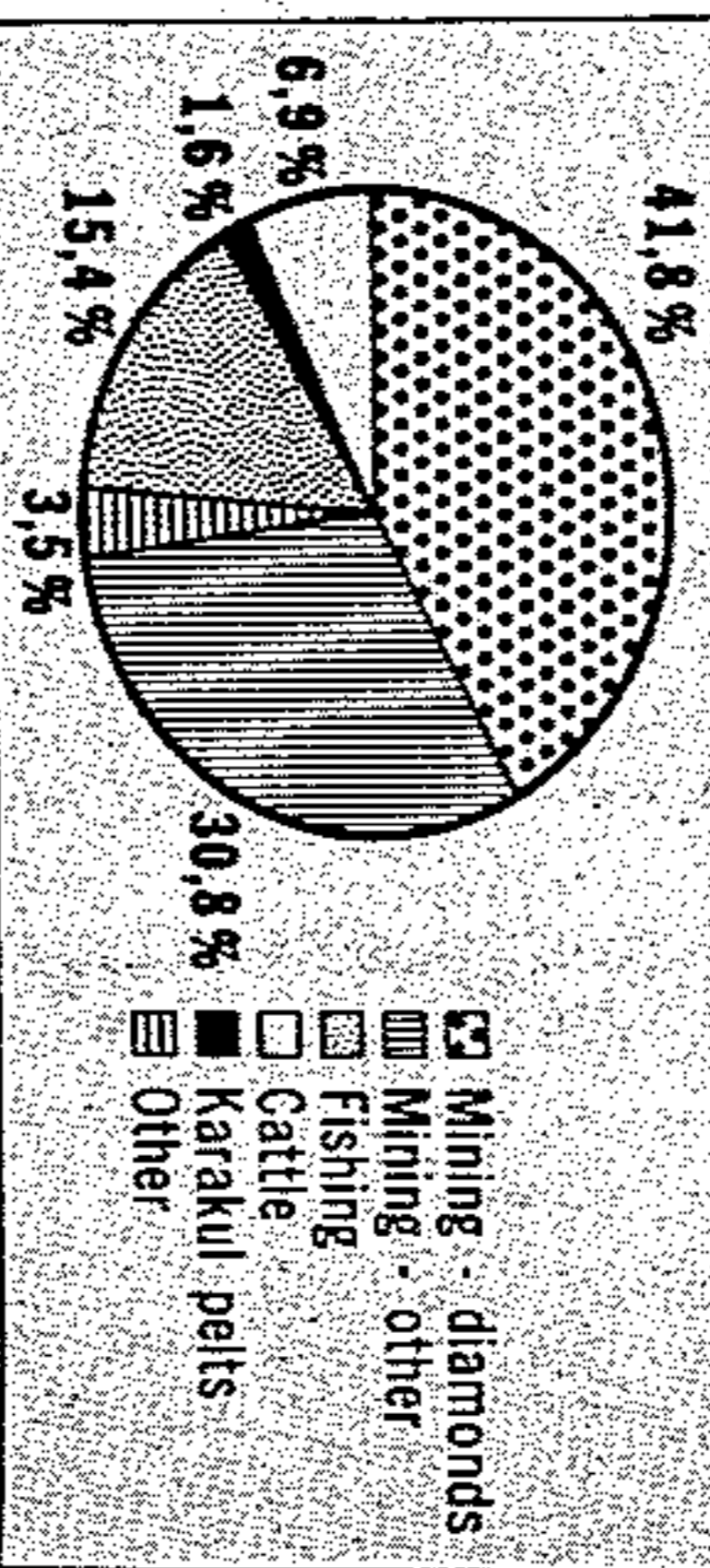
To support the mush-

70% of Namibia's tourists. Of the remaining 30%, West Germans comprise the majority.

"Our main marketing campaign was previously aimed at SA tourists. Now, with independence, we will spread our focus to the international community.

"We have already detected a new market develop-

### Breakdown of exports



Graphic: FIONA KRISCH Source: STANDARD BANK, NAMIBIA

rooming tourism industry, "there are lots of indications" that many international airlines will soon be flying into Namibia and including Windhoek on their routes. This is expected to further improve tourism's already hefty contribution to Namibia's foreign exchange earnings.

South Africans make up

The main attractions in Namibia are the sun, the space, the animals and the desert.

"Etosha, the desert and the national game parks are among the most popular attractions in Namibia," he says.

The scenic seaside town of Swakopmund, Luderitz, the Skeleton Coast, various hiking trails, including the Fish River Canyon, and guest farms and resorts are also popular.

"To protect our abundance of natural assets, a wide divergence of conservation areas and recreation resorts have been proclaimed throughout the country. These conservation areas extend over a 99 000km<sup>2</sup>."

Namibia has a wide variety of game and birds. Hunting, in particular, has grown into a valuable industry.

In 1988, 1 858 permits were issued to hunt 24 670 head of game, while the revenue earned from hunting was almost \$6,6m.

"Hunting also provides jobs for more than 3 600 people. The growth in the industry can mainly be attributed to legislation in terms of which ownership of game rests with land owners," he says.

### Luxury in bush proves an attractive option

8/Dec 28/3/90

221A

MOKOUTI Lodge, part of the Namib Sun hotel group, opened its doors late last year and is already drawing proving an attractive resort.

Mokouti, which means "in the bush", is just that. Located two kilometres from the Lindquist gate of the Etosha National Park, the lodge offers luxury accommodation in the heart of the bush.

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### GREAT POTENTIAL FOR IMPORT SUBSTITUTION

THE manufacturing sector contributes about Namibia's GDP and provides work opportunities for 5.1% of the labour force in the formal sector, according to the Economic Affairs Department.

The poor performance is attributable to the local market, the relative shortage of skilled power, the limited availability of capital and the high cost of transport for raw material finished products.

A further factor, according to the department's Export Trade Directory, is that most companies are linked to or have been developed SA and thus rely on the parent organisation to finished products.

With independence a greater emphasis is placed on self-sufficiency and reducing the unfinished goods. Great potential exists in the manufacturing sector for development of import substitution.

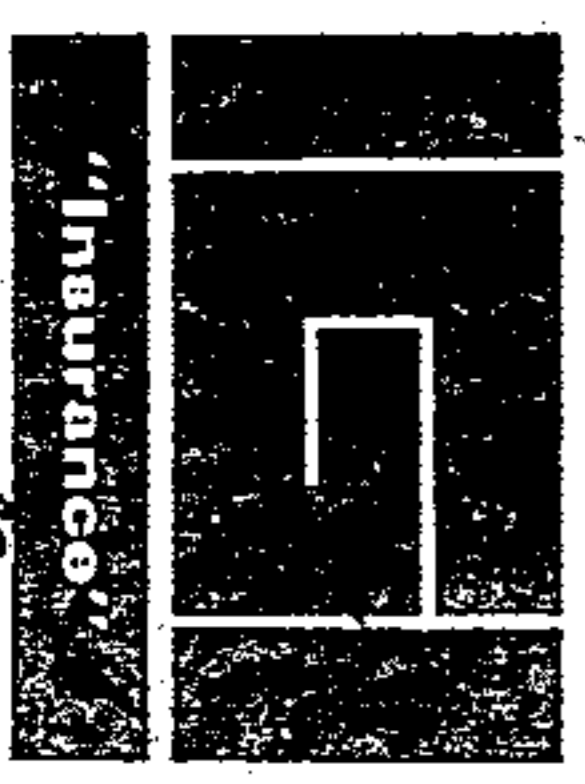
In recognition of this, virtually all centre adequately serviced land available for industrial development. However, relatively limited local resources necessitate planning for exports when economically viable options.

In the past 10 years, manufacturing has contributed an average of R523,6m (22,4%) to the country's

8/Dec 28/3/90 221A

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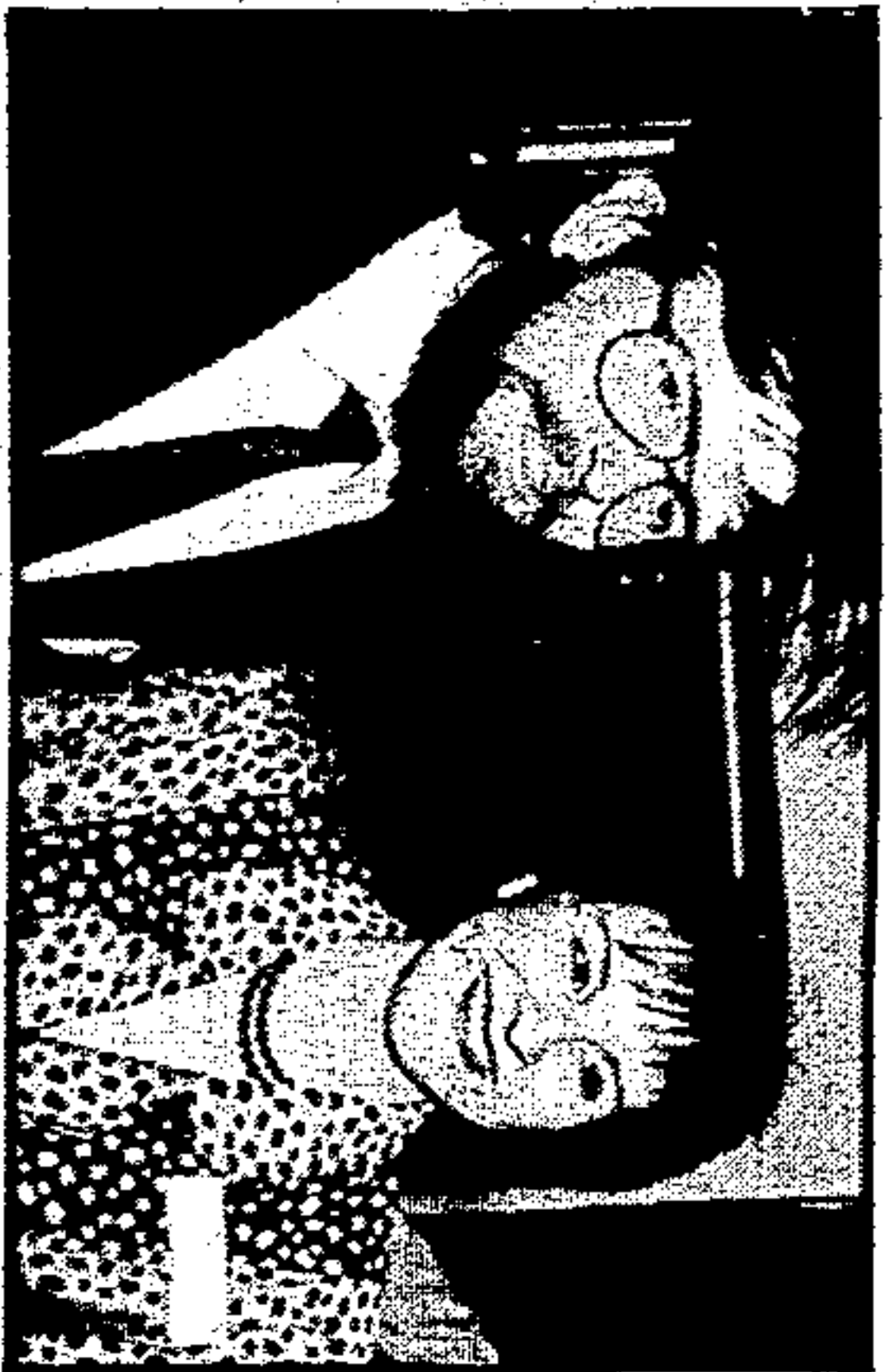
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The air-conditioned hotel, which can house up to 216 guests at one time, has eight two-bed rooms, eight five-bed rooms and eight luxury two-bed chalets. The second phase of the development will house additional conference facilities, children's playground, additional staff accommodation and other recreational features. The lodge currently employs about 130 full-time staff members, 20% of which are from Windhoek. The lodge is the eighth hotel in the Namib Sun hotel chain.



PAUL VAN SCHALKWYK AND CORETTE HAF

## 'Small fish' agency is thrust into big time

NAMIBIA'S independence and the opportunities it presented prompted one of the world's largest advertising agencies, Lintas Worldwide, to expand its one-man office in Windhoek to an independent full service agency. Lintas Namibia joint MD Paul van Schalkwyk says the approach by Lintas to take over his company, Advantage Advertising, which he ran with joint MD Corette Haf, was a surprise. "We thought we were small fish, so we were

surprised when they approached us with an offer to merge," he says.

Lintas wanted a more comprehensive service for its clients in Namibia. "They had also identified Africa as a growth area and wanted to be able to take care of their multinational clients," he says.

While Namibia has a small market, clients are realising adspend is not money down the drain, but money well spent, he says. "Our biggest client, the Department of Trade and Tourism, spends less than R250 000 a year - less than what one Johannesburg corporation spends on its in-house videos for the year."

A motor car hire company has only R200 a month for its advertising budget. Budgets are smaller because of the smaller markets and cheaper services. "For example, it costs R2 160 to flight a one-minute television commercial during prime time in Namibia compared to R20 000 or R30 000 for the same thing in SA," he says.

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## MERGER BEEFS UP BANK WINDHOEK

BANK WINDHOEK has merged with the Namibia and Walvis Bay branches of Boland Bank and Trust-Bank to form a new bank with assets of R380m.

In a statement TrustBank said the merger would be effective from April 1 and the bank would continue to trade under the name of Bank Windhoek.

The merger was done on purely economic grounds, although the independence of Namibia accelerated the process, the statement said.

Bank Windhoek will have a controlling interest (55,8%); other shareholders are Volkskas (18,7%); TrustBank (18%) and Boland Bank (7,5%).

It will have a staff of 360 and 11 branches.

The statement said the rationalisation had a number of advantages:

- Market share would increase to 18%, which made Bank Windhoek a serious player in the Namibian financial market;

- Operating costs would be contained by the move;

- It was common cause there was a shortage of skilled bank officials in Namibia, and this rationalisation would mean skills would be applied more effectively.

The statement said the bank would focus on being "the bank for everybody in Namibia".

The new MD is Danie de Lange, previously Trust-Bank Johannesburg's GM administration. The board of directors is: J C Brandt (chairman); J J van Vuuren (vice-chairman); D P de Lange (MD); J J Pottas; N J Oelofse; B J Mijburgh; P H J Krynauw and M Lukas.

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# 'Business sector still exert a gr deal of influer

THE business sector will to a large extent influence many of the future developments in government, says Standard Bank of Namibia MD Len Schutzler.

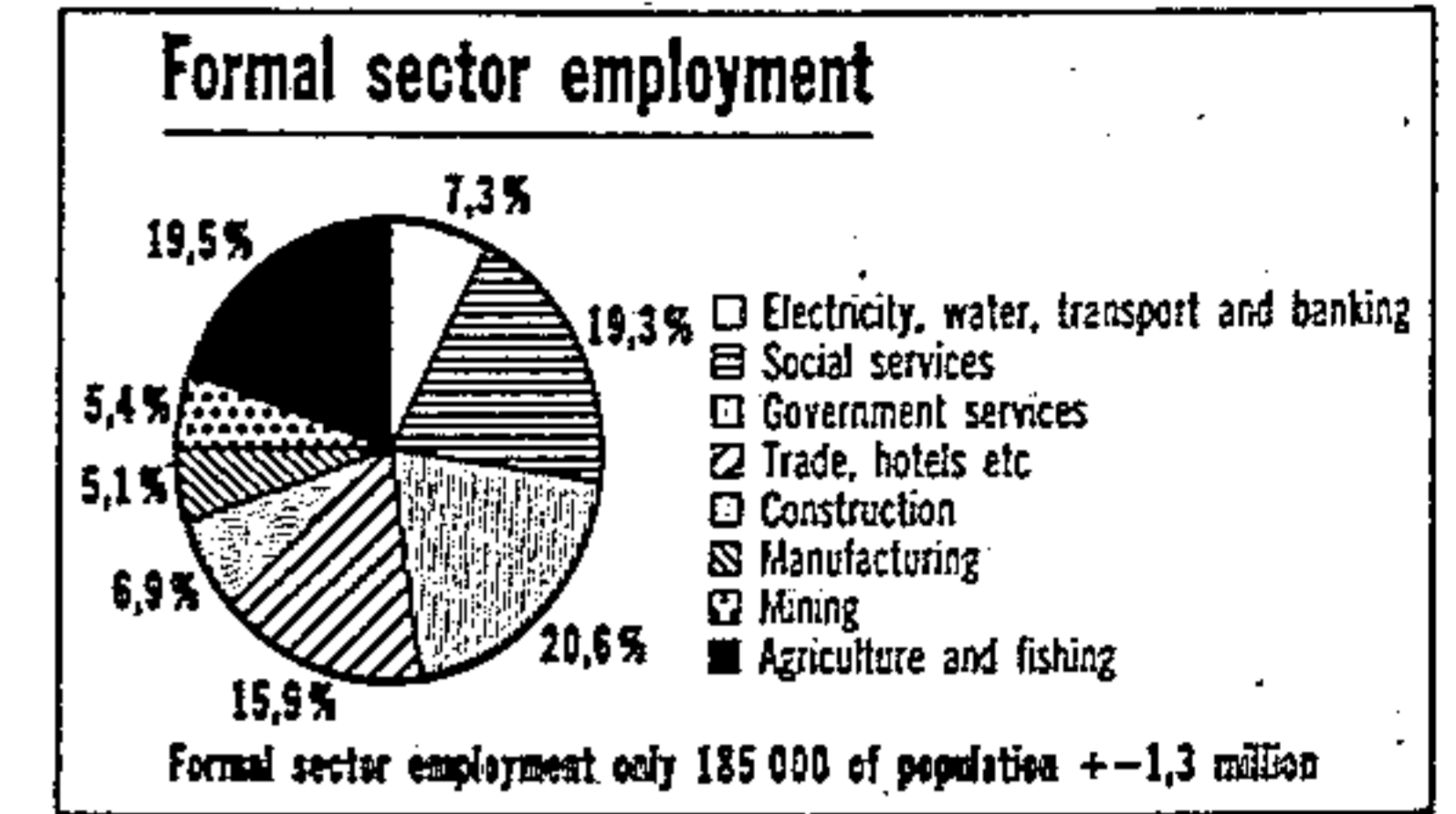
Schutzler says this is because of the pragmatic stance taken by the fledgling government.

"Much of what happens depends on future investment in the country. Investment, in turn, depends on business confidence. And business confidence will relate directly to how it perceives government implementing its policies," he says.

Already, many foreign countries had indicated an interest in investing in Namibia. One of the greatest challenges facing the new Namibia was developing export markets.

"Namibia will never become a major industrial power with the limited local market, so investors will have to ensure they have an export market in place to capitalise on economies of scale," he says.

An important trade fac-



tor to consider was whether the international community viewed Namibia as violating sanctions against SA.

"This is not a perception the new government would be happy with."

In a preview of challenges facing Namibia at independence, Standard Bank economist Nico Czipionka echoed Schutzler's thoughts saying economic goals should be put first by government adopting a pragmatic approach to politics.

"It must provide dynamic and credible leadership in politics and economics. It should not create a rigid plan, but only suggest guidelines and remove obstacles," he says. It should

provide a policy framework capable of enhancing efficiency and keep away from social and economic engineering.

"The government should seek to enhance democratic processes to achieve positive participation by the majority in the economy and the substantial sharing of goals. It should concentrate on improving the work ethic and people's determination to succeed," he says.

Competition should also be enhanced, through imports if necessary.

Government should tightly limit the size of the entire government structure by following conservative fiscal and monetary

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policies consistently over time; it should also try to introduce private sector technocrats into government and avoid intervention and controls.

"Government must create conditions to attract good investments. It must avoid import substitutions for social and political reasons. It must aggressively seek investments to create a basis for exports of industrial goods and benefited commodities

"The new Namibian government should co-operate and trade with all countries in the region, especially SA. It should also seek to establish main markets elsewhere. It should also create sound conditions for tourism," he says.

A massive effort should be made to improve education and training as a basis for improving productivity; foreign aid should be channelled into this area.

Government should shape the tax system to make investment and exports attractive.

"For successful economic development government must know its place," Zjyponka says.



In the last three years short-haired furs have come back into fashion and world demand for karakul furs is growing. Namibian farmers are thus hoping to revive karakul production which has been declining.

## Karakul farmers hope to come in from the cold

KARAKUL farmers hope Namibia's independence and the acceptance of the country by the international community will give a much needed boost to the industry, says International Karakul Secretariat MD Gerhard van Wijk.

In 1980, Namibian karakul farmers produced 4-million pelts valued at R66m.

In 1988, production dropped to 775 000 pelts with a value of R43m. In 1989, 786 000 pelts with a value of R29m were produced.

Between 1980 and 1988 the karakul sheep population dropped from 3,5-million to 1,2-million as farmers switched to more lucrative meat production.

"For example, in 1980, farmers were paid R14,23 a pelt. In 1988, it had increased to R55,45, but last year it dropped to about R27,79 at one auction," he says.

"The reason for this is that last year London Swakara agents closed down and the uncertainty affected prices. Also, all world fur prices declined last year because mink was over produced and prices dropped by between 40% and 50%."

### Joint auctions

But Namibia's independence means karakul farmers will have access to new markets, such as the Soviet Union — the biggest fur consumer in the world — and the Scandinavian countries.

"We plan to increase karakul production in certain areas of the northern part of the country where arid conditions — suitable to karakul sheep farming — exist," says Van Wijk.

"We will also seek co-operation with the Afghans and Soviets — the two other major karakul producers in the world — to see if we can hold joint auctions in Frankfurt and get them to become members of the international secretariat."

There are also hopes that the three countries will jointly promote karakul. Van Wijk says talks about this are going on the moment. The demand for karakul furs is growing as international fashion trends have changed.

"From 1980, flat furs were out of fashion. But this has changed and in the past three or four years, short-haired furs have come back into fashion. The more tailored look in fashion is suited to karakul."

## foreign exchange system 'could have profound effect'

ONE of the factors which could have a profound effect on business in Namibia is foreign exchange control.

Deloitte Haskins and Sells partner Larry Kritzinger says: "If Namibia elects to remain within the Common Monetary Area (CMA) it could be treated on a similar basis as Lesotho and Swaziland.

"That means it will apply foreign exchange regulations within the country but those regulations could be the same as those applicable in other countries in the CMA."

This would include a two-tier commercial rand/finrand system and controls over the import and export of capital and the repatriation of income.

Within the CMA, there is freedom of movement of income and capital and a Namibian resident could, therefore, choose to invest

CMA without having to comply with any monetary formalities or regulations.

"Namibia would have to have a monetary authority or Reserve Bank to exercise the exchange control functions and also to act as a regulatory authority over the commercial banks," Kritzinger says.

"If, however, Namibia chooses to have an independent monetary system, the implications for the Namibian businessman becomes vast."

Imports from SA may then be subject to obtaining an import permit, but even if that were not the case, permission to obtain the required foreign exchange would be required.

"Letters of credit will have to be established and all the normal formalities relating to cross-border transactions with foreign countries would have to be complied with," he says.

On the date on which the mone-

tary unit came into operation — supposing it was modelled on the SA regulations — a Namibian resident with deposits with commercial banks in SA would be required to repatriate such funds to Namibia.

"As far as capital is concerned, current SA exchange control practice is that if such capital is to be repatriated, it must go out in financial rands if it came in in financial rands and the same with commercial rands.

As it did not come into SA under any of those scenarios, one can only hope that the Reserve Bank would treat the matter fairly and allow such remittance in commercial rands," he says.

As far as the Namibian authorities are concerned, however, if they applied the normal SA regulations, the SA resident would be allowed to remit his income any-

where in the world, Kritzinger says.

Similarly the capital could, subject to the necessary authority, also be remitted anywhere in the world.

Again it was possible that SA and Namibia could have an inter-governmental agreement that would restrict such movement to southern African countries.

Another burning question was what would be the exchange rate between the rand and Namibia's new currency when, and if, it was introduced.

"Although Namibia may have a very strong export based economy, its imports are very high and it is likely that it could have a negative balance of payments.

It is, therefore, possible the currency may well be weaker than the rand as foreign exchange reserves would be relatively low," he

221A

## Hundreds of new firms are expected to register this year

NAMIBIAN Registrar of Companies, Christo Schutte expects hundreds of new companies to register this year.

Last year 570 new companies with a nominal capital of R78,9m registered, which was well up from the 276 companies with a nominal capital of R11,6m which registered in 1988.

In the first two months of this year, 79 new companies with a nominal capital of R488 000 had already registered. This compares with 33 which registered in the first two months of 1988 and the 71 in the same period last year.

Schutte expects registrations to increase significantly from about April.

"We could match the registrations of last year, but I think it will be more.

"I am presently approving between five and 10 companies a day.

"Many companies have indicated they are waiting for the lifting of sanctions before they register and begin operations in Namibia."

He also notes that in 1988 17 companies registered elsewhere were established in Namibia, but this dropped to 14 last year.

A variety of companies are establishing themselves in Namibia.

Service companies, with nominal capital totalling R63 000, registered in 1988, but this dropped to R1 900 last year.

Financing companies, with a total nominal capital of R5m registered in 1988, this dropped to R1m in 1989; agricultural companies, with nominal capital totalling R26 300, registered in 1988 (R46 200 in 1989); mining companies totalled R107 700 in nominal capital in 1988 (R122 000 in 1989).

Investment companies totalled R1,1m in 1988 (R5,4m in 1989).

There were no property companies registered in 1988, while companies with a total nominal value of more than R3m registered last year.

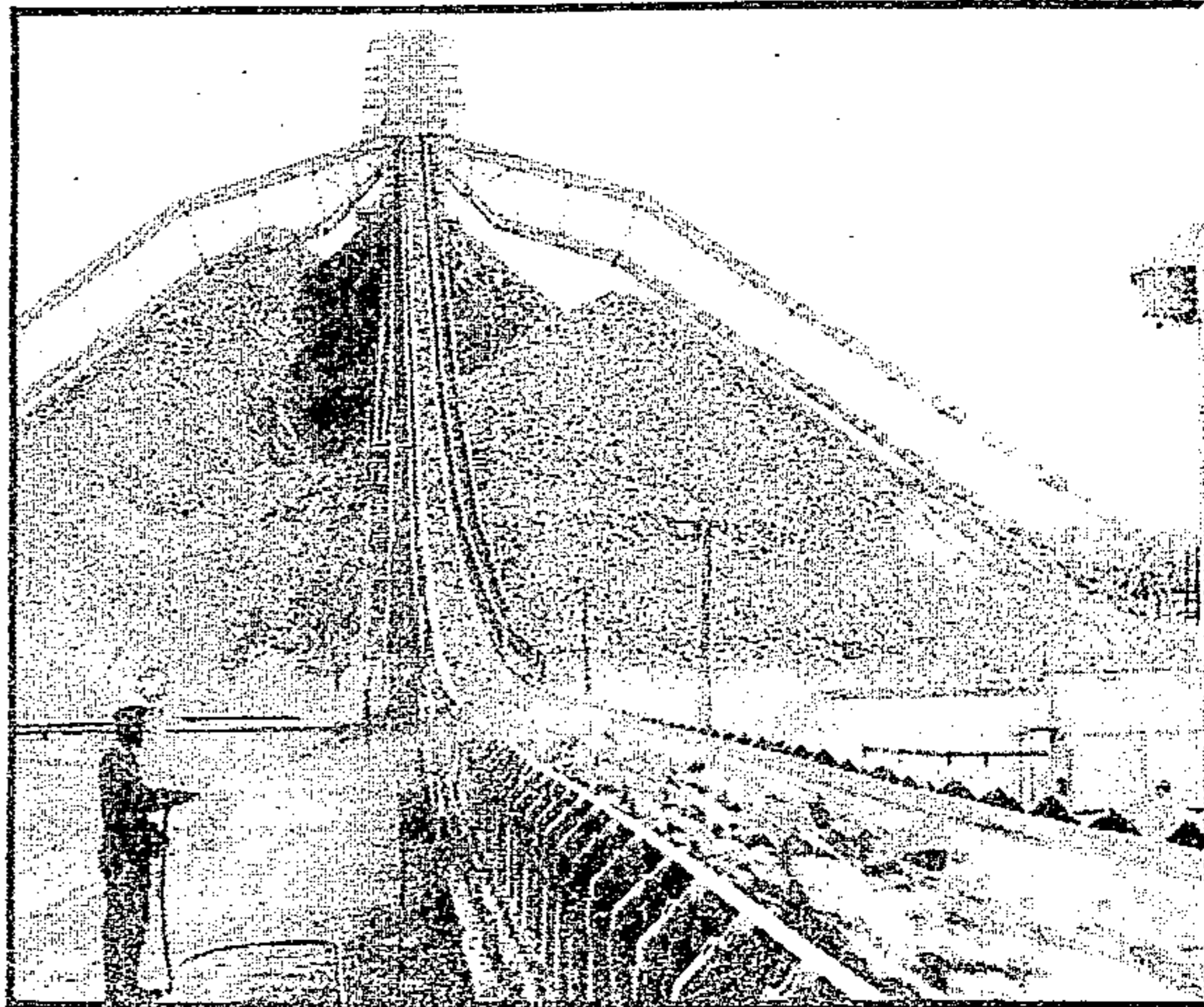
Insurance companies' total nominal capital increased sharply last year to R5,4m, up from R1,1m in 1988.

## FOREIGN TRADE

	R million		R million	
	1987	% share	1988	% share
<b>Agricultural exports</b>				
Cattle.....	138,9	7,7	147,5	6,9
Small stock.....	53,0	2,9	56,8	2,7
Karakul pelts.....	34,6	1,9	34,6	1,6
Other.....	15,4	0,9	17,2	0,8
<b>Total agricultural exports</b>	<b>241,9</b>	<b>13,4</b>	<b>256,1</b>	<b>12,0</b>
% change.....	+54,2		+5,9	
<b>Total fish exports.....</b>	<b>63,1</b>	<b>3,5</b>	<b>93,4</b>	<b>4,4</b>
% change.....	+63,0		+48,0	
<b>Total manufactured exports.....</b>	<b>97,6</b>	<b>5,4</b>	<b>119,7</b>	<b>5,6</b>
% change.....	+21,7		+22,6	
<b>Mineral exports</b>				
Diamonds.....	431,2	23,8	653,5	30,7
Other.....	890,7	49,2	889,1	41,8
<b>Total mineral exports.....</b>	<b>1 321,9</b>	<b>73,0</b>	<b>1 542,6</b>	<b>72,6</b>
% change.....	-19,7		+16,7	
<b>Other exports.....</b>	<b>86,9</b>	<b>4,8</b>	<b>113,8</b>	<b>5,4</b>
% change.....	+19,2		+31,0	
<b>Total exports.....</b>	<b>1 811,4</b>	<b>100,0*</b>	<b>2 125,6</b>	<b>100,0</b>
% change.....	-9,2		+17,3	

\* Figures may not add exactly to 100,0% due to rounding.

Source: Standard Bank, Namibia.



Mining accounts for 65% of the value of Namibian exports, represents 28% of GDP and the country's largest private sector employer. Export sales in 1988 totalled R1,5

## Agriculture th tackling struct

B/Dary 28/3/90

NAMIBIA has a structural economic imbalance and faces three major challenges — unemployment (30%), dependency on imported basic food-stuffs (80%) and a R500m budget deficit, says First National Development Corporation executive chairman Bob Meiring.

These deficiencies formed a remarkable fit with the untapped and neglected potential of the northern districts of Owambo, Kavango and Caprivi.

"Some 40% of Namibia's available arable land lies fallow within these regions; climatic conditions and availability of water are favourable for cereal production; with some 70% of the population resident here, the necessary labour for development is available and the bulk of international aid is already ear-marked for these districts," he says.

In the short term, little fundamental change is expected in the fields of mining, fishing, manufacturing and commercial services.

Having stagnated in recent years, it is expected that recovery will begin in the latter half of 1990. This is, he says, is due to the great number of new players, among them the UNDP, Unicef, Unesco, WHO, UNHCR, the World Bank, the EC and the SADCC.

"That leaves us with agriculture. It is clear the area of national priority will be the north, with its high agricultural potential."

The amount of aid that could be expected would probably be less than was being imagined. The pressure of Eastern European need on Western donor countries would reduce aid to Namibia.

### Dualistic

"The World Bank and donor agencies regard countries in dire distress and qualifying for concessional aid as those having a GDP per capita annual income of below \$150. The average for Namibia is some \$1 000.

"However, we are a dualistic society and the country will be measured in such terms," he says.

Whites make up 5% of the popu-

lation, per ca R38 000 tor — F sector.

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## Government quick to adopt coat of arms.

ONE of the first acts of the new Namibian government was to adopt a coat of arms. Information and Broadcasting Minister Hidipo Hamutenya said a coat of arms was a "symbol of the authority of the state and, unlike the flag, is reserved for the exclusive use of the state".

The Namibian coat of arms consists of a shield with the national flag on it, symbolising Namibia's human and natural resources.

The shield is anchored in the ancient of the Namib desert. On the sand is a witschia plant, which managed to survive for thousands of years in the harsh N climate because of its ability to adapt. Flanking the shield are two oryx.

On top of the shield is a headband, tional symbol of authority. The headba stopped by a fish eagle, renowned fo vision and far-sightedness.

# Golden goose is probably past its peak

MINING in Namibia has in all likelihood seen its peak years.

Depressed or stagnant world prices for copper, uranium and diamonds and the limited probability of new mineral discoveries mean it will not be easy to exploit more intensively Namibia's "mineral wealth".

Rössing Uranium MD and Chamber of Mines chairman Mike Bates says the government, after much lobbying, recognises the potential for further increasing mining taxes is limited and the potential for expanding the industry in the short term is non-existent.

While De Beers subsidiary Consolidated Diamond Mining (CDM) is prospecting for off-shore diamond deposits, recovery rates for traditional on-shore operations have sunk from a high of 45 carats per 100 tons to 5,8 carats. Land mining is not expected to last past the turn of the century.

Although Rössing uranium reserves are expected to last until 2012, international stockpiling and record low world prices have resulted in Rössing mining at two-thirds of its annual 5 000 ton capacity. There is little hope markets will pick up for at least four years.

Bates says the mine is operating at less than 80% of capacity. He says in the short term, Rössing aims to maintain the status quo. He is confident, however, that by 1995 the company will be able to expand.

## Reduced

Tsumeb's main copper mine has only four operational years left. While other smaller copper mines are being worked, a 25% drop in world prices in the past three months indicate reduced profit margins.

In high-risk ventures, where potential returns are long term, much depends on a new invest-

ment code now being prepared.

But whatever the shape of the new code, sector analysts doubt there will be major new mineral discoveries.

Nevertheless, mining still provides 65% of the value of Namibian exports, represents 28% of GDP and is the country's largest private sector employer, employing about 12 000 people directly and as many indirectly.

Export sales for mining totalled R1,5bn in 1988.

Swapo was bitterly opposed to the exclusive foreign ownership of Namibian mineral resources and what it saw as irresponsible mining policy.

Its manifesto for November's election called for a share of control in the industry, mandatory re-investment of mining profits in the national economy, the curbing of transfer pricing and the imposition of higher taxes.

Swapo has since greatly moderated its tone and the mood has been one of wait-and-see on both sides.

The government will conduct a study of the entire structure and operation of the mining sector.

## Optimism

Mining executives have expressed relief and optimism over the generally pragmatic attitude shown by Swapo.

Much, however remains to be worked out.

CDM public affairs manager Clive Cowley says indications are that government is interested in acquiring equity and becoming a partner. What is not clear is how much equity it wants, or whether its main interest lies in acquiring a say in running companies or in greater government revenues. — Financial Times and Business Day Reporter.

# priority in rural issues

221A

ut 95% of the GDP. The white income is whites — blacks in commercial sec- 1 700; blacks in communal 160.

he other hand, there is empathy for and interest in, as the first country to be led to independence by the national community. A fair of assistance can there- expected."

ng says there are severe nts on agricultural devel- in Owambo.

the veterinary control line s beef exports south of o, cattle farmers in the ve had a limited market net return is lower than the commercial farming

also common knowledge Africa women account for % of agricultural produc- says.

yses in Owambo indicate in fact a labour shortage in ure. The younger men who d several years of school- have been involved in the

liberation movement have great expectations of employment, especially in the public service.

"It is doubtful they will be attracted to agriculture. This poses a significant problem when one has to consider how funds can be injected to promote agriculture," he says.

"In the Kavango, the situation is different. About 90% of the population lives within five kilometers of the Okavango River. Vast tracts of high potential land lie fallow.

## Effective

"Large scale commercial ranching has proved very effective. We are aware the people of Kavango are in balance with regard to their food requirements," he said.

In Caprivi, the major constraint to development was that the region was land-locked and isolated from trade, he said.

"The single highest priority is the upgrading of the road link to central Namibia. This will open up the economy of this region and facilitate the flow of central African trade," he says.

## Crucial to make most of latent strengths

NAMIBIA has the natural resources, infrastructure and people skills to become an important economic force in southern Africa, says Finansbank deputy GM organisation development service Jan de Coning.

"A lot will depend on the way the new government can maintain the economic pragmatism it has displayed so far," he says.

Namibia has the second highest per capita income in southern Africa, second only to Botswana.

There is no famine and lots of suitable land available for agriculture. Communication and other infrastructural demands are well met, he says.

The heterogeneous population provides a spectrum of usable skills.

Although Namibia has a variety of natural resources, there is not enough of any one to make it dependent on a single industry for very long. The challenge will be for entrepreneurs to establish value-adding industries, he says.

Post-independence Namibia would remain a good market place for imported processed and manufactured goods.

The current infrastructure forced the country to be dependent on imports.

"Value adding before exporting will be a problem in the short and medium term, but it is definitely an opportunity for the longer term," De Coning says.

Namibian industry, business and government will be dependent on external technical, financial and managerial aid for some time to come. SA will play a important role due to its proximity,

knowledge of Africa and given the fact European and US attention has shifted to Eastern Europe. (221A)

Namibia can become the import-export route to Central Africa due to the problems experienced with Dar-es-Salaam, Maputo and Luanda, De Coning says.

Although the way of doing business in Namibia will change, the opportunities will not cease to exist given the latent strengths of the Namibian economy and the creative businessman can still be successful

De Coning says some of the hidden strengths of Namibia include:

□ The pelagic fish resource. If it were allowed to grow again, R100m a year could be derived through bilateral and licence agreements;

□ Electrical power. Provision of electrical power to the south-western part of southern Africa can become an important resource if the Ruacana Dam project can be revived. Namibia would then be able to export power at a cost of 2c a unit against the current 12c a unit to SA, Botswana and Angola.

□ Full utilisation of transport infrastructure for the region. Transport infrastructure can contribute tremendously by full utilisation of the capacity from central Africa through the Caprivi, out at Walvis Bay or Swakopmund.

Namibia could thus become a hub of central African exports and benefit by getting value added industries in Swakopmund and Walvis Bay.

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PRIMA! OPSYKOP! OSEMBA!

## Namibia gearing up to develop export market

ZILLA EFRAT

221A

6/10/90  
29/3/90

NAMIBIA, set to develop its exports as an independent country, has published its first export directory through the Economic Affairs Department in Windhoek.

The Namibian International Business Development Organisation has been established to provide a range of services to exporters. Namibia will also exhibit as an independent country for the first time at this year's Rand Show.

Immediately after independence the US dropped its sanctions against Namibia and the country has regained access to world markets.

Safto international division manager David Graham says various policies have not yet been finalised, but Namibia is expected to remain in the SA Customs Union and Rand Monetary Area at least in the short term.

He says apart from a few large companies, there is very little export expertise and knowledge of foreign markets in Namibia and this could hamper export development.

However, the Namibian government has a plan of action which includes participation in several trade fairs, especially in Africa. Namibia's major export products are minerals, agricultural products, fish, meat and Swakara fur.

Graham believes there will also be some foreign investment in export orientated industries. Already multinational Lonrho has announced plans to develop the sugar industry in northern Namibia.

# US aid for Namibia is low priority

221A

w/m 20/3-4/4/90

By ARTHUR GAVSHON

London

UNITED STATES Secretary of State James Baker left behind a two-part IOU when he attended last week's Namibian independence celebrations: \$500 000 (around R1,3-million) for 1990 and \$7,8-million for 1991.

The Bush administration's paltry package of economic aid for a fledgling state contrasts with allocations totalling \$900-million for Poland and Hungary, \$300-million for Panama, and anything between \$50-million and \$80-million (the actual figure remains secret) for Jonas Savimbi's Unita rebels during 1989 alone.

This has aroused concern among Commonwealth governments. The High Commissioner of one key African country said: "At a time when peace prospects in the Southern African regions have rarely been better, it seems as if the Americans are more concerned with their own ideological and political objectives than they are for the good of the peoples affected."

"It's a sad reflection of Washington's thinking that more is being provided for the purposes of killing than for the peaceful construction of a new state which has been left by the South Africans with multi-million dollar debts to redeem."

Total US aid for Namibia over the 1990-1991 period is roughly half of the £10-million (R43-million) Britain has pledged.



FM 30/3/90

THE LUBOWSKI AFFAIR

~~221A~~

221A

# The swirl of money

The Pretoria Standard Bank account from which slain Swapo executive member Anton Lubowski was paid on three occasions by Military Intelligence has been closed. It was in the name of Global Capital Investments, a close corporation, of which Pretoria attorney Ernst Johan Victor Penzhorn was the sole member.

Global had been the front company, identified as the creditor of:

- Two cheques totalling R60 000 to the Paradiso Bond Trust (which has an account at the St George's Street branch of Nedbank in Cape Town); and
- One cheque of R40 000 to Lubowski's personal account at Nedbank in Windhoek.

Lubowski controlled the Paradiso account — which was originally registered by Nedbank as a home loan account, starting with overdrafts of R150 000. At one stage R186 000 was in the Paradiso account.

A Standard Bank source says the account (No 010252215, at the bank's Pretoria head office) was closed as soon as the Harms Commission started its probe. (The commission has been investigating claims by Defence Minister Magnus Malan that Lubowski was a paid Military Intelligence agent.)

Penzhorn was also involved in the Jalc affair, which was investigated by another commission, also headed by Justice Louis Harms.

He was found to be the sole member of Global after the FM investigated documents lodged at the Registrar of Companies in Pretoria.

However, the corporation was started in 1976 as Goudoes (Pty) Ltd, registered by three other Pretoria attorneys — Pieter Gerhardus Gouws, Rene du Plessis and Hendrik Stephanus Schoeman, all of United Building in Pretorius Street.

According to its description, Goudoes (Reg No 763745) was founded mainly to do business as a property company. It started with prescribed capital of R4 000. According to its founding document, directors could "from time to time appoint persons living in a foreign country as a foreign committee." It further states directors could also appoint "agents in a foreign country."

Gouws, Du Plessis and Schoeman were also directors of three other companies — Goulet, Judgement and Decca Contractors respectively. According to the documents,

eight other attorneys, all from the Southern Life Building in Pretoria, joined Goudoes in May 1980. They were Susanna de Vries, Frans Gustav Radloff, Gordon Keith Hay, Karl Eugene Weiss, Johannes Petrus du Buisson, Petrus Lutsch, William Patrick Niven Scales (secretary) and Penzhorn.

Goudoes' auditors, NF Albert (Sr) & Co, resigned in 1980; the firm of Ernst & Whinney were appointed auditors. In September of that year, the Registrar of Companies Office wrote that Goudoes had neglected on two occasions to lodge certain forms within the prescribed period. In August 1981, Goudoes also requested an extension of time, after it was found that its annual financial statements had been incomplete.

In October 1984, Goudoes applied for a change of name. After a special resolution, which was signed by Penzhorn, various names were suggested to the Registrar which were all rejected. Among them were Internatio! (sic) Investment Pty; International Capital Investments; Invesiments International; Foreign Capital Investment International and Global Financial Services. Finally the name Global Capital Investments was approved.

Also in October 1984, 10 directors resigned and Penzhorn remained the sole di-

rector. A year later, Penzhorn applied for Global Capital Investments to be converted to a close corporation. The application was signed by Penzhorn on September 13 1985.

According to the description filed at the Registrar's office, Global was founded to act as "consultants in financial investment matters on an international basis."

In a letter to the Registrar, auditors Ernst & Whinney write that in terms of the Close Corporation Act, there is "no reason to believe that in the conduct of abovementioned company's affairs, a material irregularity has taken place as contemplated by Section 26(3) of the Public Accounting and Audit Act of 1951." In a further amended founding statement it is stated that Penzhorn held 100% of the corporation's shares.

□ In 1986, Penzhorn, who has close professional contacts with MI, turned down proposals by a top officer for the formation of a bogus company to deal with SA's isolation.

The suggestion was put forward by Brig Johan Deyzel who, during that time, acted as a cover at the Jalc company in Transkei. Jalc

and Deyzel's involvement were later subjects of the investigation into cross border activities by SA companies in the homelands.

Eddie Botha

FM 30/3/90

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221A



Anton Lubowski

### 'Sullivan plan' may stop nationalisation

COMPANIES operating in Namibia may be well advised to pre-empt any nationalisation plans the government might have by initiating a local "Sullivan Principles" programme, say stockbrokers Davis Borkhum Hare in an investment report on Namibian independence.

If companies committed themselves to social responsibility programmes that were legally binding on all companies, nationalisation moves might be avoided.

The business sector could create a very

PIERRE DU PREEZ

positive climate by taking such an initiative, says the report.

Namibia's total GDP is about R3,5bn at current prices, but it compares well with other African countries. Namibia has a GDP per capita almost equal to that of Botswana.

Economic interdependence with SA has been an important driving force in Namibia's economic policy, the report says. B/D ay 30/3/90

### Wrangle over pensions payout

B/D ay 30/3/90

WINDHOEK - Former Namibian administrator-general Louis Pienaar reportedly overruled the Government Service Commission and authorised full pension payments to officials who wanted to take early retirement before the country's independence.

(221A)

According to news reports here yesterday, dissatisfied officials described the issue as "the best kept secret" in the government service. If it had been public knowledge that Pienaar would authorise early retirement, many more officials would have applied, they said.

Commission secretary Willie Brits said Pienaar had requested the commission to allow officials with less than five years to retirement to receive their full pension benefits. The commission could not comply with the requests, and Pienaar then acted on his own authority and allowed early retirement to individual officials, Brits

said. A small number of officials retired early, he added.

It was the commission's policy that public servants resigning were entitled to their own pension contributions plus interest. According to a news report, former Namibian attorney-general Estienne Pretorius, 40, received full pension benefits.

Central Personnel Institution secretary Fanie Gous said the idea of paying full pension was "entirely Pienaar's".

Namibian Finance Minister Otto Herri-gel said: "I was never consulted about the matter, and the administrator-general did quite a few things before he left that we found difficult to accept."

Earlier reports said among those who had left their jobs before independence were Namibia's former commissioner of prisons Brig Johan Robberts, former justice secretary Gerhard Louwrens and the former Representative Authorities secretary Koos Korf. - Sapa.

# Namibia halts fishing in its depleted waters

Bl Day 30/3/90

221A

THE Benguela current in the Atlantic Ocean flows towards the equator along the southwest coast causing an upwelling of nutrients that puts the Namibian coast among the world's most fertile fishing grounds.

Most sought after are the pilchard and anchovy in shallow water, and hake and horse mackerel offshore. But a history of considerable over-fishing by SA and other foreign fishing fleets has decimated stocks.

The UN says the 1968 pilchard catch, the most valuable, was 1.4-million tonnes; it now averages 90 000 tonnes. Until 1977, Namibia was the world's leading supplier of pilchards and about 60% of SA's total fish landings were from Namibian waters.

Anchovy harvesting has fluctuated from a peak of 376 000 tonnes in 1978 to just 14 000 tonnes in 1984.

Offshore, hake catches by mainly Spanish and other West European trawlers and factory ships have shown similar decline and the average is now about half the 1972 peak of 800 000 tonnes.

Horse mackerel, favoured by East European fleets is the only species to have increased in number.

Recent annual catches are about 4-500 000 tonnes up from about 100 000 tonnes before 1970. Experts say it has filled the ecological niche left by the considerable decline of other fish.

The legacy is fishing's small contribution to the Namibian economy. It remains an "enclave" focused on Walvis Bay and Luderitz.

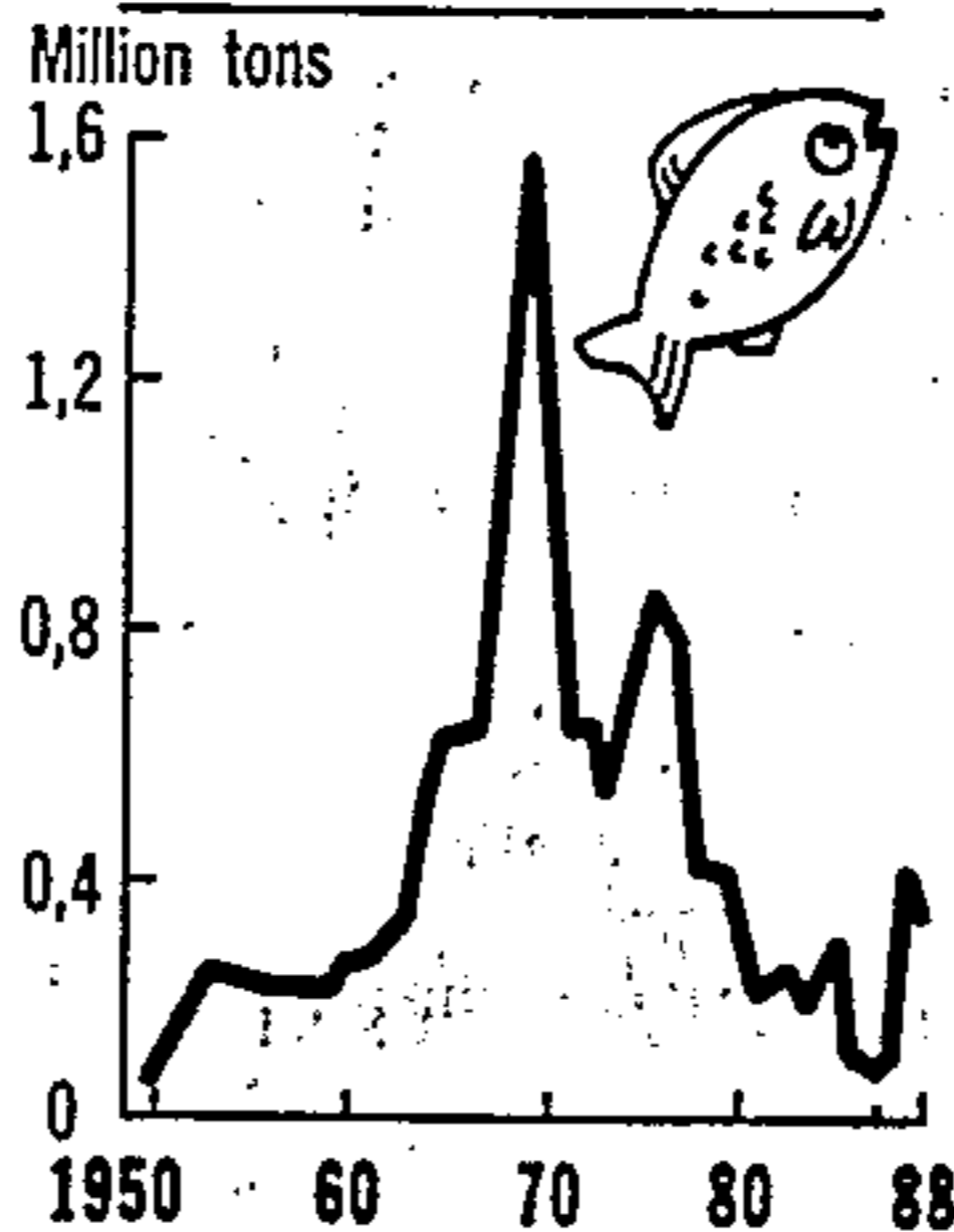
Walvis Bay had nine processing factories — some have been closed down. Only one is Namibian owned.

"The fishery sector," says a recent UN report, "has been dominated and controlled by SA companies, has imported practically all of its inputs and exported practically all outputs".

"It has employed contract workers at wage rates that have remained

Newly independent Namibia has asked foreign fishing fleets to quit its coastal waters until scientific research determines what types of species of fish have been depleted. **MIKE HALL** of the Financial Times reports.

## Pelagic fish catches



Graphic: ROMA KRISCH Source: FINANCIAL TIMES

low even by local standards, taxes are low and profits have been transferred to the SA owners. Very little has been invested in Namibia."

Foreign offshore fleets have contributed even less. The present landed value of their catches is around \$200m a year, a figure that could increase substantially with processing. "This income does not even touch Namibia," the UN report says.

One of the first laws the new government intends to put before the assembly is a bill proclaiming a 200-mile Exclusive Economic Zone (EEZ) for Namibia under the Law of the Sea Convention.

In the absence of internationally recognised controls, SA regulated in-shore fishing and catches offshore were regulated by the Madrid-based International Commission for South East Atlantic Fisheries (ICSEAF)

President Sam Nujoma has appealed to the ICSEAF to urge its members to halt all fishing in the 200-mile zone for the time being.

Proclaiming an EEZ will be a relatively simple step. Less straight forward will be the development of a coherent management and development plan to ensure stocks are built up and exploited on a sustainable basis with the maximum benefits accruing to Namibia. A first step has been the deployment of a Norwegian scientific research vessel for an independent assessment of stocks.

The government sees the resource as one of Namibia's most important assets. Agriculture Minister Gert Hanekom, whose portfolio includes fisheries, estimates that with an effective management programme over five to seven years, marine resources could earn Namibia about R3bn — 10 times cattle industry earnings. "It may even surpass mining in importance," Hanekom says.

The government, he says, has formulated a fishing policy. But details are unlikely to be made public before complex bilateral negotiations begin with foreign fleets on quotas and royalty payments. But experts say the government plans a state-run fishing corporation and believes private investment may be inappropriate.

As in other sectors of the economy, fisheries pose a big challenge to the Namibian government. It must police the 200-mile zone and negotiate complex agreements with powerful foreign interests (above all the future of Walvis Bay) and ensure that Namibia and its people benefit from sensible investment.

## Namibia faces first legal action

Argus Africa News Service

WINDHOEK. — The government of Namibia is facing its first legal action over a decision to cut this year's pilchard catch by an overall 20 percent.

The move, aimed at boosting the country's severely depleted pilchard resources, has raised the ire of two of the largest fishing companies who say they will seek litigation to oppose it.

South West Africa Fishing Industries Ltd (Swafil) and Namibian Sea Products Ltd (Namsea) maintain they will jointly lose more than a R1-million if their quota is reduced as planned.

In statements of intent published in the local Press, the managements of the sister companies say the new allocations the government plans to give them are "disproportionate, totally unjustified and inequitable".

### ALLOWABLE CATCH

They point out that while other companies stand to have their quotas cut by between 8,2 and 25,8 percent, Swafil and Namsea will lose an enormous 51,6 percent of their previous allowable catch.

The Swafil management says the cut will reduce the company's budgeted net income for the financial year by R450 000, or 14 cents a share.

Namsea says the government move will not have a material effect on its earnings this year, but is expected to reduce the company's income in 1991 by R570 000 — also 14 cents a share.

"To protect the interests of shareholders," the statements declare, "the board of directors has decided to take appropriate legal action to redress the situation."

# Namibia's mines plan

## WINDHOEK

Namibia would no longer allow South Africa to control its mining, but would move cautiously in making changes, the country's Minister of Mines, Mr Andimba Toiva ya Toiva, said in an interview at the weekend.

"Over the years, through the mining industry, Namibia has developed an abnormal degree of dependency on a foreign country. Such an economic dependency threatens the political aspirations of a sovereign state and cannot be allowed to continue.

"The government's three-pronged aim will be to avert an economic collapse, to consolidate our fiercely won independence and to establish a solid foundation for the development of future policies," he said.

Revenue from the mining industry is expected to provide the financial muscle for the new government's nation-building programme.

Ya Toiva said the mining industry would have to be integrated into the Namibian economy and government intervention would have to focus on ensuring this key industry gave priority to technical and management training, which he claimed had been sadly neglected in the past.

## Export

Namibia's mining industry accounted for 72 percent of the total export revenue in 1988. Almost all of the country's mineral exports are channelled through South Africa for processing and are re-exported overseas.

"Neither will Namibia tolerate the same high degree of the repatriation of

profits to foreign countries," he said.

A 1989 United Nations study reveals that the large foreign ownership of the mining industry has seen a substantial outflow of Namibia's wealth.

However, he said, given the crucial importance of this industry to the establishment of a healthy economy, the government would have to ensure that any changes did not threaten production.

"That is why we are studying the situation carefully and walking cautiously towards the implementation of a new policy in this industry that will contribute to social and economic development," he said.

Various policy options that include management rights, tax rates, repatriation of profits and capital recovery were being investigated by the government. - Sapa.

221A

# Nujoma warns mining firms

Own Correspondent

KARIBIB. — Namibia's President Sam Nujoma yesterday rapped mining companies in Namibia over the knuckles and said his government was formulating a national tax regime for the "equal" treatment of the mining industry.

Officially opening the Navachab gold mine, a R85m Anglo American/De Beers venture, and his country's first ever, Nujoma echoed allegations which have been investigated by the Thirion Commission.

The Navachab Mine is Southern Africa's first opencast gold mine.

After saying his government was in favour of a mixed economy, Nujoma said mine owners and other corporations had specific obligations.

"First they should not indulge in over-mining and under-hand deals which result in tax evasion and deprive Namibia of valuable revenue which could have been used for national development" — charges investigated and found to be without basis by the Thirion Commission.

"Secondly, they must respect the laws of the land and keep in mind that

their continued operations in Namibia depends on their own good behaviour," Nujoma said.

Political sources at the mine opening said there was little fear of nationalisation, which the new government had hinted at, as its new constitution precluded confiscation without compensation.

Nujoma said Namibia's "national and flexible tax regime" will carefully examine such fiscal provisions as licence fees, state leases (royalties), company tax, dividend remittance tax and export tax.

"The aim is to ensure reasonable returns on investments and adequate revenue for the state which will be ploughed back in the economy for development."

Anglo and De Beers chairman Julian Ogilvie Thompson said at the opening that it was projected that Navachab's direct taxes payable to the state under the current regime would reach a level of more than 50% of distributable profits, while further income would be derived from GST and income taxes generated from wages paid.

Cape Times 12/6/90 (221A)

ALB 170  
African Development

B (Dy) 22/5/90 (221A)

## US plans to encourage exports to Namibia

AFRIC

WINDHOEK — The US Export-Import Bank (Eximbank) has introduced a programme designed to encourage American exports to Namibia.

Eximbank, an independent US Government agency, helps US businessmen export goods and services through loans, guarantees and insurance.

"We are enthusiastic about supporting

applications for Namibia in light of the country's substantial resources and potential for economic growth," said Eximbank chairman John Macoimber.

In terms of its Namibian loan and guarantee programme, Eximbank would assist export transactions with a financed portion of up to R26,6m and an amortisation period of up to five years. — Sapa.

NAMIBIA F/M 25/5/89

## Splitting up (2.21A)

Namibian independence will bring adjustments in various SA statistics — among them money supply and trade figures.

Returns were submitted to the Reserve Bank by Namibian banks, up to and including February, but it is not certain whether further returns will be received. Historic Namibian money supply figures will be available from the Bank on request.

According to the Bank, the preliminary R150bn estimate for the broad monetary aggregate M3 in March, the latest available month, would have been R1,3bn lower if Namibia had been excluded. For comparative purposes, the Bank will adjust previous figures, eventually as far back as 1970, to exclude Namibia.

Namibian trade will not be reflected in totals in the Bank's next *Quarterly Bulletin*, in June. (Unlike Customs & Excise, the Bank does not include Botswana, Lesotho and Swaziland in its statistics.)

Exports to Namibia will be added to total export figures and Namibian exports to the rest of the world subtracted. Imports to Namibia from the rest of the world will be deducted from SA import figures while imports to SA from Namibia will be added.

Figures for 1989 are not yet available from the Namibian Department of Finance, which produces trade data annually. They should be completed by the end of the month. The department says Namibian exports amounted to R2,1bn in 1988. Over half of these are in diamonds and minerals — R653,5m and R889m respectively. These are mainly sold to the rest of the world so most will be subtracted from SA exports which, in 1988, amounted to R51bn, according to the *Reserve Bank Quarterly Bulletin*.

Most agricultural exports (R221,5m) other than karakul pelts (R34,6m), and manufactured exports (R119,7m) are to SA.

Namibian imports totalled R1,9bn in 1988. An estimated 80% came from SA, on which Namibia relied particularly for consumer goods, maize and wheat.

The net effect of excising Namibia will be to reduce any trade surplus.

The country is likely to become part of the SA Customs Union, like Botswana, Lesotho and Swaziland. Previously, its share of customs revenue was arbitrary; now it will have to be precisely calculated. In the 1988-1989 financial year it was reportedly R394m.

Foreign exchange reserves, however, will not be affected. "While Namibia remains part of the common monetary area, it will have a claim on SA forex reserves," says Bank gold and forex GM James Cross.

Namibia is expected to remain part of the common monetary area for about two years, by when it hopes to have its own Central Bank. By keeping reserves with the SA Central Bank, Namibia can be part of the SA forex spot and forward markets and take advantage of Bank forward cover facilities. ■



# Namibia hopes to attract donors

CAPE TOWN — Namibians are hoping for reassurance of foreign financial support at a UN-organised donors' conference in New York next month, following growing concern that funds that had been earmarked for the country are being detoured to Eastern Europe.

With a budget shortfall estimated at about R500m this year as a result of the withdrawal of SA aid and a dramatic escalation in the wage bill, independent Namibia is sorely in need of foreign investment.

An SA Foreign Affairs spokesman said there was growing concern that available funds might be channelled into Eastern Europe. *Spom 28/1/90*

"West Germany, which has a historical

221A  
LESLEY LAMBERT

responsibility for Namibia, now has to turn its attention to reunification with East Germany and other Western powers are considering Eastern Europe as a better investment prospect than Africa. Scandinavia is the only real certainty so far because it applies a strict quota system to its provision of development aid," he said.

President Sam Nujoma said in his opening of parliament address this month that the most pressing development issues to be addressed by his government were employment, housing, education and the provision of water.

## AFRICA

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(221A)

### Two new Namibian banks registered

WINDHOEK — Namibia's banking sector is expanding rapidly, with the registration of two new banks completed and that of a third pending.

A spokesman for the Registrar of Companies said the Namibian National Merchants Bank had been registered. One of its directors was Swapo research chief Peter Katjivivi.

Namibian Banking Corporation Ltd had also registered. Six of its directors lived in SA and two in Namibia. A third application for registration is pending from a Swakopmund businessman.

Meanwhile, Registrar of Companies Chris Schutte leaves for Switzerland next week to attend an international conference on patents and copyrights. — Sapa.

*Southern's Man in a Million*

CAPE TIMES 29/5/90 (221A)

## European firm takes 70% stake in Bank of Namibia

WINDHOEK. — The European holding company Societe Financiere Pour les Pays d'Outre-Mer (SFOM) is to take over 70% of the shareholding in the Bank of Namibia from the Geneva-based Banque Financiere de la Cite, SFOM board member and Dresdner Bank MD Jurgen Sarrazin said in Windhoek yesterday.

"The commitment of the government towards a market-orientated economy can be regarded as another decisive factor, not only for SFOM, but for investors in general," Sarrazin said.

The transaction is subject to the Namibian government's approval.

He said since 1982 the Bank of Namibia had expanded its asset base and made substantial investments to bring the organisation up to mode in technological standards.

Further expansion of the branch network in northern Namibia was being considered and staff were invited regularly to participate in seminars at the Dresdner Bank for further experience, Sarrazin said. — Sapa

Business Report

# Bank of Namibia share bought out

WINDHOEK. — The Societe Financiere Pour Les Pays D'Outre-Mer (SFOM) has agreed to buy the 70% share in The Bank of Namibia presently held by the Geneva-based Banque Financiere De La Cite.

With assets of more than R332m, the bank is one of the biggest in Namibia.

"The Bank of Namibia has in the past years already made substantial investments to bring its organisation up to the technological requirements of a modern commercial bank," SFOM said in a statement.

"It is planning to increase its nominal capital by R3m bringing shareholders funds to a total amount of R17m," it added.

The statement said the expect-

ed expansion of the Namibian economy and its integration into regional markets of Southern Africa in the wake of independence would increase business opportunities for the Bank of Namibia.

SFOM is actively associated with 14 commercial banks and financial institutions in 13 African countries and its shareholders are the Banque Nationale de Paris (BNP), Banque Bruxelles Lambert (BBL) and the West German Dresdner Bank AG.

Dresdner Bank MD Jurgen Sarrazin said SFOM's motivation for the acquisition, which still requires the green light from Namibia's new government, was the country's commitment to a market-orientated economy.

"When looking at the economic

situation, Namibia has so far evolved as an appendage to the South African economy. It has up until now achieved only limited independent institutional structures for its economic community, but it seems to us that one of the key issues for resolving these problems will be incentives for a broad range of investment opportunities for the private sector."

Sarrazin emphasised the need to strengthen investor confidence in Namibia by establishing economic rules and an investment code to assure investors of the economic viability of their investments: "A distinctive strategy to attract investors to Namibia would be of utmost importance in order to successfully compete for private sector involvement on an international level." — Reuter



AFRICA

## Namibia inherits R45-m in UN goods

Argus Africa  
News Service

WINDHOEK. — The Namibian government will inherit more than R45-million worth of vehicles, other equipment and property used by Untag since April last year during the implementation of Resolution 435.

As Untag winds up its operation in Namibia it has to unravel a complicated temporary infrastructure.

The Namibian government stands to benefit from this, with about 850 vehicles, worth R34-million, being left for state use.

These include Land Cruisers, Land-Rovers and ordinary cars.

### Accusations

Prefabs and transportable buildings valued at nearly R2-million will be handed over to the government, along with living quarters worth R2-million, generators worth R500 000, office furniture and equipment worth R3-million, office supplies worth R776-000, food worth R4-million and navigational beacons worth R241 000.

There have been accusations that the distribution of the Untag goods among government ministries has been done by Swapo rather than by the state.

Secretary for Home Affairs Mr Ndali Kamati dismissed the allegations as "unpatriotic rumours".

● Namibia hopes to raise R1-billion at the Donors' Conference, to be held in New York on June 20 and 21.

Minister of Information Mr Hidipo Hamutenya said yesterday that lists of development proposals to be put to the conference had been completed.

# Namibia goes looking for aid

NAMIBIAN ministerial delegations fly out of the capital this week on a world mission to seek economic aid from other governments to help the new nation find its feet.

Their mission will culminate in a Donor Conference at the United Nations headquarters in New York on June 21 and 22. Namibia hopes that representatives of the international community who have been invited to the conference by UN Secretary-General Javier Perez de Cuellar will pledge aid worth R1-billion.

"Yes, it's a hopeful sum," said Dr Zedekia Ngavirue, Director General of Namibia's Planning Commission and former president of Rossing Uranium.

Dr Ngavirue has led working groups from various government departments through weeks of intense preparation for the conference. They have drawn up extensive documentation outlining the development priorities of the Namibian government so that prospective donors may choose where to put their money or assistance.

The documents are also backed

Infant Namibia will go on an aid hunt this week — but officials say it will not be a begging-bowl exercise. DALE LAUTENBACH of Argus Africa News Service in Windhoek reports

by a World Bank analysis of the of the Namibian economy and of its basic needs.

A ministerial-level steering committee led by Dr Ngavirue has established the country's priorities as agriculture (including rural development and water infrastructure), education, health and housing, in that order.

## Essential services

With the help of four experts from the United Nations Development Programme (UNDP), various teams suggested and costed priority projects.

"Linked, of course, to all the sectors is transport," said Dr Ngavirue. Agriculture, for example, especially in the large northern areas where small-scale community farming begs support and development, also requires a transport network to get the goods to the markets.

The international community will examine projects considered necessary to maintain essential services

over the next two years but Dr Ngavirue's Teams have also established a databank of less urgent projects which can be addressed in the future.

Different countries are expected to back projects in different ways. Some Governments might support growth areas which could prove attractive to private investors in their own countries.

"Yes, there will be a certain amount of self-interest," said Dr Ngavirue. "There's no such thing as a free lunch... as we are learning."

He expected too that there would be very little aid in the form of direct budget support. Mostly countries would offer technical assistance, equipment, manpower and material aid.

Mr David McAdams, resident representative of the United Nations Development Programme, said that while some countries at the Donor Conference could make "quick dispensing pledges" or packages that swung into action speedily, the idea of the exercise was not to pass

about the begging bowl, have it filled and return to Namibia with cash in the back pocket to spend.

"The timescale for each pledge will be determined by the project that a country chooses to support. The accent of the appeal is based on two to three years which will give the government time to work out a medium-term plan and avoid making commitments which might prove to be faulty," he said.

The UNDP will also be assisting in a population census together "the sort of data that will strengthen the government's capacity to determine policy."

So the Donors Conference, rather than a simple passing around of the hat, is a somewhat slower process which will reveal the kind of support the Namibian government can anticipate in the future.

Mr McAdams pointed out that Namibia was hoping for grants rather than hand-outs. Grants implied a measure of responsibility from Namibia, that it would also have to foot part of the bill in any given project and thereby increase its independence in the long-term rather than its dependence on pure aid.

221A

McAdams 6/6/90

**SA pays R1,6bn to T'kei** *CPK Tmp 6/6/90*

HOUSE OF ASSEMBLY — South Africa had paid over an estimated R1,6bn to the Transkei in the 1989/90 financial year in terms of agreements between the two states, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday in a written reply to a question from Mr Colin Eglin (DP Sea Point).

**Venda lifts emergency** *CPK Tmp 6/6/90*

THOHOYANDOU. — The state of emergency in Venda has been lifted and all political prisoners are to be freed. Announcing this, the chairman of the Council of National Unity, Colonel Gabriel Ramushwana, said law and order, discipline and stability had returned to Venda since the council seized power two months ago.

**Joan Collins in R15m suit**

LONDON. — Joan Collins is suing ION Pictures for more than R15 million after bosses branded her "jealous and greedy". Joan, 57, has filed a complaint for defamation of character. The lawsuit follows a slanging match about the collapse of a TV film based on her novel, "Prime Time".

**Namibia needs R1bn** *CPK Tmp 6/6/90*

GENEVA. — Namibia is seeking about R1 billion from industrialised countries to help it cope with development and debt problems, Prime Minister Mr Hage Geingob said yesterday.

**Doctor in court**

A DURBAN doctor made a brief appearance in the Maritzburg Magistrate's Court yesterday in connection with the murder of his gynaecologist wife last month.

**Swapo agrees to probe** *CPK Tmp 6/6/90*

WINDHOEK. — Namibia agreed yesterday to establish a committee with the Red Cross to probe charges that Swapo is still holding scores of dissidents.

**Chief detained** *CPK Tmp 6/6/90*

MASERU. — The principal chief of Thaba Bosiu in Lesotho, Chief Khoabane Theko, has been detained for questioning in connection with a document critical to the government.

**Stud farm for sale**

THE R25-million Highdown Stud at Nottingham Road in the Natal Midlands, one of the biggest thoroughbred breeding establishments in South Africa, is for sale.

**Mayor's trial starts**

WASHINGTON. — A prosecutor yesterday denied Washington mayor Mr Marion Barry's claim that the government had leaked crucial videotape evidence to a TV station and said Mr Barry's statement may have been a ploy to influence jurors in his drug trial.

**Namibia needs R1bn** *4/11/83 6/6/83*

GENEVA. — Namibia is seeking about R1 billion from industrialised countries to help it cope with development and debt problems, Prime Minister Mr Hage Geingob said yesterday.



### Namibia seeks R1bn

GENEVA — Newly independent Namibia is seeking about R1bn in grants from industrialised countries to help it cope with development and debt problems, Prime Minister Hage Geingob said yesterday. (221A)

Geingob told a Press conference Namibia had inherited debts of about R500m from SA, and expected a budget deficit of R700m this year. 8/10am 6/6/90

He said the deficit was mainly due to a heavy civil service wage bill and planned measures to improve agriculture, education and housing and to create new jobs.

Geingob, in Geneva for a meeting of the governing council of the United Nations Development Programme (UNDP), said Namibia wanted to be designated a least-developed country so that it would qualify for grants rather than loans.

A conference of donor countries is to be held at UN headquarters in New York on June 21 and 22. — Sapa-Reuter.

(221A)

# Shares soften as anchovies elude net

W/Mail 8/6-14/6/90

SHARE prices for companies quoted on the Johannesburg Stock Exchange normally reflect economic cycles. Few are determined by nature — but the fishing industry rises and falls with the tides.

The South African fishing industry has been hit by poor anchovy and lobster catches this season, which is reflected in the softness of fishing shares on the JSE. Steve Malherbe, managing director of the SA Inshore Fishing Industry Association, says the low anchovy quota of 150 000 tons could still be cut to 100 000 tons if catches don't improve.

Added to this the Namibian government plans to adopt more conservative fishing quotas than previously operated in their territorial waters. This could affect South African fishing companies adversely in the short

**The elusiveness of anchovies and a tardiness in harvesting lobsters has led to a softening of fishing shares. ALAN HIRSCH reports**

run, though their Namibian subsidiaries should benefit in the longer run.

The South African fishing industry is divided into three main categories: pelagic (pilchards and anchovies), lobster, and deep-sea (mainly hake). In 1987 and 1988 the pelagic sector was boosted to unprecedented levels when the anchovy quota — the amount the state allows the industry to harvest — rose to 600 000 tons, double the average of 300 000 tons.

This year, as a result of two years of "poor recruiting", according to Dr Louis Botha, director of the Department of Sea Fisheries, anchovies are

hard to find, and the government was forced to reduce the anchovy quota to 150 000 tons. Malherbe ventures the department might have to cut it still further before the end of the season.

Good pilchard catches and a quota raised from 35 000 to 56 000 tons does compensate the fishing industry. But even though the pilchards are estimated to be worth about three times the value of anchovies by weight, the good pilchard harvest will not compensate for the absence of anchovies.

Moreover, this year it's taking longer than usual to bring in the lobster catch. Though Botha is not too concerned about lobster stocks, the lateness and poor quality of the harvest has incurred extraordinary costs that may not be fully recovered by the fishing companies, according to Mal-

herbe. Walter Lewis, chief executive of Oceana, a major fishing company, notes that lobster catches in the Luderitz area are poor this year.

The South African fishing industry has major interests in Namibia — Oceana, for example, owns 54 per cent of its Namibian subsidiary — and poor harvests in Namibian waters have also weakened the profitability of the South African firms. Yet the subsidiaries may soon be beneficiaries of Namibian attempts to restructure its inshore fishing industry.

In March Namibia's President Sam Nujoma asked foreign fishing trawlers to leave his country's waters. Namibia is extending its economic rights 200 nautical miles into the ocean, which will mean, like South Africa, it will have the right to control the mineral and fishing resources of a huge marine "Exclusive Economic Zone". This won't affect diamond concessionaires whose rights in terms of the old 12 nautical mile territorial waters zone will still apply.

Walvis Bay commercial interests are reported to be unhappy about the economic effects of the absence of foreign fishing fleets. The Japanese and Spanish crews, in particular, have been big spenders. In the longer run, though, the Namibian economy should benefit from the application of nationalistic economic measures. The power of South African interests in the Namibian fishing industry could emerge as a contentious issue.

According to Carl Schlettwein, permanent secretary of the Namibian Department of Fisheries and Water, Namibia plans to set low fishing quotas to allow "grossly overfished resources to recover". Before independence fishing rights were determined by a consortium of countries fishing in Namibian waters called ICHSEAF, "a sort of international club of fishing", says Schlettwein.

"Namibian waters were overexploited," says Schlettwein, "because everyone could fish for free." Nevertheless, Namibian fishing quotas which are due out shortly are not expected by the South African industry to be sharply cut.

## Namibia plans new tax regime for mines

BARRY SERGEANT

(221A)

KARIBIB — Namibia's President Sam Nujoma yesterday rapped mining companies in Namibia over the knuckles and said his government was formulating a national tax regime for the "equal" treatment of the mining industry. B10AM 12/6/90

He was officially opening the Navachab gold mine, an R85m Anglo American/De Beers venture.

Nujoma said mine owners and other corporations had specific obligations.

"First they should not indulge in over-mining and underhand deals which result in tax evasion and deprive Namibia of valuable revenue which could have been used for national development," he said — charges investigated and found to be without basis by the Thirion Commission.

"Secondly, they must respect the laws of the land and keep in mind that their continued operations in Namibia depends on their own good behaviour," Nujoma said.

Political sources at the mine opening said there was little fear of nationalisation as the Namibian constitution precluded confiscation without compensation.

Nujoma said Namibia's "national and flexible tax regime" would carefully examine such fiscal provisions as licence fees, state leases (royalties), company tax, dividend remittance tax and export tax.

Anglo and De Beers chairman Julian Ogilvie Thompson said at the opening that it was projected that Navachab's direct taxes payable to the state under the current regime would reach a level of more than 50% of distributable profits, while further income would be derived from GST and income taxes generated from wages.

● See Page 7

# Namibia may store poison waste

221A

*South African 12/6/90*  
WINDHOEK - Namibian government officials have held informal discussions about the possibility of accepting toxic waste for storage in the country, according to a Windhoek businessman, Mr Hans Boedecker.

A question seeking clarity on this has been tabled in the National Assembly and Mr Andimba Toivo ya Toivo is expected to reveal the government's position on Thursday.

*Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament.*

Discussions by pupils on open schools: discouragement

\*5. Mr K M ANDREW asked the Minister of Education and Culture:

Whether any steps have been taken to discourage or prevent high school pupils in the Cape Peninsula from meeting to discuss open schools; if so, (a) what steps and (b) (i) why and (ii) on whose authority were they taken?  
B1062E

THE MINISTER OF EDUCATION AND CULTURE:

No, however, in terms of standing departmental policy a request for a prefect forum, consisting of prefects from various schools to be held during school hours at a Cape Peninsula school, was refused.

Requests for open schools

\*6. Mr A GERBER asked the Minister of Education and Culture:

Whether his Department has received any requests from schools that pupils of different colour may be admitted to those schools; if so, (a) from which schools and (b) (i) in what way were the parents consulted about the matter, and (ii) what percentage of parents voted in favour of opening the schools, in each case?  
B1076E

THE MINISTER OF EDUCATION AND CULTURE:

\* (a) Before 23 March 1990, when the Minister announced the education models, the following 20 high and 15 primary schools submitted requests

DIRECT REQUESTS

Glenwood High School	Durban
South African College High School	Cape Town
Rondebosch Boys' High School	Rondebosch
Westerford High School	Rondebosch
Rustenburg High School for Girls	Rondebosch

Camps Bay High School	Camps Bay
Hoërskool Kenhardt	Kenhardt
Western High School	Homestead Park, Johannesburg

Johannesburg High School for Girls	Johannesburg
Pretoria Boys' High School	Pretoria
South African College Boys' Primary School	Cape Town
Grove Primary School	Claremont
Rondebosch Boys' Primary School	Rondebosch
Rustenburg Junior School for Girls	Rondebosch
Camps Bay Primary School	Camps Bay
Mountain Road Primary School	Woodstock

INDIRECT REQUESTS

Victoria High School

for Girls

Kaffrarian High School for Girls

Dale College Boys' High School

York High School

Cape Town High School

Wynberg High School for Girls

Wynberg Boys' High School

Ixopo High School

Berea High School for Girls

Brebner High School

St Michael's School

Pretoria High School for Girls

Dale College Boys' Primary School

Queen's College Boys' Primary School

Rhenish Girls' Primary School

Wynberg Junior School for Girls

Wynberg Boys' Junior School

Rondebosch Boys' Primary School

Ellerton Primary School

Grahamstown

King William's Town

King William's Town

George Town

Cape Town

Gardens

Wynberg

Wynberg

Ixopo

Berea, Durban

Bloemfontein

Bloemfontein

Pretoria

King William's Town

Queenstown

Stellenbosch

Wynberg

Wynberg

Wynberg

Wynberg

Rondebosch

Sea Point

Brebner Primary School	Bloemfontein
Maldstone Primary School	Tongaat

The information above is also in substitution of the reply given to the hon member for Cape Town Gardens to question no 1 on 1990-03-06. (Column 330)

After 23 March 1990 requests were received from

Aston Manor Primary School	Kempton Park
Ellerton Co-ed Primary School and Care Centre	Three Anchor Bay
Erica Girls' Primary School	Port Elizabeth,

(b) (i) Management Councils of schools consulted parents by means of questionnaires,

(ii) specific percentages were not always mentioned.

\* public ordinary schools only.

For written reply:

General Affairs:

Namibia: government-owned property

294. Mr K M ANDREW asked the Minister of Foreign Affairs:

Whether the Government owns any property in Namibia; if so, (a) what property, (b) what is its value, (c) (i) when and (ii) from whom was it acquired, (d) for what purposes was it used in (i) 1970, (ii) 1980 and (iii) 1990, and (e) what is it currently being used for, in each case? Handwritten 2 21 57 90 B748E

THE MINISTER OF FOREIGN AFFAIRS:

Yes the Government owns the following property in Namibia:

(1) The Berg Hotel at 48 Jan Jonker Road, Klein Windhoek. The municipal valuation is R3 944 800. It was purchased in 1978/79 from the then SWA Administration as office accommodation for the Department of Foreign Affairs. The accommodation has subsequently been allo-

cated to and occupied by the Office of South African Interests. (2 21A)

(2) Four residential properties, which were purchased from private owners in 1978/79, at the time of the purchase of the Berg Hotel for the accommodation of personnel of the Department of Foreign Affairs. These homes are at present being occupied by officials attached to the Office of South African Interests: Handwritten 14 21 57 90

(a) Erf 511, 24 Malcolm Spence Street, Olympia — municipal valuation of R280 000.

(b) Erf 1695, 9 Jan Jonker Road — municipal valuation of R375 000.

(c) Erf 1042, 75 Richter Street — municipal valuation of R240 000.

(d) Erf 3443, 17 Van Rijn Street — municipal valuation of R235 000.

(3) Ten residential properties and two flats, which were purchased from private owners in 1988/89 as accommodation for personnel attached to a future South African Mission in Windhoek. They are all at present occupied by transferred personnel attached to the Office of South African Interests:

(a) Erf 2432, 3 Anna Street, Ludwigsdorf — municipal valuation of R420 000.

(b) Erf 2344, 45 Hebenstreit Street, Ludwigsdorf — municipal valuation of R350 000.

(c) Erf 2704, 7 Franciska Street, Ludwigsdorf — municipal valuation of R300 000.

(d) Erf 2196, 21 Quenta Street, Ludwigsdorf — municipal valuation of R300 000.

(e) Erf 2242, 83 Glouddina Street, Ludwigsdorf — municipal valuation of R285 000.

(f) Erf 400, 14 Henry Kaltenbrun Street, Olympia — municipal valuation of R340 000.

(g) Erf 564, 29 Reginald Walker Street, Olympia — municipal valuation of R310 000.

221A

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(h) Erf 2312, 17 Jeannette Street, Ludwigsdorf — municipal valuation of R270 000.

(i) Erf 386, 13 Charles Winslow Street, Olympia — municipal valuation of R270 000.

(j) Erf 557, 58 Malcolm Spence Street, Olympia — municipal valuation of R220 000.

(k) Erf 2393, No 1 Alasio Court, Cypress Street, Suiderhof — municipal valuation of R141 000.

(l) Erf 2393, No 4 Alasio Court, Cypress Street, Suiderhof — municipal valuation of R141 000.

(4) Erf 1042, 75 Richter Street, Pioniers Park Town Deed of Sale No 944/1978. The property was previously allocated to personnel attached to the Office of the Administrator-General, but has been occupied by an official attached to the Office of South African Interests since Namibian Independence. It has a municipal valuation of R240 000.

(5) Erf 1344, 127 Uhland Street was acquired in 1953 from the then SWA-administration and will soon be occupied by an official attached to the Office of South African Interests. It has a municipal valuation of R350 000.

(6) SWA House, 85 Leurwejn Street (residence) and 5 Goening Street (offices). The municipal valuation is estimated at R4 218 800 and the property was acquired by the RSA after an exchange/purchase transaction in 1983. It was thereafter occupied by the respective Administrators-General and the offices were, after completion, used by personnel attached to the Office of the Administrator-General. It has subsequently been proffered to the new Government of Namibia as a gesture of goodwill and now serves as the official residence of the President of Namibia.

(7) The Turnhalle Complex, 114-117 Leurwejn Street. It has a municipal valuation of R2 115 400 and was acquired in 1940 from the Turnverrein. The right of usage

to the buildings was granted to the SWA Administration years ago.

(8) The following residential properties are also registered in the name of the RSA, and were occupied for approximately the past ten years by personnel of the South African Defence Force. Since the independence of Namibia and the withdrawal of the SADF from the territory, these residential properties have been administered by the Namibian Department of Civic Affairs and Manpower:

(a) Erf 481, 19 Calvyn Street, Academia Town Deed of Sale No 296/1971 — municipal valuation of R53 000.

(b) Erf 479, 23 Calvyn Street, Academia Town Deed of Sale No 1395/1971 — municipal valuation of R62 000.

(c) Erf 555, 25 Hinttrager Street, Pioniers Park Town Deed of Sale No 288/1969 — municipal valuation of R64 000.

(d) Erven 86, 87 and 89 at 49, 45 and 41 Matrenkloof Street, Pioniers Park Town Deed of Sale No 2814/1969 — municipal valuations of R67 700, R65 000 and R65 000 respectively.

(e) Erf 162, 18 Coetzee Street, Pioniers Park Town Deed of Sale No 28/1970 — municipal valuation of R67 000.

(f) Erf 64, 10 Van Falckenhausen Street, Pioniers Park Town Deed of Sale No 67/1970 — municipal valuation of R64 900.

(g) Erf 1171, 33 Bruhn Street, Pioniers Park Town Deed of Sale No 114/1970 — municipal valuation of R64 000.

(h) Erf 1172, 31 Bruhn Street, Pioniers Park Town Deed of Sale No 114/1970 — municipal valuation of R70 000.

(i) Erf 1186, 3 Bruhn Street, Pioniers Park Town Deed of Sale No 355/1970 — municipal valuation of R57 000.

(j) Erf 1052, 51 Richter Street, Pioniers Park Town Deed of Sale No 1619/1970 — municipal valuation of R69 300.

(9) Erf 981, Koerne Street was acquired in 1941 from the then SWA Administration

and has since been occupied by the State Laboratories. Further information and/or a valuation were not readily available for the purposes of this request.

(10) Partition 34 (a part of partition D) on the farm "Windhoek" and municipal grounds no 31, Registry Division K, Windhoek; and partition 34 (a part of partition B) and partition 35 (a part of partition B) of the same farm. The total municipal valuation for the grounds and improvements is R16 848 000. It was acquired in 1951 from the Municipality of Windhoek, whereas the structural improvements were made and the property was used as a military base. It was made available to UNTAG after 1 April 1989.

(11) Portion C of Erf 155, Okatjurrut at Witvlei, Gobabis — at present under the administration of the Council for Peri-urban Development. Further information and/or a valuation were not readily available for the purposes of this request.

(12) The following properties at Grootfontein are registered in the name of the RSA, but are at present being administered by the Namibian Department of Civic Affairs and Manpower:

(a) Erf 143, Anderson, Grootfontein Town Deed of Sale No 858/1970 — municipal valuation of R33 000.

(b) Erf 159, Hindorf, Grootfontein Town Deed of Sale No 574/1970 — municipal valuation of R40 000.

(c) Erf 175, Galton, Grootfontein Town Deed of Sale No 1459/1970 — municipal valuation of R49 000.

(13) The following properties at Otiwarongo are registered in the name of the RSA, but are at present occupied by staff of the local Post Office:

(a) Erf 707, 46 Long Street, Otiwarongo Town Deed of Sale No 2120/1970 — municipal valuation of R42 000.

(b) Erf 727, 7 Sonn Road, Otiwarongo Town Deed of Sale No 232/1971 — municipal valuation of R30 000.

(14) Portion A of Erf 40, Usakos Town Deed of Sale No 549/1921 — municipal valuation of R115 390. This property was previously used by SAR & H, was then transferred to the Namib Transport Corporation and at present forms part of a sale transaction with the Municipality of Usakos.

(15) Erf 7, Outjo Town Deed of Sale No 156/1922 — municipal valuation of R14 710. Further information was not readily available for the purposes of this request.

Copies of the relative deeds of sale are being made available to the hon member.

Langa/Guguletu/Nyanga: upgrading/renovation of schools

331. Mr K M ANDREW asked the Minister of Education: How's *well* 22/5/90

Whether any upgrading or renovation of existing schools in Langa, Guguletu and Nyanga is due to take place in 1990; if not, why not; if so, (a) what upgrading or renovation, (b) at which schools and (c) at what cost? B821E



The MINISTER OF EDUCATION:

Yes

(a)

(b)

(c)

Langa	Total renovation and additions	R3 180 000
Guguletu	Total renovation and additions	R 250 000
		R 836 798
		R 510 103
		R 875 700
		R 993 500
Nyanga	Total renovation and additions	R 947 600

SHIPPING FIM 2714190

## Whither Walvis Bay?

Namibia cannot afford to forgo the use of Walvis Bay and Walvis Bay cannot afford to lose the business of Namibia. They're both all too aware of one statistic — Namibia accounts for 97% of Walvis Bay's traffic.

Nevertheless, the many shipping lines that serve Namibia, both European and South African, are concerned over the future of the SA enclave along the desert seaboard.

Namibia, of course, wants SA to relinquish control of the port and turn it over to the newly independent country. President F W de Klerk's counter offer falls far short of that. While in Windhoek last month, he pledged that whatever happens in discussions over Walvis Bay, SA will assure that Namibia continues to enjoy convenient access. (221A) ~~(S)~~

But Namibia, independent for about five weeks now, is eager to cut its dependence on SA. So government has discussed developing Swakopmund as a lighterage port as in the days of the German occupation and even operating a new port at Henties Bay, 140 km north of Walvis Bay. There is also the possi-

93

FIM 2714190

(221A)

~~(S)~~

bility of a port across the border in Angola, which would be a convenient outlet for Ovamboland, the ruling Swapo party's stronghold.

Important shipments of copper, uranium, lead and fish products move out of Walvis Bay. The shipping lines are consequently anxious that politics don't interfere with the business of the port. Luderitz, the only other Namibian outlet, could not handle anything like the tonnage of Walvis Bay and its rail line wouldn't be able to carry the greater volume.

Only small coasters can use the wharf at Luderitz now, but there is a sizeable fishing fleet there. If it became untenable for the Namibian-owned fishing operations in Walvis Bay to remain there because of political pressure to move into Namibia, they could

relocate to Luderitz.

But talk of developing new ports and lessening dependence on SA could be missing the point — independence could bring an enhanced status for Walvis Bay and expand the enclave's links with the rest of SA. The improved rail connections to Botswana and Zimbabwe that the Namibian government has proposed would certainly raise Walvis Bay's profile.

And if independence leads to greater industrialisation, as the government hopes, it also must lead to greater imports of capital machinery. So suitable dock facilities will become even more important and Walvis Bay, fully equipped with cranes and other amenities, is the natural terminal. It would take years to build an alternative harbour.

In any case, the major imports through

Walvis Bay are from SA, so establishing an alternative to Walvis Bay on Namibian soil would not lessen the country's dependence on SA all that much. Imports make up 90% of Namibia's capital goods, 70% of its consumer goods and more than 50% of its basic foodstuffs.

Unicorn Lines of Durban, which offers the most frequent service to Walvis Bay, may find that its two ageing container vessels serving Namibia are hardly adequate for a route likely to demand versatile carriers. While the ships, the *Berg* and the *Breede*, now provide a clockwork weekly service from SA to Walvis Bay, there are many commodities shipped through the port that do not lend themselves to boxing. A pair of roll-on, roll-off replacements, suitable for a wider variety of cargo, may be required. ■

FIM 27/4/90

# White lightning

221A

Pretoria attorney Ernst Penzhorn was used by Military Intelligence (MI) in October 1986 to evaluate a scheme, designed by a close friend of former President P W Botha, to give MI a foothold in African countries.

Penzhorn recently claimed that he had, in early 1986, sold the close corporation which made payments on behalf of MI to slain Swapo executive member Anton Lubowski.

The FM first reported that Penzhorn is the sole member of Global Capital Investments CC (*Current Affairs* March 30). Last week, Registrar of Companies Mossie van Rensburg told the FM that Penzhorn would still be liable for all claims against the corporation, as no documentation of the transfer of the corporation has been registered with his office.

In October 1986, Penzhorn was consulted by MI after George businessman Toni Botha (a friend of P W Botha) proposed that a number of front companies — involving Volkskas and a high-ranking MI officer — be formed to infiltrate Africa.

Toni Botha's proposal was made to former MI brigadier Johan Deyzel on Botha's farm, *Hoogekraal*, on October 11 1986. Deyzel met Botha (who is a former Hill Samuel director) at the request of Chris van Rensburg, an East London businessman. Van Rensburg is a former chairman of Jalc, the company which also featured during the inquiry of the earlier Harms Commission into cross-border irregularities.

Botha's proposals were made in writing to the then secretary of the State Security Council, Gen P W van der Westhuizen. The proposals suggested that SA's security and intelligence community be given a foothold

in Africa by establishing front companies — on which Deyzel would serve as director.

According to the proposals, code-named *Projek Witblits*, MI, aided by Volkskas, would form a company called "African Investments". A second company, "African Development Corp", on whose board Deyzel would serve, would become a shareholder in another company, "Credit International".

The latter would be formed with Volkskas Merchant Bank and "International Project Finance", in which Botha and two overseas companies, Jessup & Lamont International (London) and Cramer et Cie (Geneva), would be shareholders.

Botha proposed that Credit International involve itself with the Pande Gas development project in Mozambique, the Cassava development project in Transkei, the Sua Soda potassium development project in Botswana and an electronic computer project in Mauritius.

Botha discussed his proposals with the former Chief of Staff (Intelligence), Vice-Admiral Dries Putter. The benefits for the State would be that government would be absolved from any blame and the intelligence community could make contacts with governments and individuals through the private sector. Botha also said the foreign shareholders would be unaware of who was really involved, while their commercial activities would be available to the intelligence community.

Botha also proposed the relationship between Van Rensburg's company, Jalc (to which Deyzel eventually was seconded) and the chief of staff be determined by contract.

Later in October, the proposals were

handed over to Penzhorn for his evaluation on behalf of MI. In his report, Penzhorn suggested the scheme be aborted. He suggested, however, that Deyzel resign from MI and take up a position of consultant at Jalc. Penzhorn also proposed that Deyzel be paid a salary by Jalc which, together with other expenses, would be refunded by MI.

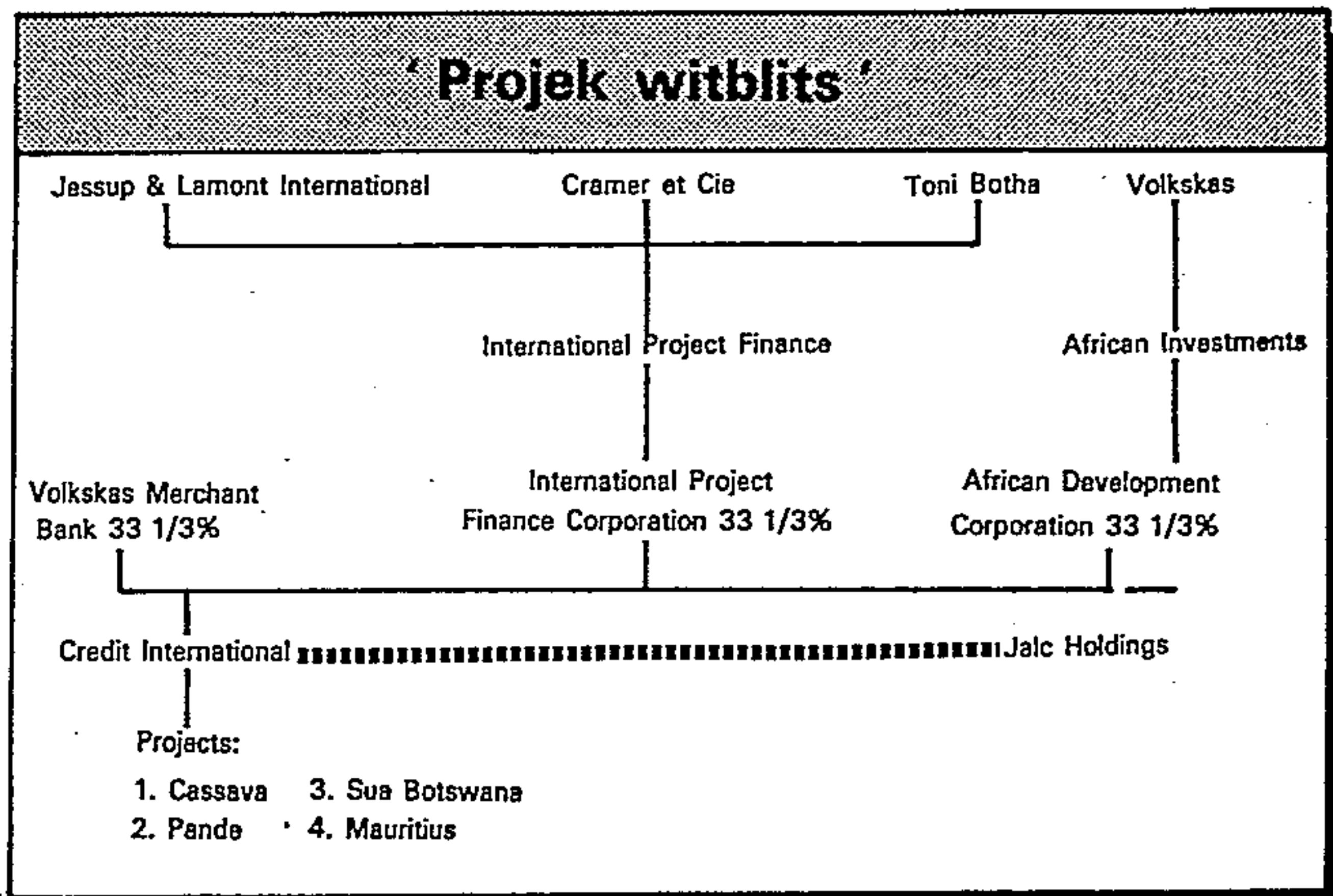
Should something go wrong at Jalc, he argued, Deyzel would only suffer the normal disadvantages of an employee and there would be no financial implications. As an employee of Jalc, Deyzel would be able to collect enough information which could be used by MI, Penzhorn suggested.

Later, Deyzel was told Penzhorn's plan would also not be activated and he (Deyzel) was instructed to link up (*in te skakel*) with Jalc. During Judge Harms's inquiry, Deyzel and Putter were extensively questioned about his and MI's involvement with Jalc.

After the first report was published on Global Capital Investments CC, Penzhorn denied that he had ever made any payments to Lubowski. He also denied that he is or ever was a member of MI. Since then, Penzhorn has been prevented by the SADF from making any more statements, sources told the FM.

Eddie Botha

## The scheme shot down by Penzhorn



## MINE WAGES FIM 27/4/90

### Just for starters

Against a backdrop of rising costs and a union protest drive against race discrimination on the mines, the National Union of Mine-workers (NUM) opened this year's wage negotiations with what amounts to an average 35% increase. The Chamber of Mines and the union are due to start formal bargaining in the second week of May (see *Fox*).

The union's "proposal" would mean an industry "national minimum cash wage" of R543 a month (rising to R1 339 at Grade 8) for surface workers; and R600 (R1 480) for underground miners, gold and coal. Open-cast rates would be the same, except for the top four grades which are a bit higher. This excludes any payments for food, accommodation and medical care, said NUM general secretary Cyril Ramaphosa.

The same minimum rates were sought last year (based on a 95% demand), though NUM eventually settled for average increases of 18%. The union is aiming to eliminate wage grade differences among the major mining houses.

Regarding conditions of employment, Ramaphosa also announced demands for: paid public holidays on March 21, June 16 and



# ashion



**Foschini's Lewis ... moderate growth forecast**

liabilities jumped by 50% to R60,5m while short-term loans rose by R12,2m to R14,4m. These are acceptable increases in terms of the group's current financial structure in regard to both the current and debt:equity ratios. The increased borrowings were unavoidable as Foschini has spent heavily on information systems needed to maintain the company's competitiveness.

Trading conditions were buoyant in the first half of last year but deteriorated with the credit squeeze in the second. In particular, the turnover of American Swiss, the subsidiary jewellery chain, was hit by the new credit agreement regulations. Its sales rose by only 14% against 32% notched up by clothing retailer Markhams, 27% by the black chain Pages and just over 24% by the Foschini chain.

Chairman Stanley Lewis expects "moderate real growth" this year, but the bottom line will remain affected by the debt burden particularly if further growth cannot be fully funded internally. But if the group is able to raise turnover by more than 20%, operating efficiencies should see earnings growth keeping pace.

Gerald Hirshon

GF NAMIBIA FIM 2714/90 221A

## Recovery potential

The flood which put large parts of the Kombat mine out of operation in November 1988 took longer to overcome than expected. Dewatering took more than a year to complete and the mine is only now back to its

FIM 2714/90 221A

**Activities:** Namibian mining house administering copper and lead mining and exploration subsidiaries.

**Control:** GFSA 61%.

**Chairman:** CT Fenton.

**Capital structure:** 16m ords. Market capitalisation: R144m.

**Share market:** Price: 900c. Yields: 13,3% on dividend; 19,8% on earnings; PE ratio, 5,06; cover, 1,48. 12-month high, 1 050c; low, 710c. Trading volume last quarter, 238 623 shares.

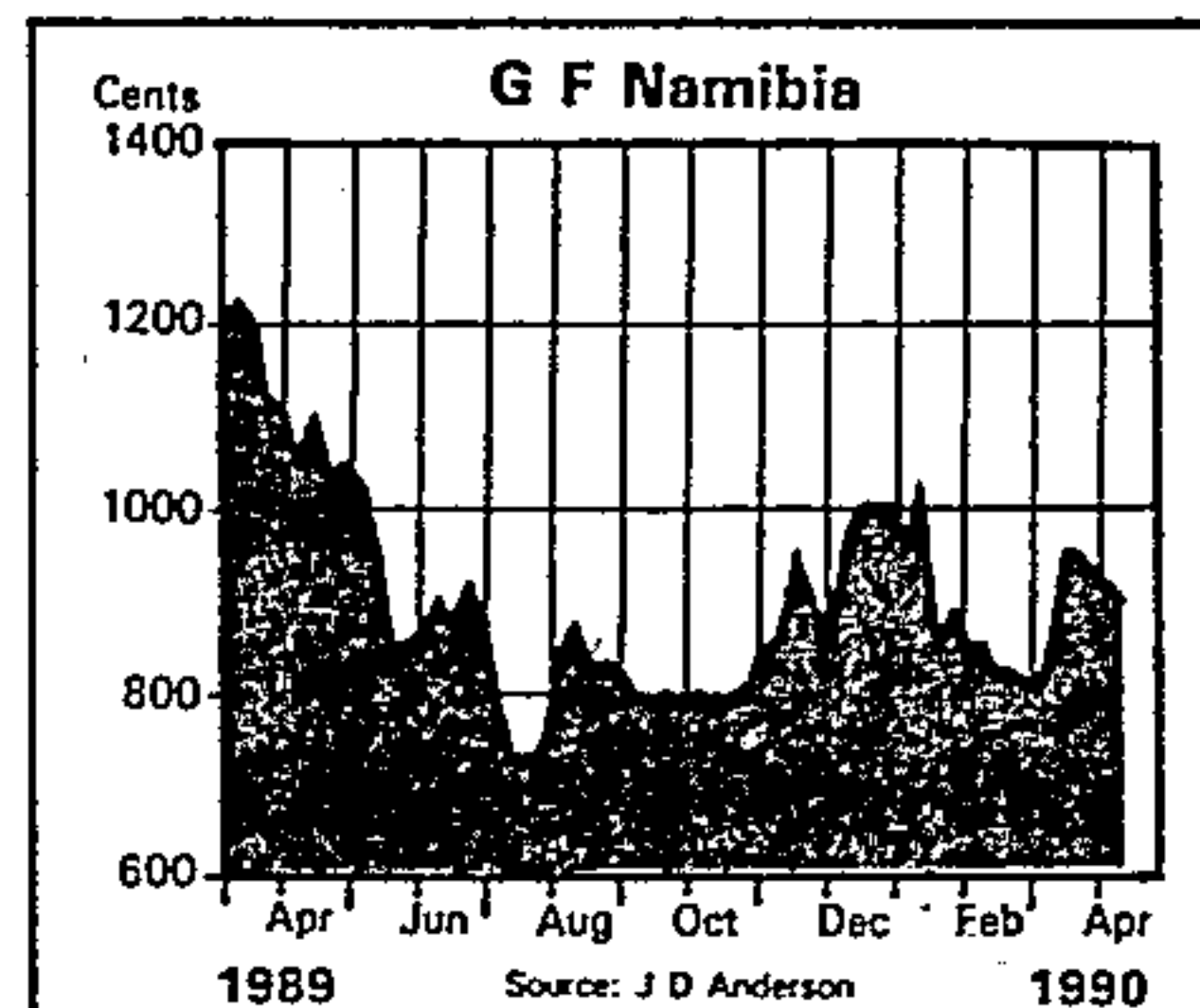
Year to Dec 31	'87	'88	'89
Turnover (Rm) .....	—	362,6	391,3
Pre-tax profit (Rm) .....	—	89,4	59,2
Attributable profit (Rm) .....	—	59,7	40,2
Earnings (c) .....	—	243	178
Dividends (c) .....	—	120	120
<b>Production:</b>			
ore mined (Mt) .....	1,450	1,803	1,668
copper sales (t) .....	37 147	39 049	33 308
lead sales (t) .....	41 537	42 534	44 652
silver sales (t) .....	103	105	111

previous production levels. The upshot was that Kombat's copper production last year ran at only one third of its 1988 level while at Otjihase, where the group had hoped to make up some of the shortfall, copper output was in fact 14% lower. The Tsumeb mine saw a modest rise in copper production, but the overall reduction was 20%.

On the lead side, the group fared little better. Kombat's lead output collapsed by 82% and a slight decline in Tsumeb's production saw total lead produced by the group down by 17%. Silver production remained virtually unchanged.

The group was fortunate that average prices received for copper — R7 507/t against R5 989/t — and lead — R1 768/t against R1 478/t — rose last year compared to the 1988 levels, though the silver price fell to R465/kg from R497/kg. This helped to soften the production blow, but profits were still down 32,7%.

From its mid-year price peaks, copper dipped towards the end of 1989 along with most other base metals, but is currently showing some strength. At present, the metal



# Namsea plunges in troubled waters

CAPE TOWN — Namibian Sea Fisheries (Namsea), the Oceana Fishing subsidiary embroiled in negotiations with the Namibian Sea Fisheries over reduced quotas, has reported a severe drop in interim earnings from 120,1c a share to 24,4c.

## Predicted

While operating income increased by 61% to R1,29m on turnover which grew 65% to R5,79m, a virtual free fall in dividends received from associated companies as a result of poor lobster catches, knocked bottom line profits.

Attributable earnings of R1,02m (R5,04m), after a tax bill which went up marginally to R576 000, trans-

LESLEY LAMBERT

lated into earnings of 24,4c (120,1c) for the six-months to march. As a result, dividends have been reduced from 65c to 15c a share.

Namsea chairman Walter Lewis predicted troubled times ahead at parent Oceana's annual general meeting last year when he indicated that Namsea's contribution to group results had been lower than expected after three previous years of solid performances.

The company relies heavily on its fishing activities in Namibia and prospects there have deteriorated over the past year.

The Namibian industry's total allowable lobster

810am 27/4/90  
catch was set at 1 800 tons — compared with 2 000 tons the previous season — of which Namsea was allocated about one third. Namsea's landings have been 372 tons to date and the season ends this month.

## 221A Poor

Directors attributed the poor catches to unusual physical characteristics in the ocean which affected the lobsters' feeding habits and appetite for bait, and persistent heavy swells and high winds which impeded fishing operations.

On the pelagic side, the 1990 total allowable pilchard catch was set at 40 000 tons, compared with 50 000 tons the previous

season. The directors argue the Namibian authorities reduced their quota disproportionately from 2 547 tons to 1 246 tons and they are negotiating with the Namibian authorities to redress the imbalance.

But, while directors say the pelagic season has shown a promising start, the reduced lobster landings, well below those budgeted for from a resource which traditionally contributes about 50% of profits, have done significant damage.

This, coupled with the uncertainty which surrounds the pilchard quota, has left directors' estimates of year end earnings at a level substantially below that of last year, they say.

Y, Wednesday, May 2 1990

5

## Namibia seeks aid

NEW YORK — Namibian Foreign Minister Theo-Ben Gurirab said on Monday his government would introduce legislation shortly to attract foreign investment.

Speaking at the special General Assembly session on economic co-operation, Gurirab appealed to the international community for assistance and delivered Namibia's first substantive UN address since it became the world body's 160th member a week ago.

He said the government was drawing up a code that would provide guarantees "international investors normally expect" and offer special incentives to projects that promoted employment and training. (221A)

In addition, Namibia, with the help of the UN, was organising a private sector conference for next November at which foreign investors could meet local entrepreneurs and senior government officials. BIDM 215790

Gurirab also appealed for international aid to set up proper health care, housing, education and rural development. A donors' pledging conference is to be held from June 21 to 23.

He said the country's colonial legacy left it with a "distorted income pattern" that had 55% of people earning \$63 a year, 40% \$600 and 5% \$14 500.

At the same time, Gurirab said Namibia inherited a bloated civil service of more than 50 000 in a population of less than 2-million.

This in part accounted for a budget deficit of R500m with expenses up to 56% of GNP. — Sapa-Reuter.

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# Namibia sets out foreign aid needs

*Mbu's 2/5/90 221A*  
The Argus Foreign Service  
NEW YORK. — Namibia's Prime Minister, Mr Hage Geingob, has discussed his country's foreign aid needs with representatives of potential donor states in a meeting at the United Nations headquarters here.

UN secretary general Dr Javier Perez de Cuellar told prospective donors of the urgent need to reconstruct the economy.

Among the problems facing Namibia, he said, were the large number of wounded and handicapped people needing rehabilitation, the resettlement, housing and employment of returnees and a R500 million budget deficit inherited from the previous administration.

221A



An artist's impression of IGI's new building planned for Windhoek.

## Building confidence in Namibia

A NEW architectural partnership has opened in Windhoek to provide an advisory service for SA and overseas investors in the country.

The first major project of the Taljaard Carter and Rynand Mudge partnership is the design of an office block in Windhoek for IGI.

Taljaard Carter's Johannesburg-based director responsible for com-

mercial developments, Justus van der Hoven, said independence had created confidence among outside investors.

"A-grade office space is at a premium in Windhoek and I expect demand for recreational facilities will increase as the world recognises the great tourist potential of Namibia."

The IGI office block will offer 3 000m<sup>2</sup> of office space and 600m<sup>2</sup> retail space in a groundfloor shopping mall.

Cape Times 4/5/90 (221A)

# Starving Bushmen get emergency aid

WINDHOEK — The Namibian government has sent seven tons of emergency food supplies to former Bushman soldiers and their dependants found in dire condition at the abandoned Omega military base in western Caprivi.

Health and Social Services Minister Dr Nicky Iyambo told a media briefing in Windhoek yesterday that he found about 4 500 people "literally starving" when he visited the area on Monday.

South Africa had promised the former soldiers they would continue to be paid for the next year and that their May sala-

ries would be paid last week, Dr Iyambo said.

They had not been paid on Monday, nor had the shop at the deserted base 230km from Katima Mulilo been opened.

Shortly before independence in March, the South African Defence Force relocated about 500 Bushman soldiers and their families to Schmidtsdrift near Kimberley in the Northern Cape, in terms of an undertaking made to the soldiers years ago.

Dr Iyambo said there had been many promises made to the Bushmen and the present government had not been told who was responsible for paying them.

The Bushmen themselves had spoken of insurance companies paying them money on behalf of the SADF.

The food supplies sent to the north would last for one week, and arrangements were being made to make more supplies available for the next three weeks.

Dr Iyambo said he expected that these people would be included in the United Nations World Food Programme feeding scheme while plans were being made to sort out their future.

He said the cabinet would make contact with South Africa on the issue. — Sapa

## Big gains for public sector 221A

WINDHOEK — Namibia would have to earmark a considerable portion of its budget during the next three years for capital investment in the public sector, Information and Broadcasting Minister Hidipo Hamutenya said yesterday. 51024 415790

Investments would be aimed at job creation in agriculture and rural development, as well as the creation of basic infrastructure for underdeveloped areas.

Meanwhile at the UN, Namibian Foreign Minister Theo Ben Gurirab, said more than 50% of the country's population had a per capita income of only \$63 a year.

A distorted figure of Namibia's national income could disqualify the country from certain categories of international aid, he said.

— Sapa.

## Namibia, Angola, Zambia to link up electrical supply

WINDHOEK — Namibia is to begin supplying electricity to Angola and buying power from Zambia in terms of an agreement between Southern African Development Co-ordination Conference (SADCC) countries.

SWA Electricity Corporation director Pölla Brand said in Windhoek yesterday personnel had already left to investigate extending the powerline from Ruacana, on Namibia's northern border, to Xangongo, 80km inside southern Angola. *Windhoek 4/15/90*

Technicians would immediately begin erecting a line to bring electricity across the Zambezi from Zambia to the Caprivi in the north-east, where the eventually shut down of the diesel power station at Katima Mulilo was planned. (221A)

These developments followed a meeting of SADCC electricity sub-committee members in Harare last week attended by representatives of Namibia, Botswana, Lesotho, Zimbabwe, Zambia, Mozambique, Malawi, Tanzania and Angola.

Brand said member countries had agreed that voltage, frequencies and operating codes should be standardised.

"We also agreed to investigate mutual power supply and to standardise training so that in a crisis, personnel could assist in other countries," Brand said, adding that equipment and spares would also be standardised.

The next SADCC electricity sub-committee meeting was due to be held in Windhoek in October under Brand's chairmanship. — Sapa.



# Former San troops 'dumped' by SADF?

*Capt. Tim H. S/S/90 (221A)*  
FORMER San soldiers of the SADF — found in dire circumstances at their old Omega base in western Caprivi this week — appear to have been abandoned by their former masters.

Yesterday SADF spokesman Colonel John Rolt declined to comment on reports that Namibian Health and Social Services Minister Dr Nicky Iyambo found about 4 500 people "literally starving" at the former SADF base.

Namibian authorities have sent seven tons of emergency food supplies to the former soldiers and their dependants who, Dr Iyambo said, told him the SADF had promised the former soldiers that they would continue to be paid until the end of this year and that May salaries would be paid last week.

This, however, did not happen, nor did the shop on the base open on Monday.

Col Rolt referred the Cape Times to the Department of Foreign Affairs.

Foreign Affairs spokeswoman Ms Elsa Dry said the department's Windhoek office was busy "discussing the matter with the Namibian government", but did not want to make further comment yet.

Before Namibian independence, the SADF relocated about 500 San soldiers and their families to Schmitsdrift near Kimberley.

or reports, and (d) what action was taken as a result, in each case?

B638E

**THE MINISTER OF WATER AFFAIRS:**

Yes.

(a) Municipality of Pietermaritzburg and the Umgeni Water Board.

(b) 26 July 1989.

(c) Raw sewage flowed into the Umsinduzi River, via the KwaPata stream, as a result of a blockage in a sewer caused by the unauthorised dumping of, *inter alia*, medical waste in the sewage system.

(d) Urgent discussions took place between officials of the Department of Water Affairs and other institutions involved, which resulted in effective steps to prevent a repetition.

**Hout Bay sewage scheme**

254. Mr C W EGLIN asked the Minister of Water Affairs:

Whether he has taken any steps to ensure that the sewage to be pumped into the sea at Hout Bay by means of the proposed new sewage scheme will in no way constitute a danger to health; if so, (a) what steps and (b) with what results; if not, why not?

B665E

**THE MINISTER OF WATER AFFAIRS:**

Yes.

(a) Prior to granting permission to dispose of the sewage in the sea at Hout Bay, the Department of Water Affairs required that a comprehensive technical investigation be carried out by experts in the field of disposal at sea to identify and design a scheme which would ensure that the quality of the seawater in those areas used for contact recreation and shellfish gathering would meet the required seawater quality criteria for these beneficial uses. The exemption in terms of which the sea disposal of the sewage is authorised, was issued after consultation with the Department of National Health and Population Development and provides for additional precautionary and safety measures, such as that:

(i) In a specific area where the said criteria may not always be met, provision has to be made to prohibit the collection and gathering of filter feeders; and

(ii) the Western Cape Regional Services Council, responsible for constructing and operating the scheme, must make provision for standby equipment to cope with emergencies, should it arise.

(b) The steps mentioned in (a) satisfied the Department that all reasonable steps have been taken to limit health hazards. Upon completion of the scheme thorough monitoring under the control of a monitoring committee will be undertaken to further determine the effects of the sea disposal of sewage.

Should the need arise, the conditions under which the disposal of sewage at sea at Hout Bay may take place can be amended.

In general I wish to give the assurance that, based on all the evidence available at this stage, there is no need for concern whatsoever, regarding the said sewage scheme from both an aesthetic and health point of view.

**SA: financial/material aid to Namibia**

295. Mr K M ANDREW asked the Minister of Foreign Affairs:

Whether any (a) financial and (b) material aid was granted by South Africa to South West Africa/Namibia during the past five years; if not, why not; if so, in respect of each such year, (i) how much, (ii) for what purposes, and (iii) through which Department was it channelled, in each case?

**THE MINISTER OF FOREIGN AFFAIRS:**

(a) Yes.

RM	85/86	86/87	87/88	88/89	89/90
	318.7	476.0	373.0	305.8	141.6

(ii) The financial assistance was in the form of budgetary aid mainly in the social and economic fields.

(iii) The Department of Finance.

(b) (i), (ii) and (iii)  
Yes. South Africa's responsibility for the administration of Namibia over the years

How many applications for the appointment of conciliation boards did his Department (a) receive and (b) reject in the 1986, 1987, 1988 and 1989 calendar years, respectively?

**Conciliation boards: applications**

298. Mr P J PAULUS asked the Minister of Manpower:

(a) 1986 — 1 294  
1987 — 2 312  
1988 — 3 035  
1989 — 5 604\*

**THE MINISTER OF MANPOWER:**

\*Note: The figure mentioned is for the period 1 November 1988 until 31 October 1989 and appear in the 1989 Annual Report.

\*\*Note: Since 1 September 1988 the Minister of Manpower no longer exercises any discretion over the establishment of conciliation boards. The appointment of conciliation boards is therefore no longer approved or rejected.

**Own Affairs:**

Schools: unutilised/utilised for other purposes

74. Mr J VAN ECK asked the Minister of Education and Culture:

Whether any schools owned or controlled by his Department are unutilised or utilised for purposes other than education; if so, (a) how many as at the latest specified date for which information is available and (b) for what other purposes were they being utilised?

B621E

**THE MINISTER OF EDUCATION AND CULTURE:**

Yes,

Cape Education Department	45 as on 1990-03-23,	1
leased to South African Police and South African Defence Force		4
leased to Cape Provincial Administration		4
leased to agricultural society		1
leased to Hout Bay Museum		1
leased to Mr P W Kaufman		1
leased to Prima Pineapples		1
leased to Klein-Karoo Regional Services Council		1
leased to Department of Local Government, Housing and Works		1
leased to Kliprand- and Trimoa Farmers' Association		2
leased to Rural Foundation		1
in process of alienation (unutilised)		28
Total		45

Natal Education Department	4 as on 1990-03-2,	2
(b) in process of alienation		2
no requests received (unutilised)		2
Total		4

**Orange Free State Education Department**

(a) 5 as on 1990-03-23,  
(b) utilised by Regional Officer (Education) utilised by boereverenigings and V.L.U. utilised by Regional Services Council in process of alienation (unutilised)  
Total 5

**Transvaal Education Department**

(a) 24 as on 1990-03-27,  
(b) leased to Department of Public Works and Land Affairs leased to individuals leased to European Immigration Company leased to South African Police and South African Defence Force leased to Taabospan Farmers' Association leased to Christiana Commando, TPA Hospital Services and a service centre for the elderly leased to Wolmaransstad Commando unutilised: 1

8/10am

8/5/90

## Namibia targeted as dump, says Greenpeace

HARARE — Namibia has been targeted as a dumping ground for 7-million tons of waste a year by a US waste disposal broker, Greenpeace newsletter Waste Trade Update said.

It said the company in question was the California-based Raremin, directed by Jack Derringer, Ziana national news agency reported.

Derringer apparently contacted Namibia's government hoping to find a site to dump sludge, plastic and toxic nuclear waste in exchange for hard currency.

"Derringer suggested 50-billion pounds of plastic waste could be mutually profitable", while nuclear waste would "pay well in hard foreign currency".

Raremin is reported to be exploring possibilities for disposing waste in other African countries. (221A)

"It is unlikely the scheme will succeed as many of the countries he has contacted have led the global battle against waste trade," the newsletter said. — Sapa.

# Bid to help starving Bushmen soldiers

Staff Reporter

PRETORIA is liaising with the Namibian authorities to find ways of resolving the plight of former Bushmen SADF soldiers found in "dire conditions" at the abandoned SADF Omega base in Caprivi.

Namibian Health and Social Services Minister Dr Nicky Iyambo told reporters he had found about 4 500 people starving when he visited the area.

The SADF in Pretoria yesterday referred enquiries to the Department of Foreign Affairs, where spokesman Miss Elsa Dry said both Pretoria and Windhoek were investigating how to get money to the men.

The department was also discussing the matter "at general level" with the SADF, she said.

**Oil hunt**

221A

Sam Nujoma 11/57

WINDHOEK - A member of the Kennedy clan, Michael Kennedy, has set sights on

og 0549 to sld:emil 2id

Namibia for multi-million dollar oil exploration in a scheme which could result in 25 percent of the profits being ploughed back into Namibia. Kennedy, son of assassinated Senator Bobby Kennedy, met President Sam Nujoma and senior members of his Cabinet yesterday to discuss the project.

SWAFISH F/M 11/5/90

## Against the wind

Activities: Pelagic and rock lobster fishing and processing in Namibia.

Chairman: C.L. Walton

221A

Capital structure: 3,15m.ords. Market capitalisation: R18,9m.

Share market: Price: 600c. Yields: 17,9% on dividend; 21,7% on earnings; PE ratio, 4,6; cover, 1,2. 12-month high, 1 350c; low, 600c.

Trading volume last quarter, 22 855 shares.

Year to Dec 31	'86	'87	'88	'89
ST debt (Rm) .....	—	3,6	—	—
LT debt (Rm) .....	0,2	1,6	0,6	0,5
Debt:equity ratio .....	0,1	n/a	n/a	n/a
Shareholders' interest .....	0,53	0,60	0,36	0,63
Int & leasing cover .....	222	n/a	n/a	n/a
Return on cap (%) .....	53	38	29	23
Turnover (Rm) .....	47,0	35,9	20,5	10,8
Pre-int profit (Rm) .....	17,6	13,6	7,0	3,0
Pre-int margin (%) .....	36,1	38,0	34,1	28,2
Earnings (c) .....	289	231	266	130
Dividends (c) .....	250	200	915*	125
Net worth (c) .....	506	633	273	259

\* Including special dividend 675c.

F/M 11/5/90

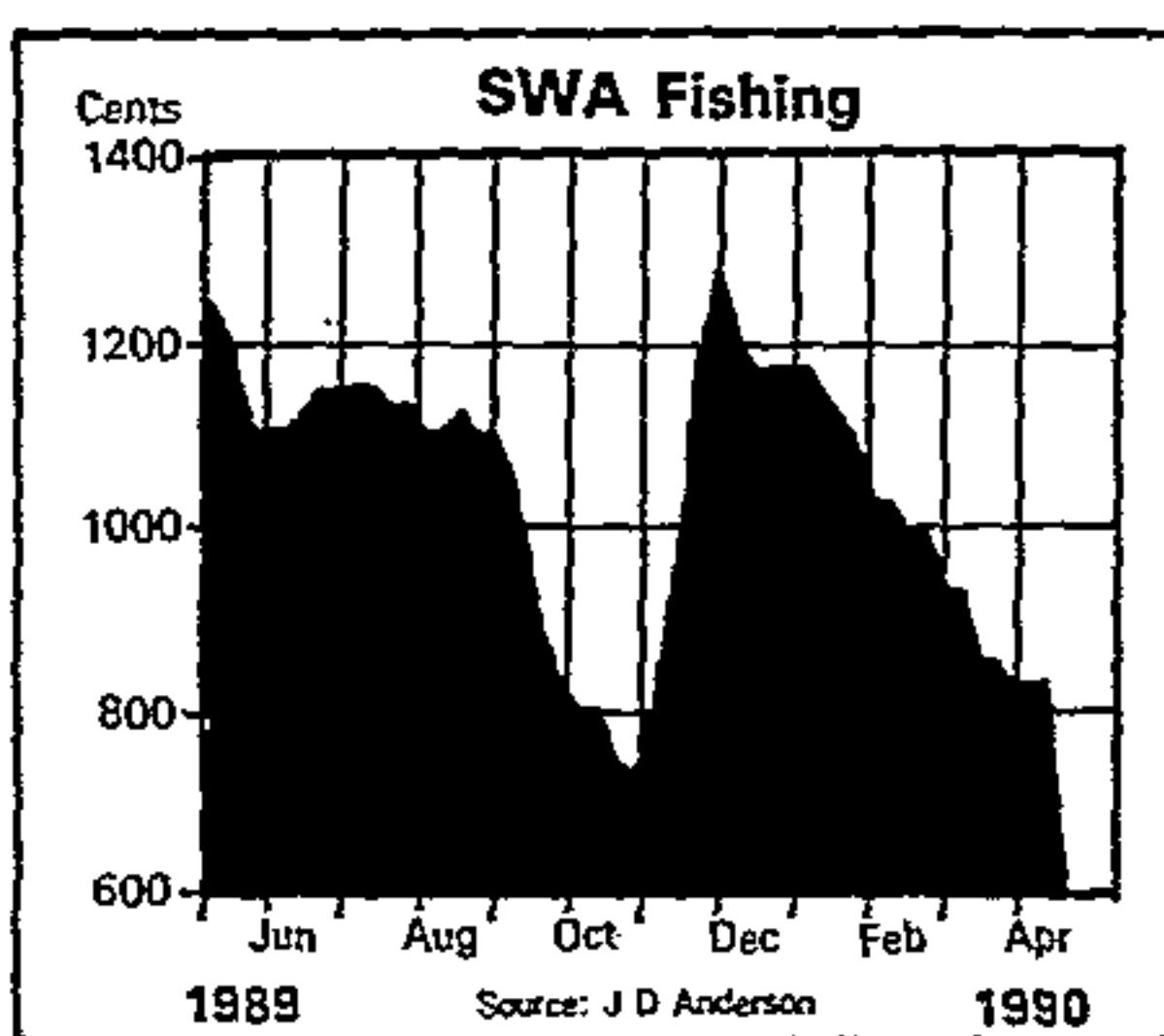
221A

If you are a farmer who has just had a bad season you know, at least, there is the possibility that you can make up for it next season. Not so if you are a pilchard fisherman in Namibia.

Firstly, the quota for 1990 has been reduced by 10 000 t to 40 000 t. Secondly, and more importantly for Swafish investors, the company's quota has been cut by 44% to 1 854 t. So the chances of realising for this year the same prospects that were on offer in 1989 are forgone.

Last year's catches, not only of pilchards but also of non-quota species and of rock lobsters, were so poor that Swafish had to delve into retained income and reserves for part of the final dividend (Fox March 2). Seaflower Lobster Corp, held 35% by Swafish, caught only 533 t (1988: 1 157 t) of its allocated quota of 1 163 t of rock lobster. While the quality of the catch enabled most to be processed, its smaller size meant a substantially reduced earnings contribution.

Swafish's other major income source is its 16,1% (1988: 20,33%) holding in United



Fishing Enterprises (UFE), which processes pelagic catches. Catches were severely hampered by bad weather and by an abundance of small pilchards mixed with non-quota species.

Nevertheless, UFE landed its full quota of pilchards but the catch of non-quota species fell by 56% compared to the 82 799 t for the previous year.

Even so, notes chairman Cedric Walton, by adjusting 1988 profits for UFE to include

the effect of stock carry-overs from 1987, the 1989 earnings were maintained at the previous year's level.

Landings of lobster continue to be disappointing and Walton says that, should the pattern continue, earnings from this source will be badly affected.

The reduction of the Swafish portion of the reduced pilchard quota is also expected to dampen profits.

There remains considerable uncertainty about the attitude the Swapo government will adopt when allocating fishing concessions. Until this and other policies affecting the Namibian operations of SA-controlled fishing enterprises are made clear, the considerable risk which normally attaches to investment in the fishing industry is simply expanded.

Walton warns that 1990 earnings will be "materially lower." Whether the market has fully discounted this prospect is speculative. With the risks inherent in fishing compounded by uncertainties and a bear market, the outlook is anything but rosy. Gerald Hirshon

...there has been no growth in

# Namibia woos investors in move to provide jobs

B/day 16/5/90  
221A  
Dec

WINDHOEK — The Namibian government's economic regeneration policy would emphasise the creation of employment opportunities with the help of local and international investors, President Sam Nujoma said in Windhoek yesterday.

"To make this partnership possible my government is committed to creating an environment favourable to investment," Nujoma said in his opening speech to the first parliament of the Republic of Namibia.

An investment code was being set up with the help of UN experts to provide an investment environment.

"If not addressed immediately, the problem that threatens to tear apart not only the social fabric of our society but also our already fragile democracy, is unemployment."

Namibia had inherited an administration which "in answer to the call of apartheid, provided for duplication of monumental proportions.

"This system created the situation wherein already scarce human and material resources were overstretched."

Peace and reconciliation had "a high price tag" and, in keeping with the Namibian constitution, the majority of civil servants in the 11 ethnic administrations had to be retained, although not necessarily in the same positions, structures or institutions.

And in keeping with internationally agreed constitutional principles, Namibians who were excluded from the governing process had to be brought in.

Nujoma said the government was in the process of finalising the first budget of an independent Namibia, which would deal with the establishment of the new government — integrating existing systems with new ministries in order to create one unified government administration.

The budget would address development needs of Namibia such as unemployment, housing, education and the provision of water.

An unsponsored donors' conference to be held in New York from June 20 to 21 would seek international funding for Namibian development programmes. — Sapa.

...the interests of the state and the protection of the public against exploitation by a private monopoly.

...states that the companies be forbidden to sell off more than 10% of their assets or entering into partnerships without the approval of the Minister.

### Bank fills gap

B10 LESLEY LAMBERT 18/57 1/10

CAPE TOWN — Draft legislation providing for the temporary extension of the SA Reserve Bank's powers in Namibia was tabled by the Finance Department in Parliament yesterday.

This would enable the bank to continue performing the functions of a central bank in Namibia — including the supervision of local banks — until the country establishes its own central bank. (221A)

## Warning on artisans

LINDEN BIRNS

A SHORTAGE of skilled artisans could lead to unnecessary expenditure on foreign trained labour, Manpower Minister Eli Louw warned yesterday.

Speaking at the Trade Test annual function, Louw called for greater emphasis to be placed on theoretical training of artisans. This was imperative if SA was to take its rightful place in the modern technological world.

He said 70% of high school pupils followed career-oriented courses in West Germany. In SA this figure was 20% for whites and 5% for blacks.

He praised employers and industry for their "intensified involvement in training", but there needed to be closer co-operation with industry training boards in drawing up practical training schedules.

There had been an almost 50% decrease in the number of indentured apprentices from 14 500 in 1982 to 7 900 in 1988. B 10 4 18/57 90

"The good news is that the downswing in the indenturing of apprentices has stopped. During 1989 the intake of apprentices increased by some 2 000 to reach a figure of almost 9 900 at the end of the year," he added.

reas) Limited

...Incorporated



# Namibia rejects SA mine control

*CHR Times 2/4/90 (22/11)*

WINDHOEK. — Namibia would no longer allow South Africa to control its mining, but would move cautiously in making changes, Mining Minister and Swapo general secretary Mr Andimba Toiva ya Toiva said in an interview.

“Over the years, through the mining industry, Namibia has developed an abnormal degree of dependency on a foreign country. Such an economic dependency threatens the political aspirations of a sovereign state and cannot be allowed to continue.

“The government’s three-pronged aim will be to avert an economic collapse, to consolidate our fiercely won independence and to establish a solid foundation for the development of future policies.”

Revenue from the mining industry is expected to provide the financial muscle for the new government’s nation-building programme.

The minister said the mining industry would have to be integrated into the Namibian economy. Government intervention would have to focus on ensuring this key industry gave priority to technical and management training, which he claimed had been sadly neglected in the past.

Namibia’s mining industry accounted for 72% of the total export revenue in 1988. Almost all of Namibia mineral exports are channelled through South Africa for processing and are re-exported overseas.

A 1989 UN study reveals that the large foreign ownership of the mining industry has seen a substantial outflow of Namibia’s wealth. — Sapa

# 'Huge potential' for Namibian economy

ARGUS 4/4/90

By JOHN RYAN, Argus Africa News Service in Windhoek

ZZIA

**T**HE South West African Building Society believes Namibia could follow neighbouring Botswana's lead and become one of the fastest growing economies in the world.

## ECONOMIES

In a bullish economic review just released, the building society says it has little reason to doubt the newly independent republic has the ability to develop in a similar way to Botswana which, two decades ago, was one of the world's 25 least developed nations.

Moreover, the review says, Namibia has a more balanced mix of products and resources and a better social infrastructure and facilities.

The building society says Namibia could learn a great deal from the Botswana model and the economic success which has earned that country greater foreign reserves than South Africa.

Military spending, for example, has been limited to a paramilitary force designed to guard Botswana's borders and help with internal peace-keeping duties. Annual expenditure is R101 million, compared with Namibia's contribution to the South African defence budget last year of R300 million.

Botswana's outlay on general services, including defence, amounted to only R520

million in 1988, as against Namibia's spending of R710 million.

Tourism is booming in Botswana, the review says, with an international casino making a healthy contribution to state income.

"Surely we must look to our laurels in this respect," it adds, pointing out that the First National Development Corporation recently estimated that Namibia's tourist industry growth potential was in line with that of Botswana.

## Civil service

Botswana's ratio of public expenditure to gross domestic produce was the direct result of a smaller civil service. "Lesser government is better government," says the building society.

On the other hand, the review notes several advantages Namibia — of comparable size, population and climate — has over Botswana:

- An excellent road and railway network and an efficient communication system,

- Valuable fishing resources and a level of commercial stock farming considerably higher than Botswana's,

- Uranium reserves, feeding a world market which could expand by a further R200 million a year with the lifting of sanctions against Namibia,

- More sophisticated indus-

tries linked to the mining sector,

- A well-trained and efficient administration with the benefit of longstanding, 'comprehensive and supportive' laws, rules and regulations,

"Our judgment and observations," says the building society, "suggest that (these are) superior in most respects to that of Botswana."

"Twice as many hospitals and clinics with better facilities for patients. This adds to the quality of living in Namibia and assists in no small measure in attracting foreign skills."

"And although Botswana earns four times as much from diamonds — the main pillar of its economy — the quality of Namibia's individual stones is a great deal higher."

The long-term emphasis in Namibia, the building society says, must be on education, appropriate training and improving primary and secondary production. Inevitably, this will need funding from foreign entrepreneurs and world aid organisations which in turn will depend on a strong fiscal discipline, a favourable foreign investment policy — and a stable society.

However, the review concludes: "We have been much encouraged by this study and are sure that our new government is already aware and places due emphasis on these special factors".

## Penzhorn replies <sup>(221A)</sup>

Global Capital Investments, the close corporation which, according to Defence Minister Magnus Malan had been paying large amounts of money on behalf of Military Intelligence into two bank accounts held by slain Swapo executive member Anton Lubowski, was sold to an unknown person almost three years before the last payment to Lubowski. So claims Ernst Penzhorn, the Pretoria attorney whose name has been closely linked with Global.

The FM disclosed for the first time last week that Penzhorn was the sole member of the CC (Current Affairs March 30). According to bank records at Nedbank and Standard Bank and evidence before the Harms Commission, Global made two payments to the Paradiso Bond Trust account — which had been controlled by Lubowski — and one to Lubowski's personal account at Nedbank in Windhoek. <sup>(221A)</sup>

Penzhorn spoke to the FM this week and denied any knowledge of the payments to Lubowski. He did not, however, deny that he had been the sole member of the CC, but said he had sold the dormant company in 1986. "Because of client-attorney confidentiality I cannot divulge the name of the buyer to you," Penzhorn told the FM.

He admits, however, that there is no trace of any record of the sale at the Registrar of Companies, as the FM found while investigating the files in Pretoria. "I have also noticed that there are no records on the files about the deal or the transfer of the CC from my name to that of the buyer," he says.

Penzhorn says he was approached by his client in 1986, wanting to buy a CC. "I told him that I did not know of any which he could buy but that I, incidentally, had a dormant one which I could sell to him. I gave

<sup>FIM</sup> 6/4/90  
him the corporation on that basis. <sup>(221A)</sup>  
"Because the client was uncertain as to exactly who the members of the CC were going to be, I handed the necessary documents to him for the purpose of ensuring that the names of the new members be completed and that transfer of my interest in the corporation be registered with the Registrar of Close Corporations. I also handed him the financial statements, documentation and bank accounts details.

"My actual involvement with Global Capital Investments CC came to an end early in 1986, when I sold my interest. Since then I have had no further interest financially or otherwise of whatsoever nature in the CC, nor was I involved in any of the business and/or transactions of this corporation." <sup>(221A)</sup>

Asked what the selling price was, Penzhorn says that it was sold at a nominal fee. "The corporation had no assets at that stage."

He is adamant that he never signed any cheques on behalf of Global Capital Investments CC to Lubowski's two accounts. (The FM never claimed that Penzhorn signed any cheques — we reported, as reflected by the Registrar's records, the fact that the corporation had been registered in Penzhorn's name.)

Penzhorn further says: "Should any documents exist or should transactions have been carried out which may imply that I have been involved with Global Capital Investments CC since March 1986, I wish at this stage already to deny any knowledge thereof or involvement therewith."

According to the Registrar's records, Penzhorn applied for Global to be converted to a CC in 1985. The statement at the Registrar's office shows that the corporation had R4 000 and Penzhorn held a 100% share in it. The last Standard Bank cheque to Lubowski was signed on June 16 1989 and

<sup>FIM</sup> 6/4/90 <sup>(221A)</sup>  
deposited in a Nedbank branch at Verwoerdburg a day later.

Penzhorn also denies that he is a member of MI. "At no stage until the announcement by the minister of defence in parliament concerning the alleged relationship between Mr Lubowski and the SA Defence Force, was I aware of such a relationship. I do not have any knowledge of the nature of the relationship referred to. Any insinuation that I acted knowingly as a front or as an intermediary between the SADF and Mr Lubowski is factually not correct."

□ André Hamersma, GM communications services Standard Bank Investment Corporation, feels that a reference to "scrutiny of bank accounts" in last week's FM "implies that such accounts are available for inspection and have been seen by your reporter. This is certainly not the case. Banks do not reveal their clients' dealings to third parties unless ordered to do so by a proper legal authority."

Eddie Botha

## Namibian fishing rights safe 'for now'

~~LESLEY LAMBERT~~ LESLEY LAMBERT 221A

CAPE TOWN — The rights of Namibian-based fishing companies, including those with SA parents, to fish in Namibian waters will be guaranteed up to their expiry date as long as they apply conditions beneficial to the Namibian economy.

This conditional undertaking, given in an interview by Namibia's Sea Fisheries director-general Jan Jurgens, applies largely to the seven companies with concessions to catch pelagic fish — pilchard and anchovy — and rock lobster until 1993 when the concessions expire.

Almost all the concessionaires have SA parents. *31 Day 9/4/90*

Most claim to get less than 25% of total annual income from the Namibian fishing activities.

The conditions applied by the Namibian authorities include the payment of tax to Namibia, the reinvestment of profits, the employment of Namibians, provision of medical aid and training schemes and the expansion of Namibian shareholdings in the companies.

Since the 1987 change in the quota policy based on the application of these conditions, Namibian Sea Fisheries (Namsea) and Swafil have received messages by way of quota reductions that the authorities are less than happy with their contribution.

Their parent company, Oceana Fishing, has threatened the government with legal action over reduced pilchard quotas.

Directors of Suiderland, parent of Gendev, feel the Namibian authorities are un-

To Page 2

## Fishing rights

likely to jeopardise concessionaires' economic contribution. But, like all the concessionaires approached by Business Day, they accept the certainty of new policies ensuring an increasing stake for Namibians. *31 Day 9/4/90*

Only when their concessions come up for renewal in 1993, will the companies know their longer term position.

Apart from the 10% set aside for Namibians in this year's pilchard quota, Jurgens confirms that in future Namibians will be the first to benefit from any improvement in the fish resources.

On overfishing, Jurgens says: "Our first priority is to proclaim a 200-mile exclusive

fishing zone and then to restore depleted resources and manage them prudently."

He says in future Namibians and Namibian-registered fishing companies will have the first opportunity to fish the resources. Local companies which establish joint ventures will also have preference. Other applications will be considered if there is still an excess.

"We will also determine levies which we would like to see based on gross tonnage per vessel. This will give us more control of the activities," Jurgens says.

Draft legislation to enable implementation of the 200-mile zone has been submitted to the legal advisers.

From Page 1

(2211A)  
**UK bikes wanted  
for Namibian use**

The Argus Foreign Service *ARCW 10/4/90*  
**LONDON.** — Glenys Kinnoek, wife of Labour leader Neil, has launched an unusual appeal ... bicycles for Namibia.

"They would be used by teachers, so it's a very good cause," Mrs Kinnoek, a teacher herself, told the Evening Standard diarist.

"It would be wonderful if a donor could come forward." She is hoping to collect 100.

But one dealer was somewhat sceptical about whether her firm could oblige. Ninon Lauritz of The Bicycle Workshop in Ladbroke Grove, west London, told the Standard: "Our frames cost over R2 000 each and they can take months to assemble.

"It would take us 10 years to complete the order and they would probably fall apart after one week of African weather," she said.

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adjusting the paper. Check that the paper is in the tray  
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BID 144/90 (221A)

# Pressing need for Namibia to put agricultural house in order

WINDHOEK — In 1909 German furrier Paul Thorer acquired a herd of 500 black, fat-rumped karakul sheep from central Asia and shipped them to South West Africa, beginning an industry that for decades was the backbone of the colonial economy.

White settlers produced karakul pelts for the Leipzig fur trade and ran cattle for the SA beef market. Today livestock has maintained its importance.

Although the karakul herd declined in the early 1980s, cattle and small stock production still dominates the rural economy. Agriculture accounts for only 10% of GDP — or about R400m, yet 70% of Namibians depend on it for a living. Cattle account for 87% of gross agricultural income.

Sheep make up about 11% of agricultural income. With a crash in the early 1980s in world prices for karakul pelts, most sheep farmers switched to mutton dorper.

The new government sees agriculture as the development priority with

crop production necessary to reduce dependence on food imports. Swapo will also need to address several issues in the livestock sector.

One of the most important is the unequal ownership of land and stock. About 4 000 commercial farmers farm just under half the land area and earn 93% of all agricultural income, with 150 000 small farm families making up the rest.

There has been little investment, however, in water supplies and other farm infrastructure in "communal" areas. The result has been that traditional farmers are concentrated in areas where water is available which has led to serious overgrazing.

In an effort to tackle inequalities the government has said it will withdraw subsidies from commercial farmers, take over (with compensation) underused farms for resettlement and open up new lands in communal areas by investing in water supplies for people and livestock.

Extension services and efficient

marketing structures will be set up.

Another concern is the quantity of livestock exported on the hoof to SA. According to the meat board, about 60% of cattle and 90% of mutton sheep go to SA. There is very little local processing of karakul pelts.

Some observers believe Namibia could increase revenues by up to R90m by processing meat locally. Similar processing of karakul pelts could add another R50m.

Many also believe there is a need to diversify livestock trade to reduce dependence on SA.

Independence brings Namibia the opportunity of joining the Lomé Convention — the agreement giving African, Caribbean and Pacific states preferential access to the EC market through a system of import levy rebates. Namibia is negotiating for an EC beef quota.

Mutton is another potential EC export, but the industry is not yet pursuing a sheepmeat quota. For the time being, SA looks likely to take most of Namibia's meat. — Financial Times.

## Anglovaal Limited

(Reg No 05/04580/06)  
(Incorporated in the Republic of South Africa)  
("Anglovaal")

## Anglovaal Holdings Limited

(Reg No 68/09249/06)  
(Incorporated in the Republic of South Africa)  
("AV Holdings")

Anglovaal of 16 777 280 new N ordinary

221A

WINDHOEK - The biggest problem facing the new Namibian government was unemployment, President Sam Nujoma has said.

In a recent interview with BBC Radio, Nujoma said his government needed to embark on a programme of agricultural

# Jobs a priority - Nujoma

projects to provide employment and produce adequate food for the Namibian people.

Namibia was economically dependent on South Africa and it would take about three years to develop agricultural independence.

Nujoma said these programmes would be financed by Namibia's own resources and foreign investors.

~~ONE TIME 18/4/70~~

## SAA hand-over

WINDHOEK. — Namibia's national airline Namib Air is to take over from SAA's international air passenger and freight services between Windhoek and Frankfurt on April 25, managing director of Transnamib Ltd Mr Frans Uys said.

Namib Air will operate two non-stop flights weekly using a 262-seater Boeing 747 SP leased from SAA for a two-year period. — Sapa



## Namibia to have central bank

Argus Africa News Service

176W 18/4/90

221A

WINDHOEK. — Namibia has set June as the target date for the establishment of its own central bank but it will not have its own currency until April 1992.

This was announced by Finance Minister Mr Otto Herrigel at a Press conference here yesterday.

He said International Monetary Fund advisers had arrived to help establish the bank as required by the constitution. The operation was "well under way" and more IMF advisers would arrive soon.

member after it was converted to a close corporation. Reacting to this, Penzhorn claimed he'd sold the corporation in 1986 (*Current Affairs* April 6).

The *FM* also learns from a reliable source in the Registrar's office that an order was issued earlier, prohibiting disclosure of details or documents related to Global Capital Investments CC. The order was given in terms of Section 15(a) of the Companies Act, which empowers the minister to delegate powers — in writing — to the Registrar, enabling him to prohibit any company from disclosing or stating any business it may be involved in.

In an interview with the *FM*, Registrar Mossie van Rensburg explained: "Any company may apply for exemption from disclosing publicly their documents or their business. This section is often used when companies have overseas directors or subsidiaries which they do not want to disclose."

According to our source, the order to prohibit Global Capital Investments CC from disclosing its business was given to the Registrar's office before the *FM* inspected the records. But for some reason the instruction was ignored and the records were still available when the *FM* called at the Registrar's offices.

Trade & Industry Minister Kent Durr referred all inquiries to Van Rensburg's office. This is Van Rensburg's reply: "A written instruction from the SA Defence Force was issued to me in terms of Section 118 of the Defence Act on March 2 1990, stipulating all information pertaining to company prior to conversion and to close corporation should be protected from public inspection."

Van Rensburg says the minister has "re-delegated" to him the power vested in him by the Companies Act to exempt a company from having to disclose certain information. "In terms of Section 118 of the Defence Act, I am not allowed to divulge any information regarding the converted company and the close corporation."

According to Van Rensburg, the record of a close corporation is reflected as it is registered at his offices.

"As far as the Registrar's office is concerned, any onus on the close corporation rests with the members whose names appear in our records. Any claims against a close corporation would be instituted against the member who is registered in our records."

Van Rensburg says transfer of a close corporation takes place in the Registrar's office when a CK2 form (which both parties have to sign) is handed to the Registrar. "However, I have no control over whether such a form is ever handed in," he says.

Asked whether a close corporation can legally be sold without handing in the signed form, Van Rensburg replied: "How legal such a transaction would be is an open question. If it has not been handed in, the original owner will still be owner as far as we are concerned."

Van Rensburg says that the onus to pay

taxes lies with the chief accounting officer of a close corporation. That would be the registered address of the corporation (usually the same address as its auditors).

Penzhorn, meanwhile, has denied any knowledge of payments to Lubowski's personal account; or to the Paradiso Bond Trust account which Lubowski controlled at the time of his death; or that he (Penzhorn) had ever signed any cheques to Lubowski.

Penzhorn refuses to disclose the name of the purchaser of Global Capital Investments CC. He cites attorney-client confidentiality as the reason. But an attorney tells the *FM* that the attorney-client relationship does not apply in a sale of this kind; it would apply only if Penzhorn had acted as attorney for the purchaser.

The *FM* understands that Penzhorn has been ordered, in terms of the Defence Act, not to make any further statements.

Eddie Botha

THE LUBOWSKI AFFAIR <sup>F/M</sup> 20/4/90

**Removing the files**

Pretoria attorney Ernst Penzhorn claims he sold the close corporation which was making payments on behalf of Military Intelligence (MI) to slain Swapo executive member Anton Lubowski. But it has emerged that he is still liable for any claims against the corporation, Global Capital Investments, because no record of such a sale has been lodged with the Registrar of Companies in Pretoria.

The *FM* first reported Penzhorn's involvement with Global Capital Investments CC after Defence Minister Magnus Malan alleged in parliament that Lubowski had been a paid MI agent (*Current Affairs* March 30). An inspection of the records of the corporation revealed that Penzhorn was a co-director of the company and the sole

S/Tues 22/4/90

## ITC gets a leg in Namibia

Business Times Reporter  
CONTINUING a run of acquisitions, credit information company Information Trust Corporation has bought South West Credit Bureau for an undisclosed sum. (22(A))

The deal is a sign of the ITC group's commitment to expansion in neighbouring countries, says chairman Paul Edwards.

"This is a reflection of the changing climate in relations between South Africa and neighbouring territories which is likely to see a significant increase in cross-border trade."

The Windhoek-based bureau's data base will be added to ITC's of more than 7-million consumers and 400 000 businesses.

ITC, which emerged from the management buyout of Dun & Bradstreet, has spread its coverage of Southern Africa in the past two years.

Acquisitions have included Pretoria-based Campbells, Eastvaal, which covered Witbank, Nelspruit and Ermelo, Capecom of George and Greyllings Credit Control covering Pietersburg, Klerksdorp and Rustenburg.

This month ITC took a 51% stake in Delfin Securities and formed ITC Business Administrators to provide a debtor management service.

CA 6  
TIPS  
23/4/90  
221R

# Namibia 'to nationalise'

WINDHOEK. — The nationalisation of mines remained the long-term objective of the Namibian government, Mines and Energy Minister Mr Andimba Toivo ya Toivo said at the Iscor-owned Uis tin mine in southern Namibia.

According to a NamBC radio news report, Mr Ya Toivo said the government realised the nationalisation of mines could not be achieved immediately due to a lack of expertise, but the training of workers in the mining industry was enjoying priority.

Mr Ya Toivo held discussions at the mine with Iscor's senior management and representatives of the Namibian Mine Workers' Union. — Sapa

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SADF: money spent in Namibia

293. Mr K M ANDREW asked the Minister of Defence: *Hansard* 24/4/90

Whether the South African Defence Force spent any money on (a) goods and (b) services procured in South West Africa/Namibia during the past five years; if not, why not; if so, in respect of each such year, (i) how much and (ii) for what (aa) goods and (bb) services? *B747E*

The MINISTER OF DEFENCE: *22/1A*

(a) and (b) Yes. A separate record of goods and services procured in South West Africa/Namibia during the past five years was not kept. To reply to this question fully would cost approximately RM 0,5 to obtain the information from the general computer data base. The major procurement contracts with suppliers in South West Africa/Namibia were for fresh meat and for road transport and these amounted to approximately RM 13,5 and RM 9,5 per annum respectively.

(i) and (ii) Fall away.

Rollsmoor Prison: five persons held

313. Mr D J DALLING asked the the Minister of Justice:

(1) Whether five persons, whose names have been furnished to the Minister's Department for the purpose of his reply, are or were held in Pollsmoor Prison; if so, (a) what are their (i) names and (ii) respective ages, (b)(i) why and (ii) on whose instructions are or were they held at Pollsmoor, (c) for how long have they been or were they held there and (d) in which section of the prison are or were they held; *Hansard* 24/4/90

(2) what is the age of the youngest person currently held in Pollsmoor? *B793E*

The MINISTER OF JUSTICE:

- (1) Yes.
- (a) (i) The same as furnished by the Honourable Member.
- (ii) Respectively 12, 11, 9, 10 and 8 years.

(b) (i) Pending their hearing on charges of theft and housebreaking and theft.

(ii) The Magistrate: Simons Town has indicated in terms of Section 29 of the Prisons Act, 1959 (Act No 8 of 1959) that their detention in a prison is essential and that no suitable place of safety mentioned in Section 28 of the Child Care Act, 1983 (Act No 74 of 1983) is available for their detention. *Hansard* 24/4/90

(c) Between 8 and 18 days.

(d) The Juvenile Section of the Awaiting Trial Section.

(2) Information as at 10 April 1990: 12 years.

Section 29 of the Prisons Act, 1959 (Act No 8 of 1959) stipulates *inter alia* that a person under the age of eighteen years who is accused of having committed an offence shall before his conviction, not be detained in a prison unless his detention is necessary and no suitable place of detention mentioned in the Child Care Act, 1983 (Act No 74 of 1983) is available for his detention.

In terms of Section 21 of the Prisons Act, 1959 (Act No 8 of 1959) any prison or any part of a prison can be used for the detention, treatment and training of juveniles.

A juvenile who is detained in terms of Section 29 of the Prisons Act, 1959 (Act No 8 of 1959) shall not be permitted to associate with a person over the age of twenty-one years who is in custody, provided that he may be permitted to associate with such a person in custody who has been charged jointly with him, if the head of the prison is of the opinion that such association will not be detrimental to him. Juveniles are also separated with regard to age groups where facilities permit.

Discussions take place regularly between the South African Prisons Service, the local magistrates, prosecutors and the South African Police with a view to keep awaiting-trial juveniles out of prison.

Own Affairs:

Self-governing territories: use of educational facilities *Hansard* 24/4/90

73. Mr J VAN ECK asked the Minister of Education and Culture:

Whether, with reference to his reply to Question No 35 on 1 March 1988, any further (a) requests have been received and/or (b) meetings have been held in connection with permission for self-governing territories to make use of unutilised space in (i) schools and (ii) teacher-training colleges falling under his Department; if so, (aa) from which self-governing territories were requests received, (bb) in which such territories were meetings held, (cc) when was each such request received and (dd) which schools or colleges were involved in each case? *B620E*

The MINISTER OF EDUCATION AND CULTURE:

- (a) (i) Yes,
- (ii) no, not to my knowledge,
- (aa) Kwazulu Government,
- (bb) none,
- (cc) March 1990,
- (dd) A request has been received in respect of the buildings used for the Mount Edgecombe Indian High School. In terms of a proviso in the deed of transfer the site and buildings now revert back to the donar in view of the fact that it is no longer solely utilised for Indian education;

	(a)	(b)
*Cape	114 335	105 463
Natal	**	**
Orange Free State	844	793
Region	551	374
27	4 386	2 998
33	6 899	4 782
53	5 886	3 921
62	10 910	6 536
63	10 808	8 934
64	2 824	1 561
65	47	0
66		
80		

Transvaal	44 446	28 409
East Rand	38 304	29 406
Central Rand	37 775	23 545
Eastern Transvaal	18 429	12 451
Far Northern Transvaal	25 038	19 061
Western Transvaal	54 653	38 809
Northern Transvaal	39 962	25 642
Southern Transvaal	33 141	20 575
West Rand		

\* The Cape is not divided into regions.

\*\* Not yet available.

Teacher/pupil ratio

79. Mr R M BURROWS asked the Minister of Education and Culture:

What teacher/pupil ratio was applicable in (a) primary and (b) secondary schools in (i) each of the provincial education departments and (ii) his Department as at the latest specified date for which figures are available? *B626E*

The MINISTER OF EDUCATION AND CULTURE:

	(a)	(b)
(i) Cape	1 : 18,6	1 : 14,9
Natal	1 : 21,9	1 : 14,4
Orange Free State	1 : 21,0	1 : 16,3
Transvaal	1 : 22,9	1 : 17,1
	1 : 21,4	1 : 16,1

On the first Tuesday of March 1989 for public ordinary schools.

24/4/90 Puppils enrolled *Hansard*

78. Mr R M BURROWS asked the Minister of Education and Culture:

What total number of pupils enrolled in 1990 in (a) primary and (b) secondary schools in each specified region of each education department falling under the control of his Department? *B625E*

221A

NAMIBIA may be free but Rosalia Shipiki is still deep in the struggle to liberate Walvis Bay from South-Africa's apartheid colonial rule.

"I really wanted to see the flag of our country here," says the 19-year-old student activist who lives in a small match-box house in Kuisebmond, Walvis Bay's densely-populated black township.

"I feel we're not free. But I have to be here because this is where I was born. We have to fight for Walvis Bay."

November she was detained for her part in a national school boycott.

There is no trace of fear in her as she passionately talks about her wish to liberate her hometown and about her experience at the hands of the police.

**Abused**

"The police came, shooting rubber bullets," she says. "They never beat me, just verbally abused me. In prison they treated us like common criminals. I only saw other people when they gave me food."

International pressure to

# Walvis Bay: the struggle continues

**Walvis Bay could be part of Namibia by next year, writes RUTH ANSAH AYISI, but in the meantime its black residents still suffer under apartheid colonial rule. She describes life in the enclave:**

release Shipiki and her four schoolmates was believed to be responsible for their freedom three months later. Yet Shipiki, a slimly-built girl with a radiant smile, is adamant that she has no regrets and now wants to take part in protests against South Africa's occupation of Walvis Bay.

She is not alone in her wish to be part of independent Namibia. The head of the Swapo branch in Walvis Bay, Willfred Muvulu, says it makes no sense that they have been cut off from the rest of the country.

"These people are Namibians here, and we would like

to be treated like Namibians and have the same privileges," he says.

In public, South Africa maintains its right to govern the enclave. But behind the scenes, pressure from Western governments and a Swapo commitment to see the port as part of Namibia could hasten its integration to some time during the next year.

Diplomatic sources say any transfer of power will involve hard bargaining that could include South Africa's continued access to the 320km exclusion zone that stretches out into the Atlantic from the desert sea coast.

Today, drivers are greeted guarded by white South African soldiers.

Namibia's only deep sea port, Walvis Bay is tucked at the edge of rolling sand dunes in the southern Namib desert.

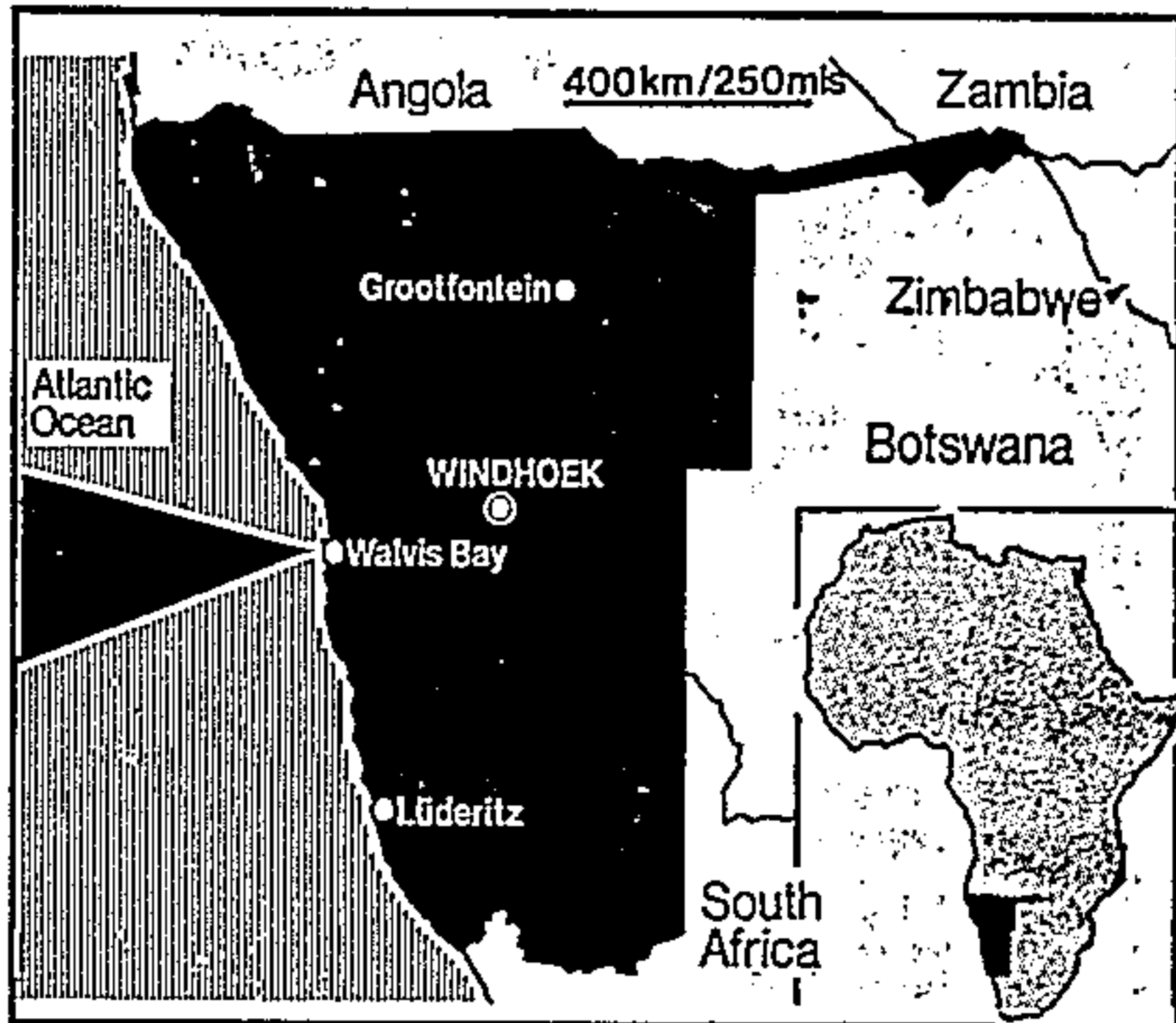
**Strategic**

The 1,124 square kilometre enclave is strategic for South Africa, which has set up a military base there and which used it to develop a prosperous fishing industry.

Most of the fishing companies in Walvis Bay are South African-owned or -registered. Large trawlers have seriously depleted the stock of fish.

Yet most of Walvis Bay's residents see themselves as Namibians — not South Africans.

"We're a little heart-broken," says Shipiki, "but I don't think it will take long.



The South Africans can't kick against the people's demands," she says.

"We will publicise this, go on marches and hold rallies."

**Walled In**

Life under an apartheid system is harsh for the blacks. Around the spotlessly clean town centre, freshly painted, German-style houses grace the quiet white neighbourhood.

At the other extreme, about five kilometres away, hundreds of black male Namibian migrant workers from the north are confined to a walled-in complex. A security officer guards the drab greyish compound built on a sandy patch of barren land. Women are forbidden to enter at any time.

Each morning, says a resident, there are raids to make sure no man has smuggled a woman into his packed dormitory.

**Horrible**

A male journalist who was allowed to peep into the rooms saw 14 men resting on bunk beds piled up on top of each other. In one case, two men had to share the same bed.

Meals are served on a tin plate at set hours, but the food is so horrible, says the resident, that many men prefer to buy from a small group of male traders who are allowed in past the gates.

Less notorious than this migrant centre, but also dreary, are the single quarters. Set in the dirtiest part of the townships, the block consists of tiny rooms just big enough for a small bed.

Yet Hafene Shoomba squashes his wife and two children, aged two and five years, into his cold room.

"This place is too small for the young ones. There is nowhere for them to play," he sighs.

"Things would change if we had a Namibian government in control here."

Unemployment is also a serious problem. The fish factories only take on staff on a seasonal six-month contract. A growing number of people find "solace" in alcohol.

Women are kept down at the bottom of the economic pyramid. Many girls fall pregnant and end up with none or little formal qualification. Sexist attitudes further hinder women's advances.

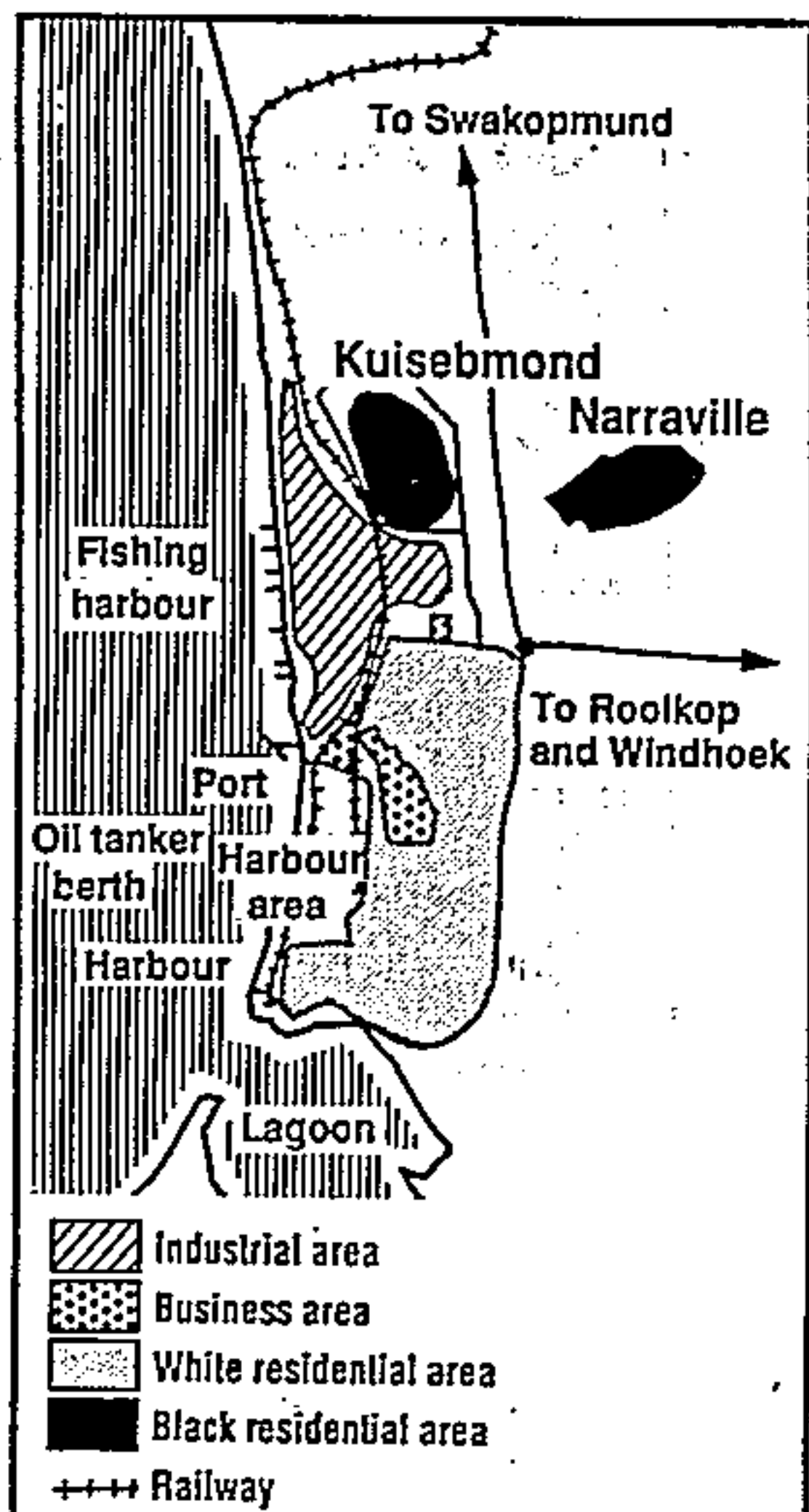
"The women have a complex," said Shipiki. "We were told our place is in the kitchen. But we don't always have to be in the kitchen. We need to organise together."

"There should be sex education in the schools. The men must learn to cooperate and sometimes to look after the babies."

**Lawyer**

Despite the odds, Shipiki is ambitious. She would like to be a lawyer. It is yet another challenge.

Because of her political activities, she was expelled from school. Now Shipiki has to work by herself at home preparing for her exams in November. — AIA



## NOT FOR NARROW MINDS

### THE WIDE AWAKE WEEKLY

	26 weeks	52 weeks	
<b>SURFACE MAIL, HOME DELIVERIES</b> Cape Flats, Southern Suburbs, Mitchell's Plain, Northern Suburbs, Central Suburbs	R20,00	R41,00	NAME _____
<b>AIRMAIL</b> South Africa	R28,00	R46,00	ADDRESS _____
Zimbabwe, Botswana, Lesotho, Malawi, Swaziland	R46,00	R100,00	CODE _____
Madagascar, Mauritius, Mozambique, Seychelles, Zaire	R111,00	R222,00	HOME PHONE NO. _____
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# open-cast mine a first

BARRY SERGEANT

KARIBIB — The Navachab gold mine, an R85m Anglo American/De Beers venture 10km from Karabib in midwestern Namibia, is southern Africa's first open-cast gold mine.

Anglo and De Beers chairman Julian Ogilvie Thompson said at the opening of the mine yesterday it was a joint venture between Erongo with a 70% interest, Metall Mining Corporation of Canada — a subsidiary of Metallgesellschaft of West Germany — with 20% and Rand Mines Windhoek Exploration, in whose name the prospecting grant on the Navachab Farm was originally held, with 10%.

Erongo, which is held two-thirds by Anglo American group companies and one-third by CDM, manages the mine on behalf of the joint venture partners.

The mine will mill 70 000 tons a month at a grade of 2,6g/t, producing about 1 900kg of gold a year.

## Valuation

The mine will provide employment for 300 people and its development has already helped double the valuation of the nearby town of Karabib.

At the current gold price this will earn Namibia more than R60m year in foreign exchange.

The decision to develop the mine was made in October 1987 and in December 1989 construction was completed, 5% under budgeted capital cost of R89m.

Mining of the known ore reserves, estimated to be 11-million tons, will take about 13 years. Lower grade ore is being stockpiled and will be processed towards the end of the 13-year period.

The life of the mine could be increased, depending on the outcome of current exploration, Ogilvie Thompson said.

Sapa reports that as the grade of the orebody increases with depth, there is also the possibility that the mine could be deepened beyond its current forecast depth of 160m.

221A

10am 11/6/90

# Namibia to get R86m bonanza from Untag

221A

Southern 13/6/90

WINDHOEK - The Namibian government will inherit R86,1-million worth of motor vehicles and other properties used by Untag during the implementation of Resolution 435 since April last year.

This was the final and official figure announced yesterday when Untag handed over the donation to Mr Hifekepunye Pohamba, Minister of Home Affairs.

The major part of the donation comes in the form of motor vehicles worth R59,1 million.

These include Land Cruisers, ordinary cars and Landrovers.

Also included is R5,7 million in office equipment and R4,9 million in prefab accommodation and transportable buildings.

The remainder of the package includes food, generators, navigational beacons and air conditioners.

Pohamba pledged that the equipment would be used for the benefit of all Namibians and that the departments of Health, Education, Defence, Home Affairs and Agri-

culture would benefit specifically.

A number of motor vehicles are already in government service and there have been mutterings in recent weeks that the distribution of these various properties among government ministries was being effected along Swapo party lines rather than state lines.

Mr Ndali Kamati, permanent secretary for Home Affairs, dismissed these allegations as "unpatriotic rumours".

The final distribution had not yet been decided

on, he said.

He added that areas like the police and health services would seem to be natural recipients for the vehicles and that this could not be seen as Swapo favouritism.

During its year here, Untag also employed 725 Namibians. An Untag official said that 54 of these remained on the payroll and "a lot" had been absorbed into the various offices of UN agencies that will remain in Namibia like the World Health Organisation and the UN Development Project.



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## Namibia, SA set to clash over R716m foreign debt

8/10am  
14/6/90  
EDYTH BULBRING (221A)

NAMIBIA and SA are set to clash over R716m in foreign debt incurred under SA rule.

Delegations from SA and Namibia had been meeting during the past two weeks to discuss the debt, Namibian Finance Ministry permanent secretary Godfrey Gaoseb said in response to queries yesterday.

He said the talks focused on why certain loans had been taken, their circumstances and background, and the extent to which they could be regarded as loans which Namibia should take over.

The Namibian government would have taken over the debt at independence on March 21 if there had been no need to discuss the issue, he said.

Gaoseb said the outcome of the talks would determine if and when Namibia would take responsibility for the debts. Further talks would be held next month, but in the interim certain debts would be serviced.

SA's Namibian emissary Riaan Eksteen was unavailable for comment yesterday, but a government source said this week the Namibian government's attitude to the debt was that it had been incurred by SA and was not Namibia's responsibility.

SA did not agree with this view, the source said.

CNH-  
7/22/90  
14/6/90  
22/11/8

## SA holding research ship

Political Staff

SOUTH AFRICA was willing to negotiate the return of the fishing research vessel, Benguela, to Namibia, the Department of Environment Affairs said yesterday, but wished to include the issue in a wider package of negotiations on fishing.

The Benguela is at present in Cape Town harbour. The Namibian press reported that the SA authorities had refused to return the ship although it was bought in 1968 by the then SWA Administration.

The Namibian government argues that the vessel was purchased with Namibian funds and although additional equipment had been installed, the SWA Treasury was not paid compensation.

# Namibia wants help to 'undo apartheid'

ARCS  
18/6/90

221A

From the South African Press Association in Windhoek

**N**AMIBIA is going to ask the world's rich nations in New York next week to help redress social and economic imbalances caused by colonial rule and statutory apartheid. "We again express our deepest gratitude for the international solidarity shown to us during the fight for independence," writes President Sam Nujoma in a preface to a general policy statement.

## ECONOMICS

"Our hope is that this solidarity will be reflected in an equivalent commitment and support to the challenge of economic development, particularly in the immediate post-independence period."

### Population

Mr Nujoma is to lead a government delegation to the United Nations-sponsored Donors Conference next Thursday and Friday.

Estimated at 1.7-million, Namibia's population is classed as "young" — about

45 percent of the people are under the age of 15.

About 88 percent of the people are black, five percent white and the remaining seven percent of mixed descent, and more than half the people live in the northern districts of Ovambo, Kavango and Caprivi.

According to official figures, Namibia has a gross domestic output per head about R3 000 a year but the relatively high figure does not mean the country shares the international definition of Middle-Income Developing Countries.

### Pronounced

According to a UN Development Programme (UNDP) study, this income conceals an extremely dualistic society formed by sharply differentiated layers among which differences in living standards are unusually pronounced.

Namibian society comprises two largely independent sub-systems.

About 55 percent of the people are engaged in traditional subsistence activity, mainly farming, while the remainder, of whom five percent are white, are active in a modern market-orientated economy.

The white segment generates an income

per head of about R43 000 a year against the about R2 000 a year of non-whites employed in the modern economic sector, and the R220 produced by the subsistence sector.

"Past policies of apartheid have led to the present situation in which whites occupy most positions of responsibility and own a disproportionately large share of physical assets and human capital," notes an official document to be presented in New York.

While mining and commercial agriculture continued to be the main supports of the economy, Namibia's GDP stagnated in the eighties owing to drought, sanctions against South Africa and political uncertainty which inhibited private investment.

### Minority

The most challenging task facing the country, therefore, is to reactivate the economy through private investment, reduce income disparities and redirect public expenditure.

A government paper concluded that on the face of it, Namibia's individual income made it one of the richest nations in sub-saharan Africa, with one of the best physical infrastructures in the region.

"At the same time, Namibia has one of the most skewed income distributions,

with a tiny minority enjoying income and health and education services at levels comparable to those of a West European country, while a vast majority live in conditions that are barely above subsistence.

"In addition, the government inherited a stagnating economy whose unemployment is estimated at 30 per cent."

To restructure Namibia's economy, various projects are suggested for international participation in agriculture, rural reform, education and training, and health and housing.

### System

"Our policy, which is embodied in the constitution, is to have an economic system based on the principles of a mixed-economy and social responsibility," Mr Nujoma says.

"We welcome public and private foreign investment, and assistance which will allow us, through our programmes, to emphasise the restructuring of our skewed economy, reconciliation and peace.

"International support will lay the foundation for more equitable growth and development, and allow Namibia to consolidate its place as a free and independent African nation whose integrity within the international community is assured."

# Namibia to lure US investors

WINDHOEK — The Namibian government yesterday released broad policy guidelines aimed at stimulating foreign investment in the country, to be incorporated in a formal investment code for Namibia.

The policy announcement follows the signing of four agreements in Washington on Tuesday concerning US technical and economic aid to Namibia.

The agreements were signed by President George Bush and Namibian President Sam Nujoma, who is visiting the US to attend a UN-sponsored donors conference starting in New York today.

The Namibian policy document says the government does not envisage restrictions, with minor exceptions, on the range of business activities in which foreign investors may be engaged.

"Although joint ventures with local investors will be encouraged, the code itself will not require foreign investors to offer an equity stake either to the state or the Namibian private sector."

Natural resources, however, presented a special situation and there might be requirements that the gov-

ernment or a government agency should have a participating share of the equity of a company.

Two categories of foreign investors are foreseen:

□ Foreign investors not eligible for, or not seeking the status of approved investment (who will be on a par with local investors); and

□ Those holding a certificate of approved investment which fulfils some of the governments's overall development objectives.

## 221A Compensation

Guarantees and incentives are being planned to provide security of tenure and title, and free access to foreign exchange to meet essential investor requirements, particularly in the "approved" category.

In the event of expropriation, "just compensation will be paid without undue delay" or referred for international arbitration.

Administration of the investment code would be a function of the Trade and Industry Ministry.

Information and Broadcasting Minister Hidipo Hamutenya an-

nounced in Windhoek yesterday that the first agreement with the US provided for preferential duty-free status to Namibia which allows for the duty-free entry into the US of up to 4 100 Namibian products.

The second was an investment incentive agreement to encourage economic activities in Namibia by private US companies to develop Namibia's economic resources and productive capabilities.

It is based on investment insurances, loans and guarantees which are backed in whole or in part by US credit or public monies which are to be administered either directly by the government or the Overseas Private Investment Corporation (Opic).

The third agreement provided for American peace corps volunteers to assist, as requested by Namibia, in areas such as rural development, electrification of rural areas, health and education.

The special assistance development agreement provided for US financial assistance for small-scale development and would be directed to "activities in which self-help is the primary element", Hamutenya said. — Sapa.

THURSDAY, JUNE 21, 1990

# Namibia issues foreign investment guidelines

*CHT. Time 21/6/90 2218*

JOHANNESBURG. — Namibia's government released policy guidelines for encouraging foreign investment, which will be incorporated into a formal code by Parliament.

The document said the government envisaged a few minor restrictions on the range of business activities in which foreign investors can join.

"Although joint ventures with local investors will be encouraged, the code itself will not require foreign investors

to offer an equity stake either to the state or the Namibian private sector," it said.

It made an exception for companies using natural resources, which may be required to involve a government stake.

There will be a special favoured category of foreign investors whose projects are approved investments meeting government planning objectives.

The government said guarantees and incentives were planned to provide security of

tenure and title, and access to foreign exchange for essential investor requirements.

Readily convertible foreign currency would be made available to repatriate proceeds where an investment was sold in Namibia, but if the sums were very large then money transfers might have to be scheduled over a set period to prevent balance of payments difficulties.

"Namibia recognises that it must be prepared to offer meaningful guarantees if new investment is to be attracted

and some of the profits retained within the country," it said, adding that it would try to encourage investors to re-invest some of their profits inside the country.

"In the event of expropriation, just compensation will be paid without undue delay," it said.

Under the code administered by the trade and industry ministry, disputes over expropriation would be referred to international arbitration, it said. — Reuter

## Nujoma appeals to donors for \$1bn

NEW YORK — Namibia yesterday joined the queue of the world's poorest countries in asking prospective donors for startup financing to build a new economy.

President Sam Nujoma appealed to donor nations for \$1bn to finance projects and programmes in Namibia, and called for private investment.

He expressed "profound gratitude" for international solidarity during his country's fight for independence. "We look to you to provide an adequate level of assistance to enable our country to implement successfully its reconstruction and development programme."

Nujoma said the Namibian government would make the environment conducive to private investment on issues such as taxation, foreign trade, capital regulations and company legislation.

Namibia approaches the UN-sponsored donors' conference in New York as a bad candidate for international aid not because it is too poor, but because on the surface it appears rich.

However, the reality is that the majority of Namibians live in poverty, while 5%, the whites, have most of the wealth.

Grants, not loans, will be the theme of Namibia's plea. Nujoma and other government officials want to redirect social spending towards the vast majority of poor people without borrowing huge amounts of foreign money.

They want one-time grants to use as startup funds for self-generated development.

The Namibian government, the World Bank and the UN Development Program (UNDP) have devised a one-time investment programme consisting of 83 individual priority projects.

The World Bank has recommended that most of the aid be given as direct grants, so as not to give the new country a foreign debt problem at its birth.

But direct grants are normally allocated only to the world's least developed nations, and so far, Namibia has failed to qualify as one of those. — Sapa Renter, AP-DJ.

22/A

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# GF Namib cuts dividend to 10c 221A

GOLD FIELDS Namibia (GF Namib) has slashed its interim dividend to end-June to 10c (60c).

Gold Fields Coal has maintained its 40c interim dividend while Rooiberg Tin has resolved not to declare an interim dividend.

A spokesman for GF Namib — which produces copper, lead and silver, said that Tsumeb Corporation had incurred a loss totalling R2,9m for the first two months of 1990 and in the absence of increases in metal prices it was doubtful that the total dividend of

**LINDA ENSOR**

120c paid last year would be maintained.

GF Namib reported a profit of R718 000 in the March quarter.

## Developments

There had only be a marginal improvement in results since the publication of the quarterly report and therefore a dividend of only 10c was declared.

The size of the final dividend will depend on metal prices and developments at Otjihasi.

Until the problems at Otjihasi were overcome, the spokesman said, no substantial improvements in GF Namib's results could be expected.

The major problem at Otjihasi was a water-bearing oblique fault which held up production ends.

The spokesman also said it would take some time for Kombat, which was flooded, to get into full production.

Losses at Rooiberg Tin more than doubled from R832 000 to R1,7m in the March quarter.

## Wall Street in late rally

NEW YORK — The US stock market sprang to life in the final minutes of trading, spurred by buy programmes and a rebound in bond prices. Blue chips climbed back up over the psychological 2900 level.

The dow closed up about six to 2902, gainers leading decliners seven-to-six. Volume was around 139 mln shares. — Reuter

*CAF Tmp 22/6/90 (2219)*

## Firms to pay fishing levies

WINDHOEK. — Levies on companies catching hake in Namibian waters would be introduced with immediate effect, Fisheries Minister Gert Hanekom, said in Windhoek yesterday.

According to a Nambe radio news report, Hanekom said levies on foreign companies would be higher than those on local companies, while companies which provided jobs for Namibians would qualify for rebates to ensure that Namibians benefited from the country's pelagic fish resources.

Details of levies would be gazetted in due course. Hanekom said fishing quotas would be negotiated between the government and the companies concerned.

Namibia has declared a 200 nautical mile economic zone and violations may be penalised by up to R1m. — Reuter



# Corporate Bank Group Lim

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CAH Times 22/6/90 (221A)

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Namibia has declared a 200 nautical mile economic zone and violations may be penalised by up to R1m. — Reuter

also opened  
a murder docket. *OFF FILE 23/6/90*

**R780m for Namibia** *2214*

WINDHOEK — More than R780m in aid was pledged to Namibia during the first day of a UN-sponsored conference in New York.

**KATUTURA - At the Club Thriller**  
night spot on the outskirts of Windhoek, former guerrillas and jobless returned exiles kill time while waiting for a chance to help build a new Namibia.

Time drifts by. They play snooker, sip beer and discuss the future. Namibia, they say, will not go down in history as just another struggling African state of debt, desert and poverty. Instead it will learn from the mistakes so many African countries have made since the independence process began 40 years ago and emerge as the success story of the continent. Many of the former exiles were educated at the United Nations In-

stitute for Namibia in Zambia and in countries which supported their fight against South African rule, which ended with Independence Day on March 21. They believe that if Namibia could learn from the mistakes of already independent African countries, it could become the most economically viable black-ruled state. Namibia, after being the focus of an interna-

tional dispute for more than half a century, was granted independence following United Nations supervised elections. The former German colony is sparsely populated, and it is so dependent upon South Africa's economy that many experts predict sovereignty will be little more than symbolic. Sam Nujoma has promised that some of

the 41 000 former refugees who flooded home in the run-up to independence will be given jobs in state development projects. The returnees are optimistic that their country can rid itself of economic dependence upon South Africa. "We have our own natural resources to stand on our own feet and provide for all Namibians only if we use acceptable eco-

nomic and political policies," said British-trained lawyer Bience Gawanas, who is likely to become Namibia's first woman advocate. Fanuel Tjingaetc, professor of economics at the University of Namibia, said he watched in horror for years as the economies of newly independent countries disintegrated. "When many African countries became independent, people

were told that their choice was only between communism and capitalism," Tjingaetc said. "Naturally the bulk of African countries chose communism because their underdevelopment was blamed on capitalism," he added. Now, he hopes his country can implement a socially based market economy combining the positive sides of both capitalism and communism. He said if markets were allowed to function, the man in the street would benefit through a programme of social legislation and social institutions. Namibia, with a population of 1.5 million

comprising 11 different race and ethnic groups, is an arid country of 830 000 square kilometres bounded by the Namib desert to the west and the Kalahari desert to the east. It has a population density of two people per square kilometre, compared with Africa's average of 23. It is richer in per capita income than many of its neighbours, although the 78 000 whites hold a disproportionate share of the wealth.

The country exports diamonds, uranium and other minerals, produces beef and wool for fur coats and has some of the world's richest fishing waters in the cold South Atlantic which washes its hot desert shores. Gawanas and several Namibians interviewed at Katutura township, believe Nujoma holds the key to the country's economic prospects. He has abandoned talk of nationalisation and the expropriation of property, instead committing his government to a free market economy. - Sapa-Reuter

Waiting for the chance to build a new future

# Namibia vows to learn from Africa's mistakes

2218

Sowetan 25/6/90



# Come to Namibia, say tourism chiefs

22/1A

NR6US 26/6/90

By SHARON SOROUR  
Staff Reporter

SOUTH African tourists visiting Namibia have been given an extra six months to enter the country without a passport in an attempt to boost a slumping tourist industry.

They will only need a valid identity document to enter Namibia until the end of the year.

Visa requirements of other countries, including North America, Europe and Africa, have also been slackened to encourage tourism, according to a spokesman of the Wildlife, Conservation and Tourism Ministry, Mr H Rumpf.

The initial date for passport requirements — June 30 — was extended because many

prospective visitors did not have passports.

Mr Rumpf was part of a Namibian delegation in South Africa recently on a "blitz" to restore confidence in the country's tourism potential.

### Very safe

He dismissed claims that Namibia was not a safe destination and said: "We have feedback from tourists who recently visited Namibia that they found it to be very safe ... more peaceful there than in many centres in South Africa".

Mr Johnnie Hamman, managing director of Namibia's largest hotel, said Namibia had experienced a "natural slump in tourism after independence due to unfair rumours, uncertainty and the 'wait-and-see' syndrome".

"We're a young democracy

and we've been through the whole process of independence — one that's seen as one of the best in Africa today — please come and visit us".

● Citizens of the following countries, entering Namibia as tourists, have been exempted from visa requirements by the government: West Germany, Switzerland, Liechtenstein, Ireland, the United Kingdom, Austria, Italy, France, the United States, Canada, Japan, the Soviet Union, Zimbabwe, Tanzania, Angola, Zambia, Botswana, Mozambique and the Scandinavian countries.

Tourists from these countries — with a passport valid for at least six months, after the date of departure from Namibia and a return or onward air ticket or other transportation — will be allowed to stay for a maximum of 60 days.

# French business feels lure of southern Africa

WINDHOEK — French business is keen to invest in potentially lucrative southern African markets, but wants the governments of the sub-continent to structure themselves in a cohesive economic unit.

This was the conclusion reached at the end of a three-day visit to Namibia this week by a delegation of 30 representatives of French companies.

"We have decided to encourage our members to come to southern Africa to invest," said the delegation's leader, Federation of French Business Executives (FFBE) Africa committee chairman Jean-Pierre Prouteau.

"But it is a priority that you organise yourselves, because it is not easy to establish new economic relations."

Proteau emphasised that Africa's economic destiny was firmly linked to Europe, as the two continents formed a natural economic sub-region.

"About 70% of Africa's exports go to Europe and about 70% of Africa's imports come from Europe," he said.

"There is a reciprocal need for support between Africa and Europe."

Stressing the urgency for vigorous economic development in Africa, Proteau said

there were 550-million people living in the continent, but the figure would double to 1,1-billion in 20 years.

About 1 500 French companies are active in Africa, mainly in the western and central parts, generating a turnover of about R50bn a year.

Continuous training programmes by the French have promoted the African section of middle management to 68%.

A former French cabinet minister, Proteau said the French private sector had identified southern Africa with its 110-million inhabitants as one of the three major economic regions in Africa.

To ensure economic growth, southern Africa should ensure that it exported at least 30% of its manufactured goods, and imported about 30% of its consumer goods, and engage in cross-investment and diversification.

The FFBE would be formulating investment policy for the next 10 years, and to begin with, small specialised French missions would visit Namibia to identify projects for investment.

At the same time, a Franco-Namibia economic committee and working groups would be formed. — Sapa.

221A

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# Need for cohesion within markets of Southern Africa

Call text 29/6/90 221A

**WINDHOEK.** — French business is keen to invest in the potentially lucrative Southern African markets, but wants the governments of the subcontinent to structure themselves in a cohesive economic unit.

This was the conclusion reached at the end of a three-day visit to Namibia this week by a delegation of 30 representatives of powerful French companies.

## Need to organise

"We have decided to encourage our members to come to Southern Africa to invest," said Jean-Pierre Prouteau, chairman of the Africa committee of the Federation of French Business Executives (FFBE), who headed the delegation.

"But it is a priority that you organise yourselves, because it is not easy to establish new economic relations."

Proteau emphasised that Africa's economic destiny was firmly linked to Europe, as the two continents formed a natural economic sub-region in global terms.

"About 70% of Africa's exports go to Europe and about 70% of Africa's imports come from Europe," he said.

"There is a reciprocal need for support between Africa and Europe."

Stressing the urgency for vigorous economic development in Africa, Proteau said there were presently 550m people living in the continent, but the figure would double to 1,1bn in barely 20 years time.

## Training programmes

About 1 500 French companies are now active in Africa, mainly in the western and central parts, generating a turnover of about R50bn a year and employing 400 000 Africans.

Continuous training programmes by the French have promoted the African section of middle management to 68%.

A former French cabinet minister, Proteau said the French private sector had identified Southern Africa with its 110m inhabitants as one of the three major economic regions in Africa.

To ensure economic growth, Southern Africa should ensure that it exported at least 30% of its manufactured goods, and imported about 30% of its consumer goods, and engage in cross-investment and diversification.

"Otherwise you are going to be weak, which will not be in your interests and not in our interests," Proteau said.

The FFBE would be formulating investment policy for the next 10 years, and to begin with, small specialised French missions would visit Namibia in the months ahead to identify projects for investment.

At the same time, a Franco-Namibia economic committee and working groups would be formed.

## Economic vision

"We have confidence in the economic future of Namibia," Proteau said.

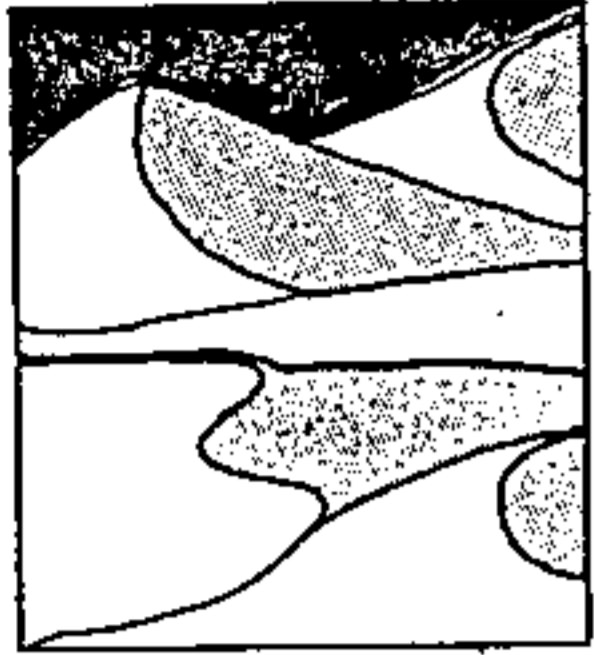
The newly-independent government had displayed a remarkable economic vision of the role of the private sector, "something which has not been known to us in Africa until about five years ago".

"We have decided to encourage our members to come to Southern Africa to invest. But it is a priority that you organise yourselves because it is not easy to establish new economic relations," he said.

Small specialised French missions would visit Windhoek in the coming months to identify projects for investment and set up a Franco-Namibia economic committee. — Sapa-Reuter

# Rumours of rain

■ Planners need to balance political pressures against limited resources



The welwitschia is a raffish, long-lived plant that survives in the Namib for more than a thousand years. It takes what it can get by way of sustenance, makes it last — and spreads itself

around very slowly indeed.

Namibia — just three months old — should take a leaf, so to speak, from this amiable gymnosperm. It also needs to settle down for a long haul.

Some things won't wait, however. That's why Prime Minister Hage Geingob (Sam Nujoma is the president) was in Geneva earlier this month exhorting the governing council of the UN Development Programme (UNDP) to take pity on the new state. He urged it — and potential donors — to consider Namibia as a least-developed country and to accord unconditional assistance: "All we are asking for is not to be forgotten because of the support being given to countries of eastern Europe... Give us the encouragement we need to make our young and fragile democracy succeed."

Government thinking on soft loans is that there is no such thing. Not while the rand is declining by 15% a year. Geingob might have had Zambia in mind — that country's annual foreign debt service requirement vastly exceeds its forex earnings.

In the run-up to a Donors' Conference last week in New York (there was a similar exercise for Zimbabwe a decade ago), official hopes were for pledges of R1bn. The eventual figure was respectable — around US\$200m. SA has promised R26,6m.

The conference (paid for by the UNDP) presented prospective donors with economic data and development proposals; it will be followed in November by an affair aimed at convincing the private sector. There was a flurry of confidence over the future — George Bush and Nujoma signed several agreements on aid and trade. Guidelines for a free-market orientated investment code were unveiled.

Over the past five years, SA has contributed R1bn to Namibia's budget — so an inflow of funds will help Swapo meet burgeoning "constituency" requirements this year. But the one-off nature of international aid at independence

raises questions about what happens down the road.

World perceptions of Africa have hardened — there is "donor fatigue." The Windhoek-based First National Development Corporation (an IDC-type body which, under the stewardship of Bob Meiring, is doing some serious rethinking of its role) points out: "The donor attitude is that the sub-Saharan countries are in effective receivership. Concessionary aid will only be granted once governments accept and agree that their economic plight is irreversible due to inappropriate, centrally planned economies."

As Africa's final colony, Namibia doesn't have to make certain mistakes. Obviously it wants international financial assistance — it has applied to join the IMF — but it does have behind it the experience of Africa's failures. So it is proceeding cautiously. Even the traditionally explosive issue of land reform is being skirted: the appropriate ministry will host a national conference on the issue "in the near future," but there have been no threats of expropriation.

This month, the exercise of drawing up the budget proceeded in Windhoek. It was drafted in a curious vacuum — revenue this year will be artificially swollen by aid. The task was essentially left to older hands in the

Ministry of Finance, while the politicians were dreaming of big cheques. There have been reports of banditry in the north and Nujoma and his men want to press swiftly ahead with rural and agricultural developments to create jobs and infrastructure. Finance Minister Otto Herrigel has asked for at least R500m a year for five years for this purpose — and he might well get it.

In a pre-independence survey, the London *Financial Times* noted: "Namibia will very likely receive the finance it is looking for. Its independence carries implications for the future stability of the entire region."

Take the Ruacana hydro-electric scheme in the north: once there is peace in Angola — where Windhoek is actively pursuing economic links, particularly in energy — it should easily supply Namibia's energy needs and a surplus for export. It can be expected to receive special attention.

But for the most part, Namibia must be expected to spend its donors' largesse on non-commercial and social infrastructure — education, roads, dams. The problem of investment remains. The country simply hasn't the tax base — there are only about 78 000 white Namibians — to generate funds on the scale of its ambitions.

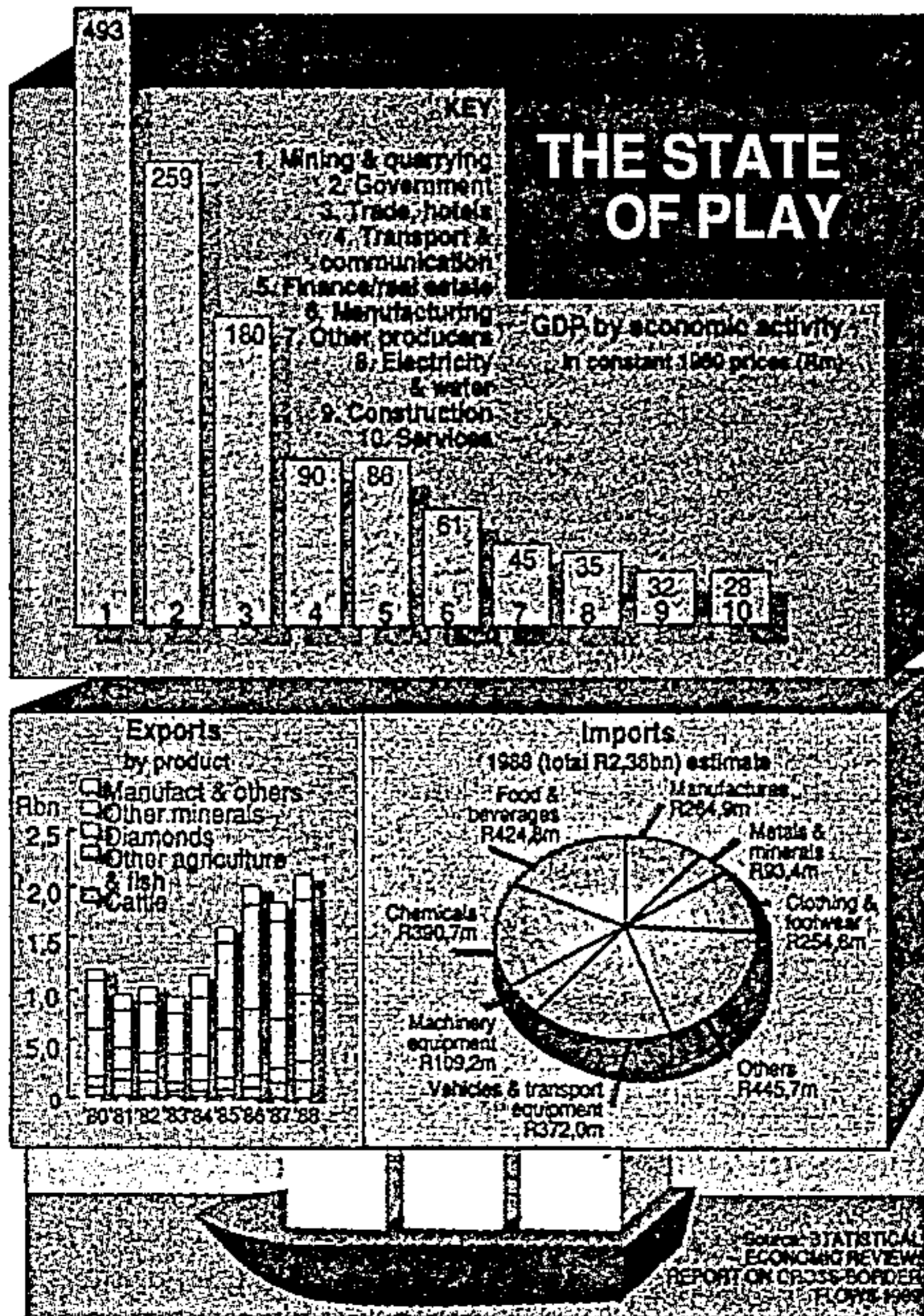
A big problem is that mining — contributing 28% to GDP of R3,71bn (1988) — is a

mature industry, despite a lifestyle which has certain frontier characteristics. As Des Mathews, past president of the Namibian Chamber of Commerce & Industries, puts it: "The days when you see a green mountain, and it's copper ore, are gone."

Rainer Gevers, GM of the Chamber of Mines of Namibia, notes that prospecting levels have remained static for a few years while numbers in employment (9 442 out of 184 793, according to the official 1988 *Manpower Survey*) have dropped. Unemployment — which some put higher than 30% — is increasing, explaining Swapo's wish to expand the civil service, including the military, by as much as 100%. So the first prospective Namibian diplomats have begun training. The first unit of the newly-integrated army (including People's Liberation Army of Namibia cadres) is on parade.

About 30% of those in formal employment are in the public sector. The informal sector — bush shops, food stalls in Windhoek, minibus-taxis — is nascent.

In addition to the demands of the



young and politicised, there are those of the 42 000-odd returnees — they will have to be rewarded for their sacrifice. Some, though not all, have been trained in administration and allied skills — a two-edged sword, since any inflation of the public service simply swells that protected and unproductive sector.

Perhaps because he had such demands in mind, Nujoma, opening the Anglo American-led Navachab gold mine near Karibib two weeks ago, struck a wrong note. Referring to a new tax structure for mining, the president said: "We note that in the past, there was a high outflow of wealth from Namibia in the form of externalisation of profits, dividends, interest payments, capital transfers and other remittances. These outflows of wealth have resulted in an intolerable gap between the GDP and the GNP of our country."

The mine — an opencast operation — employs 300. Nujoma appeared to find this less than labour-intensive and again spoke of the benefits of a mixed economy. He repeated the charge of "overmining" (levelled at CDM and the diamond industry at the Thirion Commission hearings) and said mining groups must "respect the laws of the land and keep in mind that their continued operation in our country depends on their own good behaviour."

That irks people who obey the law — and who like to stress their social and environmental responsibility. Must the gold, uranium and diamonds be bought back and replaced in the earth? Any investment code needs a proper legal framework. Otherwise fears of an "inappropriate, centrally planned economy" will remain. A labour policy code to be drawn up by Ministry of Labour, Public Service & Manpower Development will be scrutinised for hints of a minimum wage.

Namibia's ideological stance is clear enough — that is Swapo's patrimony. The country has signalled its alliance with the fraternal forces and destitute nations of the Third World — Hussam el-Madi of the "State of Palestine," for example, recently signed his credentials as ambassador in Windhoek. And Mining & Energy Minister Toivo ya Toivo recently alarmed the private sector by indicating a continued, forthright belief in nationalisation.

The symptomatic "overmining" charge rests on an emotional conviction: that Namibia must in some sense be compensated for colonialism and illegal SA rule. An academic paper circulating in Windhoek argues that Namibia deserves reparations from Germany and SA "for the damages brought about during 75 years of colonial occupation ... (and) the genocide against the Namibian people before World War 1." This implies a social and geographic entity pre-dating Germany's colonial adventure. No such thing existed, of course.

However, Toivo, Nujoma and others echo well enough feelings of renewal and pride among the disparate if scant population of 1,5m, 45% under 15. Out of such feelings



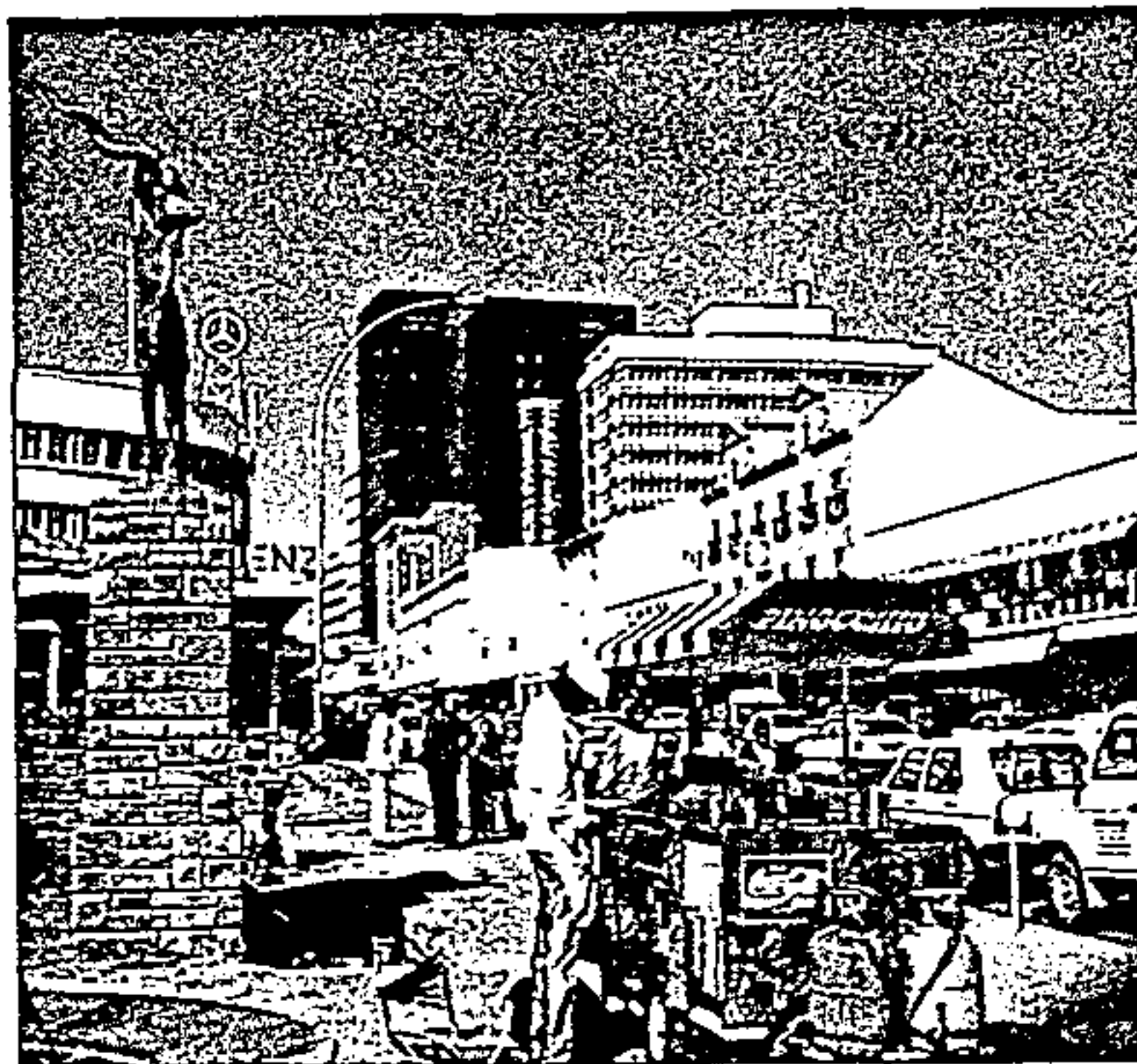
Nujoma

nationalism finds sustenance. Nationalism, however, cannot thrive indefinitely on complaints of overmining, depleted resources and colonial pillage. Namibia's new rulers need to demonstrate that independence will bring jobs, prosperity and security. Yet everywhere they look, there are ties to their former master, SA — which supplies 90% of the country's imports, from cans for the beer brewed in Swakopmund to cut flowers.

There are two areas of the fragile economy in which this dependence could be significantly weakened. Fishing is one (see graph for sectoral contributions to GDP). It can only improve after the depletion of the pelagic resource and fears over deep-sea hake. Namibia can now enforce its 200-mile exclusive economic zone. A differential levy has been imposed on hake catches — companies which employ Namibians qualify for rebates. And with fishing resources possibly regenerating in the nutritious Benguela Current — a Norwegian team is expected to report on this by the end of the year — the stage is being set for the Namibianisation of the fishing industry, including State equity participation.

For now, there is a moratorium on fishing. Apart from local boats, the big fleets represented in Icesaf (the International Commission for South-East Atlantic Fisheries) have been asked to stay out and the next steps will include:

- Multilateral agreements with fishing nations (Spain, for example, has 50 000 people dependent on Namibian fishing);
- Agreements on quotas, royalties and nationality of crew; and
- Bringing the industry onshore with processing facilities in (Namibian) Walvis Bay. Indeed, revenue from fishing could contribute half the national budget, according to Minister of Agriculture, Fisheries, Water & Rural Development Gert Hanekom.



Windhoek street stall ... informal growth

Then there is beef (6% of exports). Of course, most of this goes to SA — but accession to the European Community under the Lomé Convention could give Namibia a 19 000 t quota in the European market, 40% of production (plus a little mutton). News of bovine spongiform encephalopathy in British cows caused some glee in Windhoek.

Meanwhile, keen Finance staff at the Fiscus Building (a name which also deserves to be Namibianised) are busily at work on core financial legislation. Namibia will remain an integral part of the rand monetary union for at least two years — and of the Customs Union — but it is to get its own Central Bank and currency. Will this be true monetary independence? That depends on whether the oryx — or whatever it is called — remains pegged to the rand, which could be good for exports; or whether Botswana's example with the pula is followed.

Botswana's experience is being marshalled in devising various kinds of law to enable a shift away from the rand. A great deal of it is technical — David Rush, head of public finance in the department, is keenly involved in the detail — and involves interest rate structures, banking regulations, probing the abolition of the financial rand (which Finance Minister Otto Herrigel is said to despise), extension of agricultural credit, insurance laws and treaties, and so on.

A Central Bank Bill will soon be put before the Assembly and might well be structured along lines suggested by Botswana and the IMF. There, was apparently, some dissent over the need for a Central Bank — given the realities of SA dependence — but this was overruled as an abrogation of genuine independence. The interplay between political imperatives, availability of resources and the practicalities of implementation will shape emergent financial structures and their law.

Change is evident. Two of the three major property developments on the Windhoek skyline are being put up by Old Mutual and Sanlam — though they represent a Namibianisation of assets. They have the corporate SA stamp all over them, a loaded cultural inheritance, but do suggest life after independence. Will there be more?

Well, the city does hope soon to see a Japanese group put up a casino in Kaiserstrasse — alias Independence Avenue. For the moment there is some *joie de vivre* to anticipate in the fun-loving city. People in Windhoek worry more about SA's future than their own.

The despotism some feared has not come. Social demands can for a time be met — and the private sector has been reassured. People are relatively relaxed. So what was all the fuss about then? Left to itself, even *welwitschia mirabilis* becomes fruitful and multiplies, sending out seeds in the wind. Perhaps there is a lesson in this for SA. ■



WINDHOEK

The Namibian government has described the international aid-pledging conference held in New York recently as a resounding success but the question now is whether it will be able to use all of the R718-million promised - if eventually it all materialises.

Dr Zed Ngavirue, director-general of the National Planning Commission and one of the driving forces involved in preparation for the donors' conference, recalls that Zimbabwe got pledges of about R1 330-million when it became independent but only R532-million was eventually realised.

# R718-m poser for Namibia

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"Having gone to ask for aid is one thing," said Dr Ngavirue after returning from New York. "But actually following it up and getting projects implemented is another."

He is optimistic though that Namibia will be able to absorb and use the grants and other sorts of pledges from about 44 different countries and several non-government organisations like the African Development Bank and United Nations bodies.

"We have the capacity

to absorb the money because we have worked out projects carefully," he said.

Assistance from the international community seldom if ever comes in the form of a cheque made out to the government.

It is designated by the donor country for specific fields or projects which the donor feels able or willing to assist.

And the recipient is expected to account to the donors for use to which the money is put.

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### 'Reschedule African debt'

**MAASTRICHT** — Former World Bank president Robert McNamara has called for rescheduling of African debt to industrialised nations.

"There's very little reason to believe that current development programmes will reverse the trends of exploding population, poverty, and damage to the continent's environment," McNamara told reporters on Sunday on the eve of a 70-nation conference on the African economic crisis.

McNamara and Botswana's President Quett Masire are chairing the three-day meeting, which ends tomorrow.

The total debt of sub-Saharan countries grew to \$134bn in 1988 from \$6bn in 1970, according to the World Bank.

McNamara said Africa would be hurt by interest rates rising in Europe as a side effect of investment in Eastern Europe and the Soviet Union. — AP-DJ.

# Kaunda plays golf as unrest fades

B1024 31790

**LUSAKA** — President Kenneth Kaunda played golf yesterday as Zambia returned uneasily to normal after five days of anti-government riots and an aborted coup by mutinous troops.

Long lines formed before dawn outside state stores, private supermarkets and petrol stations that were closed after student-led rioting over food price hikes erupted last Monday.

Paramilitary police and troops patrolled the streets of Lusaka and other cities and towns but there were no signs of unrest yesterday.

While officials insisted no-one was killed during the coup attempt on Saturday, witnesses and diplomats said three civilians celebrating Kaunda's reported demise were shot dead near State House.

The government has retained a dusk-to-

dawn curfew.

Kaunda, 67, was in the central Zambian city of Ndola in the early hours of Saturday morning when a signal corps lieutenant announced on state radio the army had seized power.

But the soldier and at least four other officers involved in an alleged plot to oust Kaunda were detained by loyalist troops.

The government has officially acknowledged the arrests of only two people, Lt Mwaramba Luchembe and an ex-detainee who staged an anti-government demonstration in Ndola.

The broadcasts prompted thousands of joyful Zambians to take to the streets.

In last week's protests angry Zambians demanded that the price hikes be rescinded, Kaunda resign immediately and Western-style multiparty democracy be re-

stored.

With his impoverished nation's economy in ruins, analysts say Kaunda's only hope is a recovery programme proposed by the IMF, World Bank and western creditors who are jointly owed \$7,5bn in debts.

Part of the salvage operation was the lifting of subsidies on mealie meal.

State television on Sunday night also reported that more than 1 000 people had been arrested, mainly for alleged curfew violations, in the week of violence.

But witnesses said many people were arrested in daylight during protests.

On Sunday night Kaunda replaced army commander Lt-Gen Gary Kalenge with deputy commander Maj-Gen Francis Sibamba without explanation. Analysts said it was clearly a result of the aborted coup. — Sapa-AP.

### Geingob optimistic

B1024 317190

**WINDHOEK** — Namibian Prime Minister Hage Geingob says he is optimistic that the dispute between SA and Namibia over Walvis Bay will be resolved amicably soon.

Geingob said in an interview that Namibia regarded Walvis Bay as part and parcel of Namibia, although it was still officially SA territory.

Geingob said that he envisaged joint economic projects with SA once it had resolved certain political difficulties.

Before then, Namibia would try to loosen its economic dependency on SA.

He also indicated that SA might be one of the countries targeted for the first Namibian diplomatic missions.

Lack of finance prevented Namibia from opening offices elsewhere. As yet, Namibia had no diplomatic representation in other countries. — Sapa.

# White businessmen back Mugabe's one-party socialist state plans

B1024 31790

**HARARE** — President Robert Mugabe yesterday received unexpected backing for his plans for a socialist one-party state from an organisation representing the white-dominated industrial sector.

Confederation of Zimbabwean industries (CZI) president John Deary told a Press conference: "We accept the (ruling) party's views on the desirability of a one-party state, but we certainly do not believe it is necessary to introduce it when government has in effect achieved that."

Deary was reacting to statements at the

weekend by Mugabe comparing pro-Western elements in the ruling ZANU (PF) leadership to Judas Iscariot for warning of loss of foreign investment and economic support should he ignore Western objections to political developments here.

Deary said the CZI supported "some" aspects of a one-party state.

"There will obviously be both a measure of loss of investment potential, and probably it will affect grant aid and loans,"

Deary, who said Zimbabwe's estimated 1,2-million to 1,5-million unemployed would be the major concern of this week's annual CZI congress, believed Mugabe would continue to heed the private sector.

Mugabe had stressed his desire for "a Zimbabwean type of socialism," which included a place for the private sector.

"We still have to find out exactly what that means in the terms of a structural adjustment," said Deary, referring to government promises of extensive economic liberalisation over the next five years.

Deary noted the challenge a post-apartheid SA would pose Zimbabwe, but said it would offer Zimbabwean businessmen huge potential in its expanded market.

Worrisome numbers of skilled Zimbabweans were being attracted by job offers in SA because Zimbabwe possessed better educational facilities, he said.

"The South Africans have already been doing a great deal to recapture their markets in the region and we will face tough competition," said Deary.

# 'Limbo' for Namibia as money problems bite

From DALE LAUTENBACH, Argus Africa News Service in Windhoek

A slightly unsettling sense of limbo has crept into Namibian society as the bright notion of independence wears thin and the nuts and bolts of what it means to govern begin to show.

The Swapo government seems caught in a Catch-22 situation: "We can't spend on X until we know whether Y will come up with the money, we can't have a foreign policy until we have an internal policy, we can't have an internal policy until we know whether we can finance it with Y's help. And X and Z. And so the circle turns back on itself."

It is an inevitable position really and one can't point fingers yet and say "bad government"; one can't say that nothing is being done. But what is being done takes time and in that time certain problems arise. The building industry for exam-

ple is beginning to show strain. There has been no new work and no new government contracts since February this year.

Workers are being laid off. One company has reduced its workforce from 160 to 65 and has work for the next three months only, according to a survey by national television.

This, with unemployment near 40 percent, compounds the problem that was already a problem with all the returnees who came back during the independence process and with the opposing Plan and Swati armies demobilised and mostly on the streets (upwards of 45 000 men according to Mr Hidiipo Hamutenya, Minister of Information).

Mr Des Mathews, vice-president of the Chamber of Commerce and Industry, says there are problems in the short term. "But medium an long term things are fairly rosy."

A slump in the tourist industry is biting too. Mr Mathews puts this down not to apprehension about "which way" the new Namibia will go (the cynic's quick answer) but to the opening of the East bloc which has diverted tourism in a swing motivated by both the relatively cheaper cost and curiosity value.

This too could be short term and, seeking to address the problem, a delegation of Namibian tourist industry operatives is visiting South Africa now to publicise the country's wonders — of which there are many.

The government is seeking direct budgetary aid in New York to see it over the short-term bump. Most analysts say, however, that this is unlikely and that countries will want to see their aid go into more concrete projects.

There is also the question of whether the international community will grant Namibia the least-developed nation status it is seeking. Another question, more time before it is answered.

The other big limbo area is foreign investment. Potential investors — and there are

reports of many nibbling the line right now — are waiting for Namibia's investment code, the document which will govern what they may and may not do.

This, in its entirety, is expected towards the end of the year when there will be an Investors' Conference. The outcome of that will also be crucial to government planning but in terms of time that is even further down the line.

More limbo zones: the civil service, so too legislation with much to be drafted and much to be amended. While the National Assembly is going great guns and has passed six bills to date with more prepared and in the pipeline, legislative amendments probably require the kind of expertise Namibia does not have.

A member of the legal profession here questioned whether Namibia would be prepared to seek that expertise in South Africa "where there must be hundreds of academics who'd love the job", he said.

He was concerned that there is an attitude around the seat of government at the moment which is loath to be tainted by the SA connection, even if it came from the progressive side of that community.

Independence focuses an optimistic spotlight on a nation, creates high hopes and expectations. What happens next is bound to be slow if you think about it reasonably. It is probably even be in the best interests of all that a brand new government fresh out of exile does not tear around implementing sweeping changes.

A diplomat here with old ties to the former freedom fighters said: "They've got good people, some very good people. But they must get down to the business of government, good government."

The 22 in the Catch is that the jobless, the hungry and people losing jobs, are not in the position to be philosophical or reasonable.

# Seals are a threat to fish resources — govt

CAPE TOWN — SA's 1,2-million seal population consumes as many fish a year as are caught by the SA and Namibian fishing industries and unless controlled could threaten the fish resources, says the Environment Affairs Department.

This and other scientifically researched arguments supporting the controlled culling of seals have been released by the department in an attempt to justify the imminent clubbing to death of 30 500 seals along the west coast.

The Environment Affairs Sea Fisheries Research Institute reports that the seal population has a significant impact on fishing resources and other marine creatures.

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LESLEY LAMBERT

The institute has expressed concern that, at current levels, the population is threatening the survival of these species and that culling may have to be accepted as a future necessity.

The department argues that its management of the seal resource has complied with SPCA recommendations and it would never allow the population to drop to endangered levels.

In 1987 the SPCA recommended that culling be suspended for four years, during which time data would be collected on the effect of seals on the environment.

However, it also stated that this moratorium should not preclude harvesting and suggested that any culling and harvesting which did take place should be limited to Kleinsee — where culling of 30 500 seals by a Taiwanese company for fur, meat and genitalia will be permitted from July 15.

In defending its seal policy yesterday, the department avoided the most critical issue in the emotional resistance which has risen — the manner in which the animals are to be killed.

A department spokesman said this and other issues related to the culling would be addressed later this week.

● Comment: Page 8

# New law confuses Namibian exporters

THE amended Import and Export Control Act of 1990, which legally binds importers and exporters to obtain permits for trading between SA and Namibia, has caused confusion because permits are to be allocated again only in January.

Customs consultant Alfred Vorster said Namibia should have been exempted from the amended Act. Previously, importers and exporters between SA and Namibia were exempt from obtaining import and export permits.

The amended Act, gazetted on May 23, repealed South West Africa's exemption from the Act following Namibia's independence.

As Namibia had not been included in Customs Union countries such as Botswana and Swaziland, which were exempt from obtaining permits, importers and exporters between SA and Namibia had to obtain permits.

However, import and export permits were allocated by government only in January and May and because the law

EDWARD WEST

came into effect after the official permit allocations, it would be very difficult to obtain permits before January.

The amended Act imposed stiff penalties. Those contravening the Act could face a maximum fine of R40 000 or 10 years imprisonment and a further fine of three times the value of goods traded, said Vorster.

## Negotiations

In the meantime, Customs and Excise Department spokesmen said yesterday that as far as the department was concerned, no permits were required to trade between SA and Namibia.

Although it was not yet official, negotiations were underway to include Namibia in the Customs Union, he said.

Vorster said although Tourism, Trade and Industry Minister Kent Durr had said he would deregulate the import and export of goods to and from SA, the

latest provisions to the Act were in conflict with the General Agreement on Tariffs and Trade (GATT).

Namibia would be the fifth member of the Customs Union. According to previous reports, the country had been a de facto member until now and in 1979 was arbitrarily allocated a 12% share of customs receipts.

Its economy was heavily reliant on SA and depended on it for about 75% of its imports. Goods passing through SA raised this figure to 94%. Mining accounted for just under 65% of all Namibia's exports and beef, mutton and Karakul pelts were also exported.

Independence was expected to open new trade options, especially if the manufacturing sector grew with the possible relocation of SA based firms looking for sanctions busting opportunities, the reports said.

Namibia was setting up a customs and excise department, not to restrict the flow of goods, but to collect reliable statistics.

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# Namibian spending estimates up by 5%

WINDHOEK. — Namibia announced a 5% spending rise in its first national Budget since independence in March, while keeping both corporate and personal taxes unchanged.

Finance Minister Otto Herrigel estimated revenue for the 1990/91 financial year at R2,366bn and expenditure at R2,576bn, leaving a deficit of R210m.

He told Parliament that spending would rise by R128m over the previous year's R2,448bn.

"If one bears in mind the rate of inflation, that the whole government service is being restructured, that provision has to be made for new services and whole ministries that did not exist before... then it must be admitted that it was and will be a formidable task to stay within these limits," Herrigel said.

"This is the first Budget of the independent Republic of Namibia, and as such its expenditure is very different and cannot be compared with previous budgetary items," he said.

The financial year runs from April 1 to March 31, but the Budget has been delayed due to independence and while the country awaited foreign donor pledges.

Herrigel said the government planned no tax increases to finance its projected Budget deficit.

CMT 114P 7/7/90 (221A)  
"I intend to raise loans to finance the deficit and once Namibia's own central bank is established an overdraft may be arranged for part of it," he said.

Along with obligations inherited from the past, Namibia's foreign debt totals R726,5m, he said.

He said tax levels at 33% of gross domestic product already compared with those of developed countries and he ruled out the imposition of a sales tax because it would hurt the poor.

"Company tax at present is already at a high level and increases at this stage would not be conducive to economic development and the investment climate that government tries to create," he said.

"Mining taxation is, however, under review and will hopefully lead to a more uniform taxation structure in future," Herrigel said.

"Broadening the tax base and reducing some overly generous exemptions should increase yields...", he added.

Herrigel said spending on capital projects would rise to R261m from R189m in 1989/90 to stimulate the economy and create jobs. There were prospects that more donor-funded projects could be announced in an additional Budget this year. — Reuter

# Crime rate has doubled since independence

ARGUS 10/7/90

221A

A woman in the Etosha Cafe in Tsumeb wears three gold chains around her neck. A friend comments admiringly.

"Ag, ja, what can you do," the owner of the chains responds. "You

## NAMIBIA

must wear what you've got because if you don't it's gone when you get home."

The crime rate in Namibia has shot up following independence. When you ask police to confirm this they respond as if you were asking a dumb question.

"Of course," says Commissioner Johan Harmse, formerly district commissioner of Tsumeb, who recently took up the post of Regional Commander for the North in charge of crime.

### Working on it

Other police sources in Rundu and Grootfontein speak of a 100 percent increase. Regional Inspector W Meuwesen, who heads the police force across the entire northern region from the Kaokoveld to Caprivi, including the districts of Tsumeb and Grootfontein, says the phenomenon is not something anyone is trying to hide.

Indeed, the Minister of Home Affairs, Mr Hifikepunye Pohamba, has called a community meeting in Windhoek to discuss the crime

The crime rate in Namibia has rocketed, but authorities are hoping that this is just another of the teething troubles of independence. DALE LAUTENBACH of the Argus Africa News Service reports from Tsumeb.

problem in that area. He has called for the involvement of trade unions, community organisations and all political groupings.

Similar meetings are planned for towns throughout the country.

Says Inspector Meuwesen: "Yes, there is a rather unacceptable crime rate but we are working on it."

He points out that the crimes are more often than not those of theft and not violence.

Inspector Meuwesen attributes the crime increase to widespread unemployment (conservatively 30 percent) and the attendant post-independence problems that have yet to be tackled by the new Namibian government in job creation programmes and the like.

The economy has been hit, especially in the north, by the withdrawal first of the SADF and then of Untag, the United Nations force which to some extent filled the buying and spending gap left by the SADF.

According to estimates revealed by Dr Zedekia Ngavirue, Director-General of the National Planning Commission, over 40 000 returnees have come into the country and the demobilisation of two entire armies of former Swapo and SWA Territory Force fighters has put about 20 000 former combatants on the streets, jobless.

### Period of grace

Inspector Meuwesen has a sanguine attitude to the problem. "The situation is not out of control. We are in a new phase," he says, predicting that this post-independence phenomenon will normalise with time and with the efforts of the police force, which is itself in a period of transition, recruitment and training.

"Maybe there are some people who feel so free now that Namibia is independent that they think they are free to take what they want ... later they will conclude differently."

Even the woman with the gold chains in the Etosha Cafe, while clearly a bit depressed, is not about to up and run.

"Ag, one must just live for each day, enjoy what you've got and see what happens."

Her friend smiles sympathetically.

# Arms theft from police store: Appeal to public <sup>224</sup>

From DALE LAUTENBACH <sup>Argus</sup>  
Argus Africa News Service <sup>11/7/70</sup>

WINDHOEK. — Namibian police today made an urgent appeal to the public for information following the theft of an undisclosed number of arms, including automatic weapons, from a police special unit store.

Police Commissioner Siggs Eimbeck said the government was concerned about all weapons in circulation at the moment and this latest haul, which police have no precise information about, deepened that concern.

"They didn't steal these weapons for souvenirs," said Commissioner Eimbeck of the Sunday night theft.

A number of R5 and G3 rifles were stolen when the thieves broke the locks of a police weapons store in Windhoek in an apparently well-organised operation.

They also made off with 9 mm pistols, machine-guns, teargas, rubber bullets and ammunition.

Commissioner Eimbeck said

the police were unwilling to disclose the exact numbers of weapons missing.

He said police had "some information to follow up" but "it doesn't look hopeful at this stage".

In the National Assembly yesterday, Deputy Minister of State for Security Mr Peter Tsheehama defended the 4.7 percent allocation of the R2.5-billion budget for defence, saying that while the country was "peaceful" at the moment, its security was by no means guaranteed.

The government was particularly concerned about the large number of licensed weapons in Namibia, he said.



# Low-cost houses for Namibians

WINDHOEK. — Thousands of black Namibians who have lived in rented township houses for over 20 years will soon be able to own them at a transfer fee of R200 a house, says a statement by Local Government and Housing Minister Dr Libertine Amathila.

"It is high time people are satisfied who have been breaking their backs to get something," Dr Amathila said in a statement published yesterday.

"We particularly want to help old people, otherwise rent problems can be very tough on them."

From September 1, people living in the matchbox-like rented houses throughout Namibia will be able to

take transfer, provided each house has been occupied by a family since it was built 20 years or longer ago.

The new owners may not sell the property for at least 10 years.

The cost to the government of the scheme is estimated at R5 million; to be funded from pledges made to Namibia at a UN-sponsored donors conference in New York last month.

Meanwhile, Dr Amathila said plans would get under way in about two weeks to resettle squatters around Windhoek to a new "site and service" location on the outskirts of Katutura township outside the capital. — Sapa

# Oil firms line up for share of Namibian fields

Life Mail 13/7 + 19/7/90

INTERNATIONAL oil firms are showing increasing interest in acquiring oil and gas exploration licenses off the Namibian coastline with an initial licensing round now likely to take place early next year.

This follows completion of a 10 000km seismic, magnetic and gravity survey in March by the British firm Exploration Consultants (ECL) in association with Halliburton Geophysical Services of the United States under a contract awarded by the Namibian oil parastatal, Swakor, in 1988.

A complete package of seismic lines has now been made available for sale to interested companies and ECL expects to complete interpretation of the data within the next six months. The Swakor contract gives ECL the right to sell the data on a non-restricted basis. Three European and four US companies have so far made purchases.

The survey was designed to provide regional coverage of the entire Namibian offshore area with a special focus on Kudu field, 120km off the Orange River mouth, where Chevron struck methane gas in 1973.

Reserves are estimated at 5.2-trillion cubic feet but development is likely to be extremely expensive. Nevertheless, bidding for exploration rights is expected to be competitive.

Following Chevron's initial strike,

no drilling was carried out for 15 years since most oil companies relinquished their rights in response to international pressure on South Africa. (22.1.A) Chevron and Texaco, in particular, were anxious not to compromise their substantial investments in Angola.

Although two additional wells were drilled at Kudu in 1987-88, the whole offshore area is viewed by oil firms as one of the last significant hydrocarbon provinces yet to be investigated.

The oil companies, however, are concerned not to appear to be rushing in before the Namibian government has finalised its petroleum regime.

At present, there is no specific petroleum legislation and the future role of Swakor is yet to be defined. A team from the Commonwealth Fund for Technical Co-operation has completed a report on an appropriate fiscal regime for the mining and oil sectors and its recommendations are being assessed by officials at the Mines and Energy Ministry, headed by Swapo secretary-general Andimba Toivo Ja Toivo.

The government is planning to submit an oil legislation Bill to the national assembly next month and it is likely to be largely inspired by Angolan legislation, with a semi-autonomous parastatal acting as exclusive concessionaire on the same lines as Sonangol.

Most oil companies would be happy with a Sonangol-type partner in joint

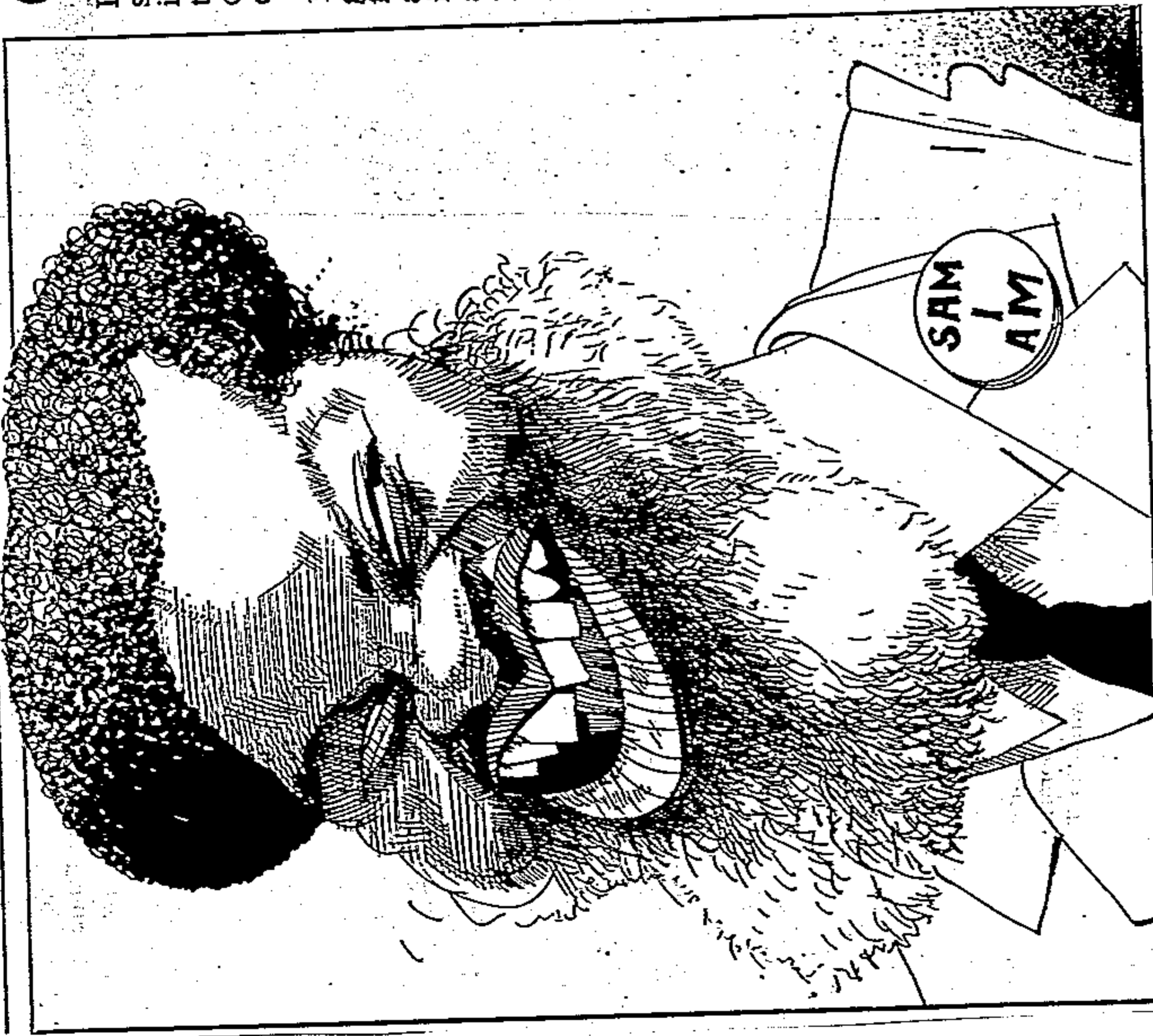
ventures and production-sharing agreements, provided it was properly staffed and there were clear rules relating to access to foreign exchange and repatriation of profits.

But this could prove sensitive in the light of Ja Toivo's recent criticisms of the high levels of profit repatriation by multinationals in the mining sector. On the other hand, there would be little hope of attracting the finance required to develop the Kudu field if controls were to be made too restrictive.

Namibia presently obtains virtually all oil requirements from South Africa, but independence has opened up the prospect of direct imports.

Swakor has already delineated the offshore zone into 17 tracts, of which blocks 9, 12 and 13, surrounding the Kudu field, are likely to be most sought after. Systematic exploration of onshore areas — especially in the northern Etosha-basin region — is not expected to start for another two years.

The sole onshore tract, covering 260 000sq km in Etosha, was acquired by Taiwan's Opic two years ago. Opic has opened a Windhoek office and this demonstration of its commitment to an active role in Namibia's fledgling hydrocarbons sector may improve its chances of being accepted as a joint venture partner when the current rights expire in 1992. — Market South East



Sam Nujoma's government is developing energy legislation

# Namibia plans new investment centre <sup>8 10<sup>th</sup> 1979</sup> (221A)

WINDHOEK — Namibia's Trade and Industry Ministry is planning an investment centre for the country to encourage foreign investment, NAMBC radio news reports.

Trade and Industry Minister Ben Amathila told parliament the planned centre would supply all information relevant to investment opportunities and business regulations in Namibia.

He said Namibia's long-term growth and development would depend on private investment in the country. An international investors conference would be held soon to make potential entrepreneurs aware of the opportunities the country offered.

Deputy Trade and Industry Minister Reggie Diergaardt said economic growth would be facilitated by the healthy and stable political climate which had been established in the country.

He said economic growth points should be identified and strategies determined in co-operation with the private sector for presentation to foreign investors.

Amathila also said a technical committee would be established by his ministry to look into the future of the First National Development Corporation.

He was answering a question in parliament by Namibia National Front leader Vekuii Rukoro on whether the FNDC was still relevant as an agent of economic development.

The minister said the corporation had its roots in the colonial administration's policy of dividing the country into autonomous regions and needed to be updated.

He added that the FNDC could be instrumental when the government wanted to engage in business.

Meanwhile, it was also reported that 15 representatives of Zimbabwean companies are in Namibia on a week-long trade visit organised by the Zimbabwe Export Promotion Programme. — Sapa.

in Namibian waters."

Foreign vessels left Namibian waters in March. Now, only Namibian concessionaires — some with SA connections — are allowed to fish off the Namibian coast. All fish caught in those waters are processed in Walvis Bay factories, most of which are partly or wholly SA-owned.

More than 250 foreign vessels, including several from SA, fished off the Namibian



Namibian pilchards ...  
still on the menu

coast before independence, when those fishing grounds still were regarded as international waters.

It was thought that this competition for fish had done irreparable damage to the resource. But, Jurgens says, "the recovery of pelagic fish since the foreign boats left is beautiful; the biomass of anchovies is 180 000 t and that of pelagic maasbanker is 1,2 Mt, which is much better than before."

He attributes the misreading of the situation "to the disturbance caused by all those ships, which may have affected the shoaling behaviour of the fish in a way we don't understand yet."

No quota has been imposed on the amount of anchovies that may be caught this year, but the pilchard quota, which was 50 000 t last year, has been reduced by 10 000 t.

Deep-sea trawling still has a way to go. The departure of foreign trawlers hasn't led to a noticeable improvement in the hake resource, "but what is noticeable is that the catch rate is rising, now that there are no longer so many ships operating in our waters," Jurgens says.

Namibia limited the amount of hake that may be caught this year to 55 000 t, about the same as last year, and it can be caught only by Namibian concessionaires. All in all, he believes that after years of earning virtually nothing for Namibia, the fishing industry will earn R250m for the country in its first year under local control.

The only foreign ships fishing off the Namibian coast now are some Japanese vessels experimenting with a way to catch squid that hasn't yet been tried in Namibia. Jurgens says the results have not been encouraging. ■

## NAMIBIAN FISHING INDUSTRY

### More than leftovers

Namibian authorities are discovering that there's some truth in the old saying, "There's more fish in the sea than ever came out of it."

They're finding that the armada of foreign trawlers that fished indiscriminately off the coast for years did leave some fish for the newly independent country after all. (221A)

Director of Fisheries Jan Jurgens says a survey undertaken by Namibian scientists with the help of Norwegian colleagues and a Norwegian research vessel "shows there are satisfactory supplies of pelagic fish (pilchards and anchovies) left in our waters."

The news has leaked out, for Namibia is dealing with requests from several countries, including SA and the USSR, to fish in its waters. SA's request is still in the initial stage. A spokesman for the Department of Environment Affairs, which controls fishing in SA waters — and controlled it in Namibian waters until independence — says: "We're still at the stage where we're having talks about talks." FIM 20/7/90

A source in the SA fishing industry says: "Fancy footwork will be needed. It's something that won't be easy to resolve. Namibia wants SA to hand over Walvis Bay and we feel that because Walvis Bay and a number of islands are legally South African, SA is entitled to at least a portion of all fish caught

CIN 748 23/7/90

# Namibia sets up investment centre

2214

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# Namibian to start harvesting of seals

By DANIEL SIMON

A NAMIBIAN businessman has a seven-year government contract to harvest thousands of seals from the Wolf Bay and Atlas Bay colonies till 1997 — and to process the remains at his recently completed factory at Luderitz.

This was disclosed yesterday by the businessman concerned, Mr JG le Roux, owner of Namibian Venison and Marine Products, who said his team of 12 workers would club "roughly" about 20 000 pups and shoot about 3 000 bulls from the first week of August till the end of November.

Mr Le Roux said the entire seal carcass would be processed. This would further include processing the bodies of numerous seal pups which have died from starvation in the area.

The Luderitz factory is about 300km north of Port Nolloth — the town where a Taiwanese businessman set

up a similar venture to process the remains of 30 500 seals from the Kleinsee colony. The businessman is still waiting for Environment Minister Mr Gert Kotze's final decision.

Seals from Kleinsee and Wolf and Atlas Bays form part of the Cape west coast fur seal population, which is estimated to be about 600 000-strong.

Mr Le Roux said some seal products would be destined for Windhoek while other products, including skins, would be exported to South Africa. The genitalia are expected to be exported to the East as an aphrodisiac.

No official comment could be obtained from the Namibian Department of Sea Fisheries, as the entire top structure are holding a three-day meeting in Mariental — situated between Windhoek and Luderitz — to determine this season's cull quota, reliable sources said.

# Botswana plans rail link to Walvis Bay

AK661  
25/7/90

From DALE LAUTENBACH  
Argus Africa News Service

ZZ1A

WINDHOEK. — Botswana has plans for a rail link to Walvis Bay once this contested enclave has been returned to Namibia by South Africa, said President Quett Masire on a state visit here from Botswana.

President Sam Nujoma met Dr Masire with all the pomp and ceremony due the first official visit by a head of state since Namibia's independence.

The two heads of state are expected to discuss and sign a co-operation agreement and at a preliminary Press briefing, they both expressed the conviction that trade and economic links between their adjoining countries were vital.

## INSPIRED BY NAMIBIA

Dr Masire said he was inspired by the way Namibia had conducted its affairs to date on a democratically and economically sound basis.

With the international trend towards forming economic areas over state borders and towards enlarging trade areas, Dr Masire said a good relationship between his country and Namibia could pay dividends for both.

Road building in Botswana was under way and the plan was to cross the border and bring the road across to Gobabis in eastern Namibia, he said.

The border that divided the sister countries was a "colonial one," he said. "But now we are political entities which must ensure the viability of our states and economies."

President Nujoma thanked his colleague for the support Botswana had given during Namibia's liberation struggle. Many Namibians escaped the country through Botswana at the height of the conflict.

# No ruling on seals

*Sowetan 26/7/70*  
221A  
WINDHOEK - A report that 50 000 seals will be culled in Namibia this year has been dismissed as "ridiculous" by Dr Jan Jurgens, director of Sea Fisheries.

The report in a Johannesburg morning newspaper said 30 000 seals were to be harvested at Cape Cross north of Swakopmund and 20 000 at Luderitz.

*Sowetan Africa News Service*





# Namibia gets own central bank

Sowetan  
Correspondent

WINDHOEK - Namibia's own Central Bank began operating yesterday with assets of R40-million.

Launching the bank, Finance Minister Dr Otto Herrigel said its establishment followed the recent signing of a bilateral agreement with South Africa which included, in this instance, independence for Namibia in the handling of its foreign exchange.

He said the creation of the Central Bank now ensured that when Namibia launched its own currency (expected by April 1992), it would have its own foreign reserves with which to operate.

## Unit

A general economic and monetary research unit would be developed within the bank which, in the absence of an economic research institute in Namibia, would serve to advise government.

Governor of the bank Wouter Bernard said his institution would act as the financial conscience of government and would advise its members, especially the Ministry of Finance.

# Central Bank opens its doors in Namibia

WINDHOEK — Namibia's Central Bank began operations yesterday with assets of R40m, NAMBC radio news reported.

Launching the Central Bank of Namibia in Windhoek on Tuesday, Finance Minister Otto Herrigel said a bilateral agreement had been signed with SA.

He said the Central Bank would be for commercial banks, and would also be government's bank.

It would act as a clearing facility and issue coins and notes.

Whatever confidence the public, and local and international financial institutions, would have in the Central Bank would depend on the bank's professionalism, Herrigel said.

The Central Bank should mediate between the business community and government, he said.

## Challenge

Newly appointed first Governor of the Central Bank of Namibia Wouter Benard said he hoped to hand over governorship to a Namibian within seven years.

Benard, who has had 23 years central banking experience in The Netherlands, said in an interview with NAMBC he saw his new position as a challenge.

Former governor of Lesotho's Central Bank Erik Karlsson of Sweden has been appointed deputy-governor, while Emmanuel Lula of Uganda is to be general manager.

Members of the board include the Permanent Secretary in the Prime Minister's Office Petrus Damaseb, legal adviser Bience Gawanas, economist Paul Hartmann, and former Standard Bank chairman John Kirkpatrick. — Sapa.

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The former governor of Lesotho's Central Bank, Erik Karlsson of Sweden, has been appointed deputy-governor, and Emmanuel Lula of Uganda is general manager.

Edward Nolan is to head the bank's supervisory department, while Esko Aurikko, from Finland, is in charge of the economic research department.

Members of the board include the permanent secretary in the office of the Prime Minister Petrus Damaseb, legal advisor Bience Gawanas, economist Paul Hartmann, and the former chairman of Standard Bank, John Kirkpatrick. — Sapa

Namibia,

221A

Zambia

September 6/8/90

in pact

WINDHOEK - Namibia and Zambia signed a general cooperation agreement in Lusaka on Saturday, NAMBC radio news reports.

The agreement covers a wide range of bilateral relations in the fields of aviation, transport, electricity supply and agriculture.

The two countries have also agreed to allow free cross-border movement of each other's inhabitants. - Sapa

2211 J/A  
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# Namibian third party to be backdated

LINDA ENSOR

THE promulgation of a Namibian version of SA's Multilateral Motor Vehicle Accidents Fund Act — to be passed by Parliament this week — will settle the concerns of SA motorists travelling to the country without third party insurance.

Namibian Director of State Revenue Hannes Lubbe said yesterday the Act would be made retrospective to March 21 and would cover all who bought petrol or diesel in Namibia. The fund will be financed through

levies on petrol and diesel. All Namibian contributions made to the National Energy Council (NEC) since independence pending the creation of its own fund will be transferred back to Namibia.

As the Namibian Act is retrospective, travellers involved in accidents since independence will have had third party cover, a fund spokesman said. *Monday 8/8/90*

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LINDA ENSOR

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2218

department, said the most of taxi users previously bus trips.

## New bank

WINDHOEK - A new bank, the Namibian Banking Corporation, is to be established in the country on October 1, Namibia radio news reported yesterday. *Sowetan 8/8/90*

Nedbank's Deputy Managing Director, Mr Johan Westraat, said all Nedbank's assets and liabilities in Namibia had been transferred to the new bank. - Sapa. *(22A)*

## Principals to stage sit-in

TEN school principals in the Vaal Triangle will today embark on a 10-day sit-in at the regional offices of the Department of Education and Training, a spokesman for the Vaal Progressive Teachers Organisation said yesterday. *Sowetan 8/8/90*

The area's principals took the sit-in resolution following a meeting with the teachers' organisation, according to the teachers.

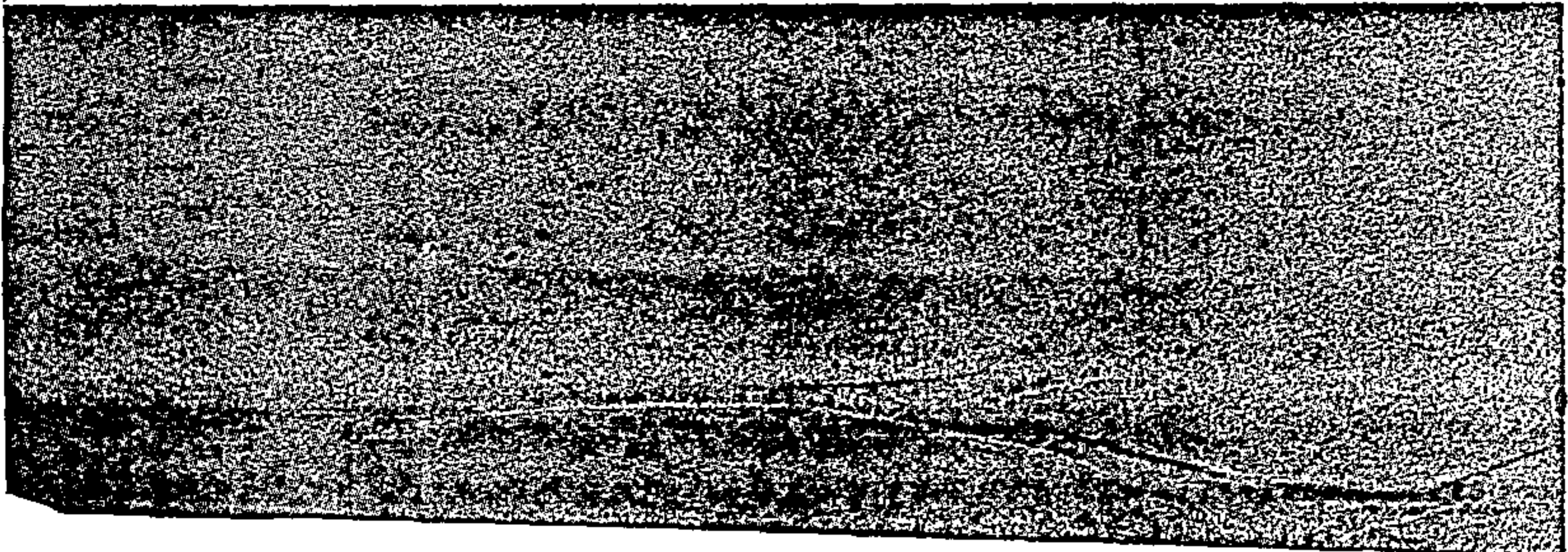
The teachers had asked for the principals' assistance after several of their demands were not addressed since a memorandum was submitted to the DET in February, spokesman Mr Kaizer Klaas said.

Ten principals were chosen to take part in the sit-in. - Sapa.

## Warlord Zondi dies

KWAZULU tribal chief and prominent Inkatha leader, Shayabantu Zondi, died in his bed on Saturday night. *Sowetan 8/8/90*

Amid' rumours about the cause of his death, fellow Kwazulu Legislative Assembly member, David Ntombela, said Zondi died of natural causes.





(221A)

## Better use of land urged

WINDHOEK — Namibian Agriculture Minister Gert Hanekom says the imbalance between the percentage of commercial and communal farmers must be redressed so agricultural land can be fully utilised. B1 D-14/90

According to NAMBC radio, Hanekom told farmers at a weekend meeting in Windhoek rural development and the development of communal farming should enjoy priority.

He attributed the imbalance to the fact that communal farmers on average owned about 200ha of land, while commercial farmers owned an average 8 600ha.

Hanekom said it was essential that subsistence farmers planning to farm commercially also contribute to the country's economy, but government would not force them to switch.

Government interference in farming and the marketing of products would be limited to the minimum. — Sapa.

# Namibia's famous brew goes patriotic

AR66 23/8/90  
Argus Africa News Service

WINDHOEK. — Namibia is a dry and thirsty country and beer goes down, down... well, like water.

But until now it was mainly South West Africa Brewery beer which slipped down parched throats. No longer: SWA Brewery becomes Namibia Brewery and patriots can crack their frosty cans with a pure political conscience.

The name change was announced by Mr Werner List, a powerful Windhoek businessman.

WB HOLDINGS F/M 24/8/90

## Into fruit

221A

**Activities:** In Namibian inshore fishing industry and in deciduous fruit farms in W Cape.

**Control:** Silverman family 54%.

**Chairman:** R Silverman; MD: B Peck.

**Capital structure:** 9,4m ords. Market capitalisation: R16,9m.

**Share market:** Price: 180c. Yields: 20% on dividend; 20% on earnings; p:e ratio, 5; cover, 1,0. 12-month high, 235c; low, 130c. Trading volume last quarter, 506 777 shares.

Year to Dec 31	'89	'90
ST debt (Rm)	—	0,2
LT debt (Rm)	—	—
Debt:equity ratio	n/a	n/a
Shareholders' interest	0,92	0,86
Int & leasing cover	n/a	n/a
Return on capital (%)	31,2	19,6
Turnover (Rm)	6,84	7,63
Pre-int profit (Rm)	6,35	5,31
Pre-int margin (%)	n/a	n/a
Earnings (c)	53,2	36,4
Dividends (c)	9	36
Net worth (c)	200	248

Most participants in Namibian fishing — almost all controlled from SA — have no idea of the size of their next quota. WB Holdings (WBH), formerly Willem Barendsz, has been severely affected by this.

For reasons that go back to the days when Willem Barendsz was a factory ship, the Namibian authorities have declined to grant quotas to the group. So WBH has had to rely on a small allocation from the SA administration. This comes out of the 14% quota which Namibian authorities have given the SA government from the total allowable catch of pilchards.

WBH has a 16,5% holding in Namfish, previously Swafish. In turn, Namfish holds 16,1% in United Fishing Enterprises (UFE) through which WBH conducts fishing operations and participates in profits based on a percentage entitlement. In 1987 this percentage was 20,9%. Now, because no quota has been available from the Namibian authorities, WBH's participation has been reduced to less than 10%. It was agreed UFE would pay special compensation to the participants involved.

FINANCIAL MAIL AUGUST 24 1990

F/M 24/8/90

221A

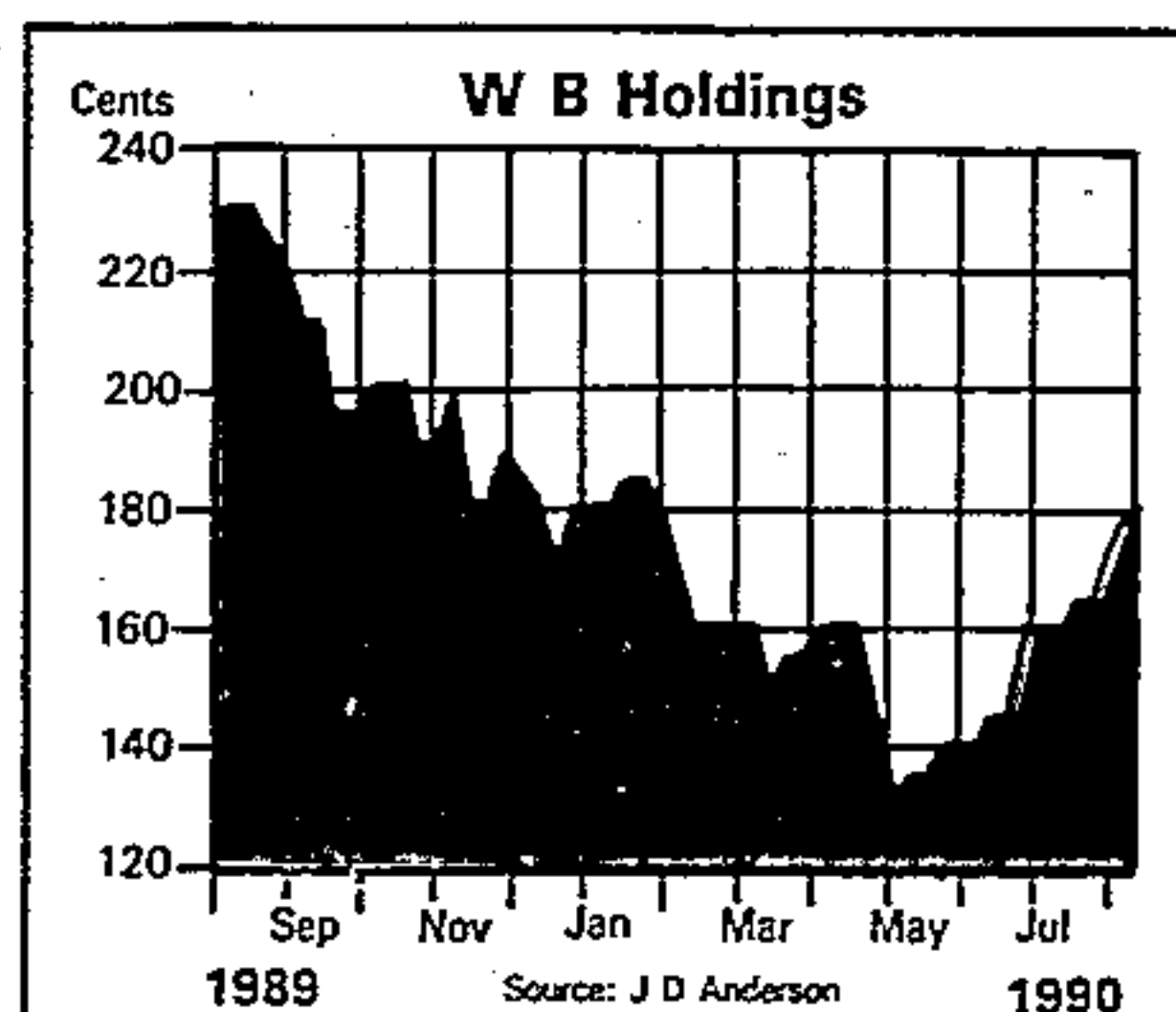
Earnings performance of WBH, listed in 1988 after acquiring Willem Barendsz as its only asset, has been poor but broadly consistent. EPS in 1985 and 1990 was 36c; the average over the period is 38,6c. Shareholders' funds show annual compound growth of 28,3%, largely thanks to the compensation payments received from UFE.

Because of reduced returns from fishing, the controlling Silverman family has sought to diversify. As they have been successful with their private farming ventures, WBH has moved in the same direction.

The Silvermans have sold their farms to WBH, which also invested in a further farming venture. The group has bought, for R14m, four deciduous fruit farms: one at Theewaterskloof in the Villiersdorp district and three in Grabouw; together covering 1 967 ha. The acquisitions were funded from short-term investments and retained earnings.

Given the quota situation, fishing prospects remain poor. Chairman Robert Silverman expects "income from fishing will be substantially reduced" and he concludes group results for 1990 "will be lower than achieved in the previous year."

Despite the risks inherent in fishing and farming, the group is worth watching. There is no gearing and, should the quota position change and catches prove good, this will be a lucrative business. Deciduous fruit farms in the Cape are producing good yields and the export market is buoyant. Should US sanctions be lifted, the profit potential from the



WBH farms is substantial; 35% of planted fruit trees still have to come into production and much land remains to be cultivated.

At 180c, the share stands 27% below net worth. The activities have changed to the extent that the historical performance is of limited value in assessing prospects, and the share remains speculative.

Gerald Hirshon

## COMPANIES

# Dive in interim earnings for Namibian Fishing

Monday 27/8/90

221A

CAPE TOWN — Namibian Fishing Industries, the SA fishing company with interests in Namibia, has reported a 50% reduction in attributable earnings to R1,5m (R3,1m) for the first six months to June.

As a result, earnings a share have fallen from 100c to 47c, while the interim dividend has been cut by 45c to 20c. Total earnings of 59c — representing less than half the 130c earned the previous year — are forecast for the full year.

Operating income fell to R1,2m (R1,5m) on a R460 000 reduction in turnover of R4,3m.

The decline in earnings was attributed largely to a lower contribution from the lobster division and from interest income. The industry's rock lobster quota was reduced to 1 600 tons from 2 000 at the beginning of the season. Of this amount, 1 121 (1 263) was allocated to Seaflower Lobster, a company in which Namibian Fishing Industries has a 35% stake.

Lobster landings of 281 tons for the six

LESLEY LAMBERT

months were lower than the 439 tons landed during the previous interim period, and the earnings contribution from this division was substantially reduced. If the level of catches achieved to date continues, directors expect the division to reflect a loss for the full year.

Namibian Fishing Industries decided to suspend legal action taken against the Namibian authorities after they reduced the company's portion of the annual pilchard quota by 51,6%. Of an total annual quota of 40 000 tons, compared with 50 000 the previous year, the company was allocated 1 854 tons. The directors said their decision to suspend the action followed discussions with representatives of the new Namibian government.

The pilchard quota was more favourable. The annual quota was increased by 20 000 tons in July and by a further 2 500 tons in August. Namibian Fishing Industries was allocated 3 155,7 tons.

# Namibians propose quid pro quota deal

8:10am 30/8/90 221A

CAPE TOWN — The Namibian government has agreed to increase pilchard fishing quotas to SA companies fishing off Walvis Bay on condition that they pay their seasonal employees two months' salary as a bonus.

The companies with Namibian fishing concessions have undertaken to pay the generous bonus to about 1 000 seasonal factory workers in the three processing factories they share in Walvis Bay.

It is estimated that this quid pro quo agreement will cost the industry R2m upfront, but that the higher fishing volumes

LESLEY LAMBERT

allowed by the increased quotas should make up for the loss.

The agreement follows negotiations over the annual pilchard quota, which was reduced by 20% from last season's 50 000 tons to the current season's 40 000 tons.

One of the concessionaires, the SA-based Oceana Fishing Group (Ocfish), threatened to take legal action against the Namibian Sea Fisheries Department after its subsidiaries' share of the quota was slashed by 51,6%.

Under the new agreement, Ocfish's fortunes have done a complete turnaround and the group has agreed to suspend legal action.

The allocations granted to its Namibian subsidiaries, Namfish and Namsea, have increased from the original 1 244 tons each, which represented a 51,6% decline on the previous year, to about 4 910 tons each, a 47,3% increase over the same period, said Ocfish director Sol Pick.

The overall annual quota, which originally declined by 20% to 40 000 tons, has now been increased by 25% to 62 500.

# Namibia watches SA fuel price

221A

Sowetan Africa News Service

WINDHOEK - The price of petrol in Namibia will increase if and when South Africa announces an increase against the background of the Gulf crisis and the soaring price of crude.

Deputy Minister of Mines and Energy Helmut Angula said the South African Equalisation Fund had absorbed the shock of the lurching world oil markets so far.

Namibia remained totally dependent on South Africa for fuel and an increase in the South African price would immediately effect Namibia.

A recently announced agreement to import a small amount of cheaper diesel from Angola would not influence the fuel price or protect it from an increase, said Angula.

There has been much talk in Namibia about the possibility of "cheaper fuel" from Angola as the solution to Namibia's dependence on South Africa for fuels.

However, oil businessmen have questioned the wisdom of this. Petrol might be cheap in Angola itself, they say, but Angola sells its oil products at world prices and Namibian fuel from Angola would not necessarily be dramatically cheaper.

4/17/90 (221A)  
**Uranium deal for Namibia**

WINDHOEK. — Namibia's Rossing uranium mining company has secured a major contract to supply uranium to France, managing director Dr Michael Bates said yesterday.

In a statement issued in Windhoek, Dr Bates said the contract had been agreed — subject to approval by the state-controlled Euratom Supply Agency — between Rossing and its 10% shareholder Total Campagne Miniere for onward sale to Electricite de France.

The contract, for the supply of 5 200 short tons of uranium oxide, will start in 1995 and will run into the next century. — Sapa

# 'Offensive' loans dropped

WINDHOEK — The Namibian government is to cancel agricultural loans to farmers granted by the former administration because they are "offensive" and contrary to the constitution, Agriculture Minister Gert Hanekom said yesterday.

"The loans considered to be offensive and contrary to the requirements of the constitution are loans granted for the purchase of farmland in so-called father-son transactions — or family transactions — and loans for the consolidation of debts," he said in Windhoek.

"These loans, if paid, would serve the personal interest of a small minority of white farmers only, and cannot be regarded in any way as

supporting agricultural growth or development."

All other loans granted by the defunct administration to whites before independence, aimed at improving and developing agricultural potential, would still be paid.

*15/10/90*  
*6/9/90* Pension

Hanekom explained that at independence in March, an amount of R8,2-million in loans was waiting to be paid out by the administration, of which just over R4-million was in terms of father-son transactions concerning 18 families.

In these deals, a father sold his land to his son, who obtained agricultural credit at 4% from the administration.

This was then invested by the father in commercial banks at between 18% and 20%, providing the family with a pension.

"This was nothing more than cheap government money and we find this totally unfair and not in keeping with the constitution," Hanekom said.

The former administration had also provided 4% loans to farmers who had consolidated their debts and were paying overdraft rates of over 20%, which the new government also found unacceptable.

"The policy of this government is that we will assist farmers, and also give cheap loans, but only for the growth and development of agriculture," the minister said. — Sapa.



## COMPANIES

### Oceana selling off Namsea for R13,7m

OCEANA Fishing has moved to eliminate under-performing assets with the sale of its troubled subsidiary Namibian Sea Products (Namsea) to a UK-based investment company for R13,7m cash.

At per share level, the transaction involved the sale of 2,1-million non-cumulative preference shares at 37,5c each and 2,29-million ordinary shares at 565c each — 65c higher than yesterday's ruling price.

A similar offer will be made to Namsea minority shareholders.

The announcement follows an earlier cautionary announcement.

Namsea had not been performing well and it had been decided the best strategy was to dispose of it to UK-based Arun Holdings, executive chairman Walter Lewis said yesterday.

Namsea has suffered heavily from poor catches and reduced quotas over which it has had lengthy negotiations with the Namibian government.

Its results for the six months to end-March showed earnings plummeting from last year's 120,1c a share to 24,4c.

NEIL YORKE SMITH

Funds arising from the disposal would be invested in the SA fishing industry in the near future, Lewis added. *17/02/90 6/9/90*

"We are already studying potential acquisitions in some detail," he said.

Recent announcements suggest the acquisition of a company in the perlemoen industry is imminent, although no final details have been released yet.

Oceana is a subsidiary of Tiger Oats. *Fishing*

*22/9* Dividend *198*

Along with other fishing groups it has taken a hammering recently with interim earnings falling 61% to 70,9c.

The interim dividend of 30c was also much lower than last year's 55c.

Had the Namsea deal been effective from October and the funds invested in the money market, Oceana's interim earnings would have increased by 1,1c to 72c a share.

The shares have traded at about 1575c recently, well off the high of 2550c reached in August.

# 'Offensive' loans end

CAT-114 6/9/90  
221A

**WINDHOEK.** — The Namibian government is to cancel agricultural loans to farmers granted by the former administration for whites because these are "offensive" and contrary to the constitution, Agriculture Minister Mr Gert Hanekom said yesterday.

He said the loans had been granted for the purchase of farmland in so-called father-son transactions — or family transactions — or were loans for the consolidation of debts. Eighteen families will be affected.

"These loans, if paid, would serve the personal interest of a small minority of white farmers only."

All other loans granted by the defunct administration for whites before independence, aimed at improving and developing the agricultural potential of Namibia, will still be paid.

In the "family" deals, a father sold his land to his son, who obtained agricultural credit at 4% from the administration. This was invested by the father at between 18% and 20%.

Loans at 4% were also provided to farmers who had consolidated their debts and were paying overdraft rates of over 20%. — Sapa

Namibia <sup>22/18</sup>

## 'approved culling' <sup>3/9/78</sup>

WINDHOEK. — Namibia's director of Sea Fisheries, Dr Jan Jurgens, said yesterday that quotas to harvest seals off the country's coast for this season have been granted.

Dr Jurgens was responding to an unconfirmed report by the Cape Town-based Seal Action Group that about 17 000 seals had been culled at Cape Cross since last Friday, when the season opened.

The season closes on November 15.

Dr Jurgens said that quotas were granted to harvest 19 400 seals at Cape Cross and Luderitz, and a total of 256 had been harvested on Friday and Saturday.

He said that harvesting could take place only in the presence of Sea Fisheries inspectors.

He added that the inspectors had been trained in harvesting methods by scientists of his department. — Sapa

# Swapo faces international boycott over seal culling

By EDDIE KOCH *WIM* 19-20/9/90  
SWAPO officials could be on the receiving end of an international boycott as the controversial culling of 19 000 seals, by two companies who plan to export the genitalia to the Far East as aphrodisiacs, got under way this week.

The killings, confirmed by Namibia's Department of Fisheries, have sparked an international controversy as local and overseas animal rights groups vow militant campaigns to stop the killing.

"This is war," said Kim Clarkin of the Seal Action Group (Sag) in Cape Town. "We'll run this protest campaign like a military operation but will take every step to ensure that it remains non-violent. We have been invited by animal protection groups in Namibia to assist and will do everything we can to stop the killing."

Greenpeace, the Animal Protection Institute in America, animal rights activist Brigitte Bardot and at least 50 other international green groups have promised to support the campaign, said Clarkin. She warned that prospective American and German tourists would be asked to "vote with their dollars and marks" on the issue.

A coalition of activists from the Ecology Party, Sag and Earthlife Africa are planning protests outside the offices of the Namibia Tourism Board this afternoon.

A demonstration organised by the Namibia Animal Action Group took place in Namibia this week in the wake of protests outside South African-owned buildings in the United States this week to protest at the prospect of seals being culled off the Cape west coast.

The Windhoek demonstrations involved tomato sauce being splashed across the plate glass windows of offices belonging to Namibian tourist authorities and other official buildings, according to Earthlife Africa.

Jan Jurgens, Director of Fisheries in Namibia, confirmed that quotas had been granted to two local companies for the culling of some 19 000 seals at Luderitz in the south and at Cape Cross, some 40km north of Swakopmund.

The killing has already started at Cape Cross where 256 bulls and pups were slaughtered in the first two days of the operation, which began on Friday.

A company called Namibia Meat and Poultry has been given a permit to kill out 6 000 seals at Luderitz while the firm Seal Lions has the go-ahead to cull out 13 000 animals in a nature reserve at Cape Cross.

"To slaughter seals in a nature reserve for financial gain is like opening a brothel in the Vatican and we appeal to South Africans not to visit Namibia until the slaughter has been stopped," said Clarkin.

"We question the economic wisdom of actioning a massive seal slaughter when Namibia's tourist industry is just recovering."

Ecologists are especially concerned about the fate of seal colonies at Luderitz, where overfishing by Russian and other Eastern bloc fleets during Namibia's colonial period decimated shoals of fish, the seals' main diet — causing 98 per cent of pups to die as a result of malnutrition.

# Namibian exchange mooted

By Dam 14/9/90  
CHARLOTTE MATHEWS

THE Commercial Bank of Namibia had proposed a Namibian Stock Exchange (NSE) which could be in operation early next year, the bank said in a statement yesterday.

It had submitted draft copies of an Act and stock exchange rules, based on existing models, to Namibia's Ministry of Finance.

The object of establishing a stock exchange would be to stimulate the growth of Namibia's money and capital markets and consequently the economy.

"Apart from providing a new investment opportunity to foreign investors, the corporate sector and the government and the ability to raise finance, we have to stress the importance of making the NSE accessible to the man in the street," the bank said.

The bank anticipates the first listings will be companies registered or represented in Namibia that are already listed on other stock exchanges. There are six of these at present.

A spokesman from De Beers, which has extensive interests in Namibia, said De

Beers could not comment until it had seen the form the new stock exchange would take.

(221A)  
Metje & Ziegler company secretary Alexander van der Venter said it was up to the board to decide. Metje & Ziegler is a JSE-listed company with diversified interests in Namibia, including hardware and household goods, sports equipment and motor vehicles.

Other major foreign investors in Namibia include Anglo American, Lonrho, Rossing Uranium, Namibian Fishing Industries, Old Mutual, Sanlam and Southern Life.

Sapa reports the Afrikaanse Handelsinstituut (AHI) said in a statement businessmen wanting to invest in Namibia should wait until the country's code for foreign investors had been announced.

A recent AHI delegation to Namibia had received the impression that the market mechanism, private ownership and the right to free contracting would remain important.

BUSINESS DAY, Thursday, September 20 1990

**LUANDA** — The leaders of Angola and Namibia have signed economic accords pledging co-operation in a number of fields, including energy, transport and fishing.

Namibian President Sam Nujoma also said international aid to drought-stricken southern Angolan could pass through his country, said a joint statement released on Tuesday.

Nujoma met Angola's President Jose Eduardo dos Santos on Tuesday in Luango. The visit was Nujoma's first to Angola as Namibian president.

## Dos Santos, Nujoma sign accords

*By Dam* *20/9/90*  
Nujoma told Dos Santos Namibia would soon open an embassy in Luanda.

The statement said aid channelled through Namibia to the victims of southern Angola's drought must be subject to government controls.

The 15-year civil war between the government and US-backed Unita has hampered efforts to distribute aid to an estimated 1.4-million people threatened by starvation.

Unita offer to set up "peace corridors" to allow aid over borders and battle lines into government- and rebel-held territory has been rejected by Luanda. The government says such routes could be used by the US to move military supplies to Unita.

However, Dos Santos said on Tuesday his government welcomed any aid from the US or other Western nations. "We want this aid to reach all Angolans."

## AFRICA

The joint statement said the two presidents pledged to work for "stability on the common frontier to benefit the prosperity of the two countries and increase trade".

Since Namibian independence trade between the two countries has reopened. The first delivery of Angolan fuel oil was reported to have arrived in Namibia this week. Dam projects in southern Angola are supplying water and electricity to northern Namibia.

A fourth round of talks between the Angolan government and Unita is scheduled for next week. — Sapa-AP.



2021 15 18 08 03 25 21 19 90  
 SOWETAN Friday September 21-1990

Page 7

# Cheap oil for Namibia

WINDHOEK - Petrol and diesel prices in Namibia will not fall following the arrival of R780 000 worth

of cheaper Angolan diesel in Luderitz this week. The savings from the oil deal with Angola will

be ploughed into a fund to stave off the effects of unstable world oil prices caused by the Gulf crisis,

The purchase is Namibia's first move away from dependency on South Africa.

said deputy Minister of Mines and Energy, Helmut Angula.

221A

# Dalsig poised for minerals venture

MERVYN HARRIS

STELLENBOSCH mining exploration company Dalsig is poised on the threshold of big new developments.

Market speculation has been fuelled by the flurry of heavy trading in the shares.

More than 1-million shares were traded in two days earlier this week and yesterday the shares were among the most actively traded in volume terms on the market with 354 000 shares changing hands in eight deals.

After languishing at its March low of 5c, the share shot up to touch a peak of 24c towards the end of August before settling at 19c.

## Discovery

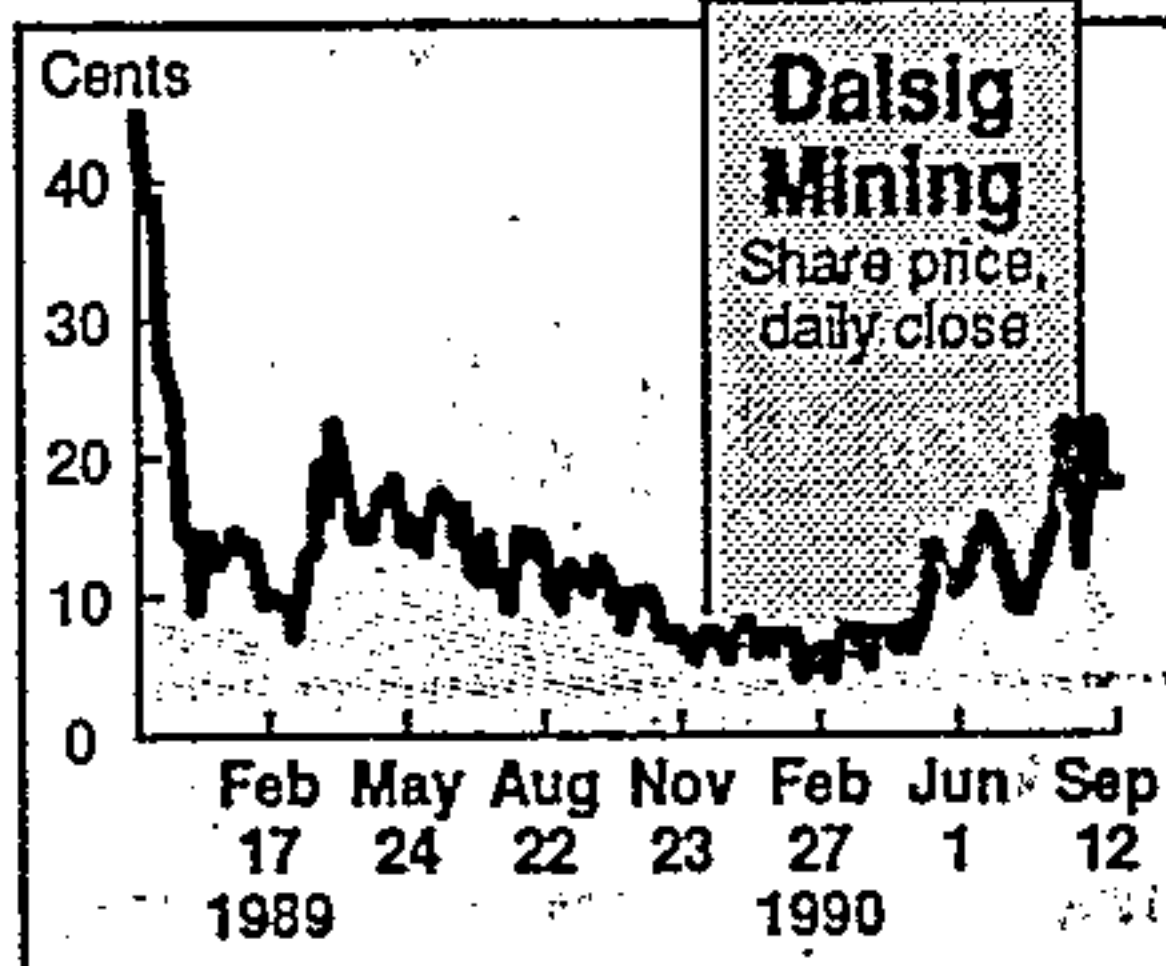
Talk is that Dalsig has found viable deposits of kaolin, decomposed granite used for making pottery in the high tech industry, at Klipheuwel between Stellenbosch and Malmesbury — and that Shell is putting \$15m into the venture.

Dalsig chairman and MD William Smith confirmed that between 30-million and 40-million tons of kaolin had been found in the area.

This was the first discovery of minerals proven to be viable in the current exploration programme.

"We have had discussions with all the major players in industrial minerals, including Shell, about developing the kaolin deposits on a joint venture basis".

He said he could not comment further as an announcement would be made in the annual report to be released before the end of the month.



Graphic: RONA KRISCH Source: JSE

Approached by Business Day, a Shell SA spokesman said: "In the nature of our business we are continually in touch with a wide variety of people and organisations which, like Shell SA, have an interest in minerals exploration and development."

"However, for sound commercial and ethical reasons, it is company policy not to join in any speculation about what contacts may or may not have been made, or indeed, about any which might be made in the future".

Smith said Dalsig shares had been oversold for a long time.

"We have a large number of interests, especially in Namibia, and have spent about R4m on explorations," he added.

Dalsig has gold and diamond interest near Anglo's Navachab gold mine in Namibia.

Listed in August 1988 through the CCTV cash shell, the company also has extensive interests in Namaqualand.

221A



# Windhoek to join the bourse players

THE Commercial Bank of Namibia — its shareholders are European banks — aims to establish a stock exchange in Windhoek.

Swaziland, Botswana and Mauritius have set up bourses and Zambia, Uganda say they will. By and large, the JSE's modus operandi will be used.

Tony Edmunds, special projects leader at Commercial Bank, hopes the exchange will be up and running early next year.

JSE member, George Huyshamer has a branch in Windhoek, and others are considering setting up shop there. The brokers will initially make a market between them in Namibian-linked shares quoted on other exchanges. The JSE has six Namibian-registered companies on its boards and many SA companies have interests there.

In a departure from the JSE's membership criteria, financial institutions will be

able to apply for broking licences.

A major objective is to establish a means of raising primary capital for Namibian business. Namibia is still a part of the Common Monetary Area and foreign investment would come through the financial rand.

The exchange will be housed on the refurbished premises of Commercial Bank. Mr Edmunds says there are virtually no avenues through which Namibians can invest in the country.

## Ownership

He says not much thought was applied to establishing an exchange before Namibia's independence because there was always the JSE.

Little capital investment is taking place, not even in property. But new Namibian Reserve Bank regulations are being drafted to encourage investment.

Although the economy is healthy, it needs investment opportunities.

Mr Edmunds says several Namibian companies have expressed interest in listing their shares. Commercial Bank itself will consider flotation.

Commercial Bank is 70% owned by SFOM (Societe Financiere Pour Les Pays D'Outre-Mer), which comprises three European banks — Banque Nationale de Paris, Dresdner Bank and Banque Bruxelles Lambert.

It is managed by Dresdner Bank, which has been involved since the early 1980s. Commercial Bank was established by Namibians in 1973. It is the only bank there not controlled by South Africans.

## Drafts

DEG — the financial and consultant institution of Germany — holds another 10%. Underlining its confidence in a stock exchange, DEG has made available DM100-million for investment in Namibia.

The major reason for a stock exchange is that if development is restricted, the cost of capital becomes too high. Equity share capital can be raised if secondary trade is possible.

Commercial Bank has submitted drafts of a Stock Exchange Act and rules to the Ministry of Finance. A good working relationship between the ministry and the investment community will be nurtured from the start.

Just as the JSE has had a relaunch of its image this week, so will the Namibian exchange promote its profile to the ordinary man. Education and promotion will become the duty of brokers.

Trade in the few Namibian-registered shares — mainly fishing and mining stocks — is not high on the JSE, but political discounting could fall away when Namibia forms its own stock exchange.

The fledgling stock exchange should not be scoffed at — everyone has to walk before running. Bourses in Botswana and Swaziland have done well, and Zimbabwe's has continued buoyant with only one broker and a few dozen shares.

Botswana's exchange started with five stocks. There are now six, with one to come before the end of the year. There are 4 000 investors.

5/ Times 23/9/90

221A

ON THE airport approach to Windhoek a giant billboard carries a red question mark dead on its white centre. Obviously an advertising teaser, but its symbolism here — at the very edge of Namibia's capital — is inescapable. Six months after independence, where is the world's newest country going?

Judging by the building cranes, things are buoyant in the formal sector of Windhoek's economy. Independence Avenue — formerly Kaiserstrasse — is being fixed up, and close by a number of new shopping malls are near completion. The billboard announcing one of these boldly declares: "Commitment to the future."

Further from the city centre there is a different economic message. The unemployed congregate in knots at robots; sometimes moving from one boulevard cafe to the next in search of work or money. Some, I was told, are returnees. Most have, however, moved to their country's only city in the hope of bettering life's chances.

There is consensus that in the north things are in a bad way. The withdrawal, first, of the SADF and then of Untag has left Ovamboland and its people destitute. Unemployment — already high — has been aggravated by the southward drift of many Angolans who are simply sick of the 20-year-old civil war in their own country.

In the short term, there is little hope that Namibia will be able to pay its own way, let alone generate enough work for its people. The exchequer will show an estimated deficit of R296m this year, which is considerably less than the originally estimated R500m. Income from the Southern African Customs Union will be higher than originally thought. In addition, pledges made at the July donor conference may also help to ease the financial burden of independence.

### Pragmatic view

The long-term prospects are, of course, uncertain but the government's eye, as it were, is firmly on the economic ball.

Theo-Ben Gurirab, the Foreign Minister, takes a pragmatic view, believ-



# Economic issues dominate policy in Namibia

OMM Tim B 24/9/96 22114

## Regional Notebook by PETER VALE

ing that foreign policy will be increasingly dominated by economic questions. Namibia already has a diplomatic complement of 167 people, and is preparing for their second intake of cadets. The country's foreign missions will be located in nine cities where, as he puts it, "Namibia's economic interests will be served".

### Conduit for SA

Understandably, given the close proximity — not to mention historical entanglement — South Africa has been chosen as one of the foreign targets. Initial representation will be at the level of an "interest office"; only with political change in South Africa will it be upgraded to full ambassadorial status. "At this stage," the foreign minister argues, "we will have to view

South Africa's regional role in a very different way."

Until then, Namibians have a great deal — diplomatically speaking — to offer the South Africans. Since independence, Windhoek has become a conduit for South Africa into Africa. This, of course, is one of those marvellous regional ironies: Pretoria hung on to the disputed country — once called South West Africa — for so long to keep Africa at bay. Now, it uses the same country as a much-needed channel into the continent.

Again and again Windhoek's political discussion is spiced with the three words "our constitution says". The impact of this was brought home to me at a seminar on the land issue.

### Land distribution

Marco Hausika, Minister of Lands and Resettlement, responded to an ensnaring question on redistribution by saying that the government would honour the letter and spirit of Article 16 of the Constitution. The relevant clause reads:

"The State or a component body or organ authorised by law may expropriate property in the public interest subject to the payment of just compensation."

But international recognition and democratic practice can imperil weaker institutions. The international development mafia, for example, have nearly overwhelmed Windhoek's busy little university: this is good and bad.

In many ways, Namibia was hopelessly under-researched. The discussion on the land issue revealed, for instance, that unreliable statistics on ownership of commercial farmland had created the mistaken impression that nearly half of all farms in this sector were foreign-owned. According to new data, the real number is much, much less. This has implications for the use of a scarce resource like land.

### Budgets squeezed

International development agencies are not, however, charities intent only on good works. Each is a highly competitive entity operating within a corporate culture in which Namibia may only play a small part.

As headquarters squeeze budgets, operatives look for bargains; research on the ground by locals if often expect-

ed to be done at a discounted rate. It is no wonder that Windhoek's academics are quickly learning the tricks and trials of big city accounting.

On the other hand, some international types experience a more pressing kind of economic constraint. Budget cuts in Western countries have been most acutely felt in the universities. Faced with this, many experts are forced to top-up their own salaries with contract research.

As a Third World country, Namibia was a sure target for this kind of academic entrepreneurship. Many specialists have beaten a path to the university's door bearing both projects and foreign funding. "Development research in Namibia," a local told me, "is in danger of becoming a consumer item."

The cynics in Windhoek have a different view, claiming that the Namibian cow is being milked to sustain institutions and careers in Britain and elsewhere. They also believe that South Africa can benefit from their country's experience in this particular international encounter.

□ Peter Vale is Director of the Centre for Southern African Studies, University of the Western Cape.

## SIX killed in collision

SIX men have died in a car accident 12km from Steynsrus on the road to Kroonstad.

The accident occurred when two minibuses collided and one left the road and overturned. Ten people were seriously injured and two were admitted to the Boitumelo Hospital in a critical condition.

Two men who were travelling in the other minibus were slightly injured. - Sapa.

## Starving

WINDHOEK - The Namibian Government has started a R10,8-million drought relief programme to feed nearly 150 000 "starving" people throughout the country, NAMC radio news reports. (22)A

The Minister of Lands, Resettlement and Rehabilitation, Marco Hausiku, said distribution of food had already begun.

Southern 3/10/90

# Talks on Walvis Bay dispute to start this month

2218  
50 melfer  
3/10/90

**WINDHOEK** - The Namibian Foreign Affairs Minister, Theo-Ben Gurirab, is "confident" that negotiations to resolve the Walvis Bay dispute with South Africa will begin before the end of the month.

In New York for the United Nations Child summit, Mr Gurirab told NBC Radio that South African officials had been "flexible" and he anticipated that the future of Walvis Bay could be worked out bilaterally.

Meanwhile, even prior to the resolution of the dispute, Walvis Bay port facilities are increasingly attracting the attention of the frontline states. Zambia is already exporting copper through the port and now Zimbabwe is



considering exporting its coal through this route.

Up until now, Zimbabwe has relied on Mozambican and South African ports. Minister of Mines and Energy Chris Andersen told a Press conference in Windhoek that Zimbabwean coal could be exported through Walvis Bay with the transport of salt from the port back to Zimbabwe making the round trip more viable.

He said a test consignment of Zimbabwean coal had already been sent to the copper mine in

Tsumeb to fuel its smelters.

Tsumeb is just north of Grootfontein through which coal destined for Walvis Bay would travel.

- Sowetan Africa News Service

# Who's paying off Namibia's national debts?

221A  
9/10/90

From DALE LAUTENBACH  
Argus Africa News Service  
in Windhoek

ONE third of Namibia's R160-million budget deficit has so far been met by funds pledged at the Donors' Conference in New York three months ago.

Director General of the National Planning Commission Dr Zed Ngavirue said negotiations with the donor governments who had pledged to help Namibia at the conference had successfully convinced them to channel some of their funds into capital expenditure in the budget deficit.

Negotiations would continue and Dr Ngavirue hoped to have the entire deficit covered within the next three to four months. Meeting the deficit was his priority in the short term.

Government donors at the New York conference had been unwilling to give direct budget support preferring to see their monies go to new development projects identified by the new Namibian government. The deficit involves schemes created under the past administration prior to Namibia's independence.

## Modified

Dr Ngavirue said a number of these "inherited" projects had been modified or scrapped as priorities had changed. To illustrate, he quoted the example of a cultural centre scheme in Henties Bay on the coast established by the former administration for whites when Namibia was divided into ethnic administrations. The project had been modified and the centre would now be developed as a school.

International community attitudes towards giving direct budget support had changed when they recognised the problems Namibia faced following the withdrawal of the large South African subsidy that had been granted the territory annually under that country's administration.

Dr Ngavirue said international community support for new projects would take more time get off the ground. The donors had identified the projects which

they were willing to support at the New York meeting and the next step was to negotiate the finer details of the plans and fundings for each project.

By the end of next year some of these developments should be "visible".

Dr Ngavirue remained confident that Namibia would be able to implement the 220-million dollars aid pledged. Other countries, for example Zimbabwe, had problems following donor conferences and had been able to realise substantially less aid than the full amount pledged.

Dr Ngavirue said the procedures for the implementation of the aid were often complex and had to be carefully negotiated. Some countries were more flexible while others attached stringent and restrictive conditions to their aid.

"Not all aid is good aid," said Dr Ngavirue. He thought it better to deal with the more flexible aid packages first rather than get bogged down in complex negotiations.

## Ad hoc arrangements

It was often hard to say whether a donor government had reneged on an aid pledge or whether some shortcoming on the part of the receiving country had prompted the donor to withhold the money on technical grounds that this or that condition had not been met.

"When you analyse a pledge you might decide that you don't want it; that there are too many conditions which complicate your needs."

Dr Ngavirue's Planning Commission has yet to be staffed and fully established by an act of parliament. He acknowledged that this part of the process had been slow but said he had been loathe to build a bureaucracy that "absorbs the money that should go to the people".

"I would prefer a lean commission. I've seen development organisations set up and 80 per cent of the money goes on administration."

He has been relying on "ad hoc arrangements" and experts from United Nations organisations and the Commonwealth Secretariat to support his present priority in formalising the aid pledges.

NAMIBIA

# Namibia getting overseas help

Sowetan  
9/10/90  
221A

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103	0.85	45	1083	border
104	0.80	45	1083	border
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106	0.70	45	1083	border
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138	0.90	45	1083	border
139	0.95	45	1083	border
140	1.00	45	1083	border



# Namibian car plant 'in first gear in 1991'

221A

CONSTRUCTION of a R100m automobile manufacturing plant planned for Namibia by an undisclosed French company was expected to begin early next year with production starting in 1992, Namibian businessman Johann Smit said at the weekend.

Smit said he was contacted by the French group almost two years ago, when it began its feasibility studies for the project in Gobabis.

Components for the cars would come from France and SA and spares would be distributed through a "whole dealer network which is currently being looked at".

MANDY JEAN WOODS  
and BRENT MELVILLE

Financing for the plant would come from French, South African and Namibian companies, with the exact participation of each still to be decided.

Smit said the French manufacturer planned to build a luxury car which would sell for between R80 000 and R140 000. The target market was South Africa.

"It will produce only a few hundred cars in the first year and eventually move up to a few thousand," Smit said.

Only a few details were holding up the signing of contracts, he said. These included discussions with the Southern African Customs Union and completing details for the requirements of SA's Phase VI local content programme.

Naamsa president Spencer Sterling said a Namibian automobile manufacturer would be subject to the same customs union regulations as SA manufacturers.

Sterling said there was no doubt if Naamsa was contacted by government as

□ To Page 2

## Car plant

810mm  
15/10/90

221A

□ From Page 1

a representative of the industry it would "definitely oppose the move. The vehicle manufacturing industry in SA is very sensitive to the emergence of any new participants in what is already a very fragmented market."

He pointed out there were already seven automobile manufacturers in SA, including three top-of-the-line, prestige car manufacturers.

"They will not simply allow some group

to set up shop in Namibia and import luxury cars into SA without some fierce competition," he said.

"If there is French involvement it is almost certainly either Renault or Peugeot."

An industry source said Peugeot had already commissioned an in-depth study on the viability of either a return to the SA market, or the setting up of a plant in Botswana, both of which were discounted.



Social Democratic Populist Party.

Car Trip 16/10/90

2214

## Car plant for Namibia

WINDHOEK — A consortium of companies from France, South Africa and Namibia plan to begin construction of a motor vehicle assembly plant in the Namibian town of Gobabis early next year, the SABC's Africa desk reports. The plant will be used for the manufacture of a European luxury passenger vehicle. Manufacture of the first vehicle is expected to be completed by the end of next year.

Reports by Staff Reporter, Own Correspondent, Sapa-Reuter-AP and UPI

## Nictus hit by independence

MARCIA KLEIN

NICTUS, the Namibian furniture, property and motor retail group, has been hurt by the economic consequences of independence, chairman Philip Tromp suggests in the annual report for the year to end June.

The economy has been negatively affected, he said.

A big vacuum had been left by SA's pullout and it would take time before the economy could achieve a positive growth rate.

Nictus's turnover rose by only 0,22% in the year to end-June compared with 12% in the previous year. Nictus closed down loss-making branches and improved its asset management, with the result that net trading income was lifted to R1,3m from R983 000.

However, a 21% hike in the interest bill to R1,7m resulted in an attributable loss of R310 000 (R470 000) for the year. The dividend had been cut to nothing from the previous year's 2c a share.

The group posted a loss in earnings a share of 4,35c (6,59c) after extraordinary items.



## COMPANIES

# UK company bids R10 million for Namibian Sea Products

By TOM HOOD,  
Business Editor

ARUN Holdings, a British-based company, is making a R9,9 million cash bid for a full takeover of Namibian Sea Products.

The company paid R13,7 million in September to take over Oceana's 54,5 percent stake in Namsea (formerly South West Africa Fishing Industries).

A spokesman for stockbrokers Simpson McKie said today Arun was offering R5,65 a share to the minority shareholders. The offer applies to

shareholders registered on November 12 and closes on November 30.

The price represents a 7,6 percent premium on the current R5,25 a share on the JSE.

Namsea today disclosed it will have to spend millions of rands to diversify into white fish trawling and tuna fishing industries.

No final dividend will be paid for the year to September 30 and no dividend payments are envisaged for the "immediate future."

Reason for this policy is to strengthen the company's cash

position to provide capital for diversification of the fishing industry in Namibia.

"This will enable the company to further contribute to Namibia's national product, particularly by increasing employment opportunities for Namibians," say the directors. "A stronger cash position will also provide funds for social projects."

Staff housing at Luderitz, for example, is envisaged.

Profits plunged to R2,1 million after tax for the year to September from 6,9 million last

year, resulting in earnings of 59,9c (163,5c) a share.

Shareholders received only a 15c interim payout this year, compared with a 65c interim last year and total dividends of 155c.

Lower lobster catches were a major factor in the profits plunge.

## Molyslip

Molyslip posted improved results for the half-year to August with a 26 percent increase in earnings to R115 000. Turnover rose to R7,6 million from R5,7 million.

## Fenner Group

● Fenner Group's turnover

# Volvo looks set to join Citroen in Namibia

VOLVO looks set to join Citroen on the list of car manufacturers returning to the SA market, a Namibian government source confirmed on Friday.

The Swedish car producer, which was the first major vehicle manufacturer to disinvest from SA a decade ago, is to set up a small Scania-Volvo assembly plant in Witvlei, Namibia.

It is still uncertain when the plant will be built, as "several difficulties still had to be ironed out". But it was likely that the cost of the plant would be similar to Citroen's proposed R100m assembly plant in Gobabis, which is about 50km from Wit-

BRENT MELVILLE

221A

vlei, the source said.  
Volvo would produce 30-50 trucks a year. It was uncertain yet when cars would be produced. By comparison, Citroen would produce a few hundred cars in the first year and, eventually, a few thousand.

Management consultant to the SA motor industry Ian Byers said a R100m investment represented very little in motor vehicle manufacturing terms, so the assumption could be made that the plants would be merely assembly workshops for semi-knocked down (SKD) vehicles.

Byers made the point that any manufacturer setting up in Namibia would have to comply with Phase VI of the local content programme, as Namibia was party to the common customs union agreement.

Namibian businessman Johann Smit, contacted by Citroen two years ago when it began its feasibility studies for the project, has said that the French manufacturer planned to build a luxury car which would sell for between R80 000 and R140 000.

Byers said the price range suggested the group had probably budgeted on paying the penalty excise. The price puts it in about the same range as the Audi 500E Turbo and Mercedes-Benz 230E.

# Socialism? What's that?



Prime Minister Hage Geingob ... 'socialism' does not appear in the constitution.

Open

2/1/90

221A

**T**HE words "socialism" and "nationalisation" have disappeared completely from the vocabulary of the Swapo government of Namibia and have been replaced by "free market" and "mixed economy".

In its first eight months of rule, the government followed an approach much more pragmatic than ideological - in step with eastern Europe, where communism has collapsed.

"It seems as if the whole world is pragmatic," Prime Minister Hage Geingob said in an interview. "Why shouldn't we also be? We don't approve of the exploitation of our people or of racism. About these we are immovable."

"But we are pragmatic in the sense that we have adapted ourselves to the reality, especially as far as economic affairs are concerned. We accepted the idea of a mixed economy. We don't use words like socialism and nationalisation at all. They do not appear in our constitution."

He says in a society with such a gap between rich and poor, socialism may appear to be the best policy "but even the most hardened ideologue must be pragmatic".

He says his people hated capitalism because that was what South Africa called the system they experienced as oppressive.

John Rogers, head of communication of the First National Development Corporation, a semi-state

institution, confirms that nationalisation has been removed from the government's agenda.

Even state participation in business is seldom mentioned today. It is possibly still applied in the manufacture of strategic products.

He explains the Swapo government's change of direction like this: "The governing party earlier received strong support from eastern Europe and the Nordic countries. Many of its leaders were trained there and they have a socialist or Marxist background."

"With the collapse of communism, aid for the government from those sources has dried up."

Asked how important the government regards a healthy economy, Geingob says political independence is only one aspect of independence. The most important is economic independence.

"The economy must be stimulated. It can be done with the injection of foreign capital. Government's task is to create a climate to promote investment."

At the same time the citizens of the country must be reminded about the necessity of hard work and self-reliance. "Independence means self-reliance. The government provides some necessities like water, but the people must do the work themselves."

"It is not an easy task because the people have become used to handouts."

Chairman and shadow finance

minister of the DTA opposition, Dirk Mudge, also confirms the government has not yet interfered with the free-market economy.

He thinks the major problem is not the economy but unrealistic expectations. "Namibia has only a certain potential. If everybody is willing to live within their means, the problem is smaller."

"Until now government has spent too much money on its own image."

Mudge also thinks the government does not make enough use of experts. It lost some of its best officials because it feared they would sabotage it. Then it brings experts from abroad who do not know the circumstances in Namibia.

Geingob points out that an umbrella organisation of the private sector, the Business Council of Namibia, had recently been established to promote co-operation between the government and the private sector.

Meanwhile, Sapa reports that Germany and Namibia signed a document in Windhoek this week for R170-million in aid.

About R128-million will be in form of grants for social orientated and self-help projects.

These included the extension of the Ogongo-Oshakati water supply system in northern Namibia and the first phase of a low-cost housing project in Katutura near Windhoek.

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## Growth 'is unlikely' <sup>221A</sup>

LIZ ROUSE

NAMIBIA'S major merchandiser, Metje & Ziegler, does not expect to return to its previous level of profitability, but believes results should be more satisfactory for the 1991 financial year.

Chairman E P H Bieber, in his annual review, says indications are that the economy is unlikely to show much growth in the short term. *By 3/12/90*

Bieber says that in the latter part of the past year a decrease in turnover and gross profit margins, together with an unacceptably high theft factor, resulted in earnings a share of only 45c (1989: 119,8c). The dividend was cut to 10c (24c).

# Namibian Bill 221A

## woos investors

By Dale Lautenbach  
Star Africa Service

WINDHOEK — The Namibian government's long-awaited guidelines and guarantees for foreign investors have been revealed with the added attraction of the provision of privileges for those who contribute specially to Namibia's development.

Minister of Trade and Industry Ben Amathila presented the Bill on Foreign Investments as a reaffirmation of Namibia's commitment to a "mixed market economy based on social responsibility".

He said the proposed legislation provided for "a liberal foreign investment regime" and he was concerned to allay all fears about the risk of expropriation or nationalisation of investments.

There was only the possibility of "reasonable constraints" relating to the exploitation of Namibia's natural re-

*Gov 4/12/90*  
sources and in respect of businesses which aimed to provide goods or services which could be adequately provided for by Namibians themselves.

Mr Amathila said foreign investors were "legitimately concerned", not only about nationalisation but also about what guarantees they would have for the easy repatriation of their profits and dividends and about what recourse they would have in the event of a dispute.

"The Bill which I am introducing exhaustively addresses itself to these legitimate concerns," he said.

Eligibility for privileges would depend on the extent to which a proposed investment was likely to contribute towards Namibia's development objectives.

In the spirit of the Namibian constitution, the Minister would also favour enterprises which contributed to the advancement of all those previously disadvantaged by discriminatory laws and which would provide equal opportunities for women.



# Namibia govt passes bill on investment

*Sowetan 6/12/96*

*221A*

WINDHOEK - The Namibian National Assembly has unanimously accepted the Foreign Investment Bill which provides for a mixed market economy and guarantees against nationalisation.

Trade and Industry Minister Ben Amathila introduced the Bill as a "liberal regime" which promised investors an attractive working environment and guaranteed repatriation of profits.

The Bill also provides for Status Investment Certificates for those investors who are especially supportive in the work they do of Namibia's developmental priorities.

Opposition chairman Dirk Mudge welcomed the Bill describing it as a "Christmas bonus".

There has been pressure on Amathila's ministry to finalise the invest-



**DIRK MUDGE**

ment code with the argument that numerous potential investors would not move into Namibia until it was made known. Now, with its code reaffirming free market principles, Amathila's ministry will be preparing for an investors conference scheduled to be held here in February and aimed at attracting foreign investment. - *Sowetan Correspondent*

# Economic woes for fledgling nation

7/12/90 - 13/12/90

Huge economic challenges face the new Namibian government but factors beyond its control threaten the fledgling state, reports **MONDLI MAKHANYA**

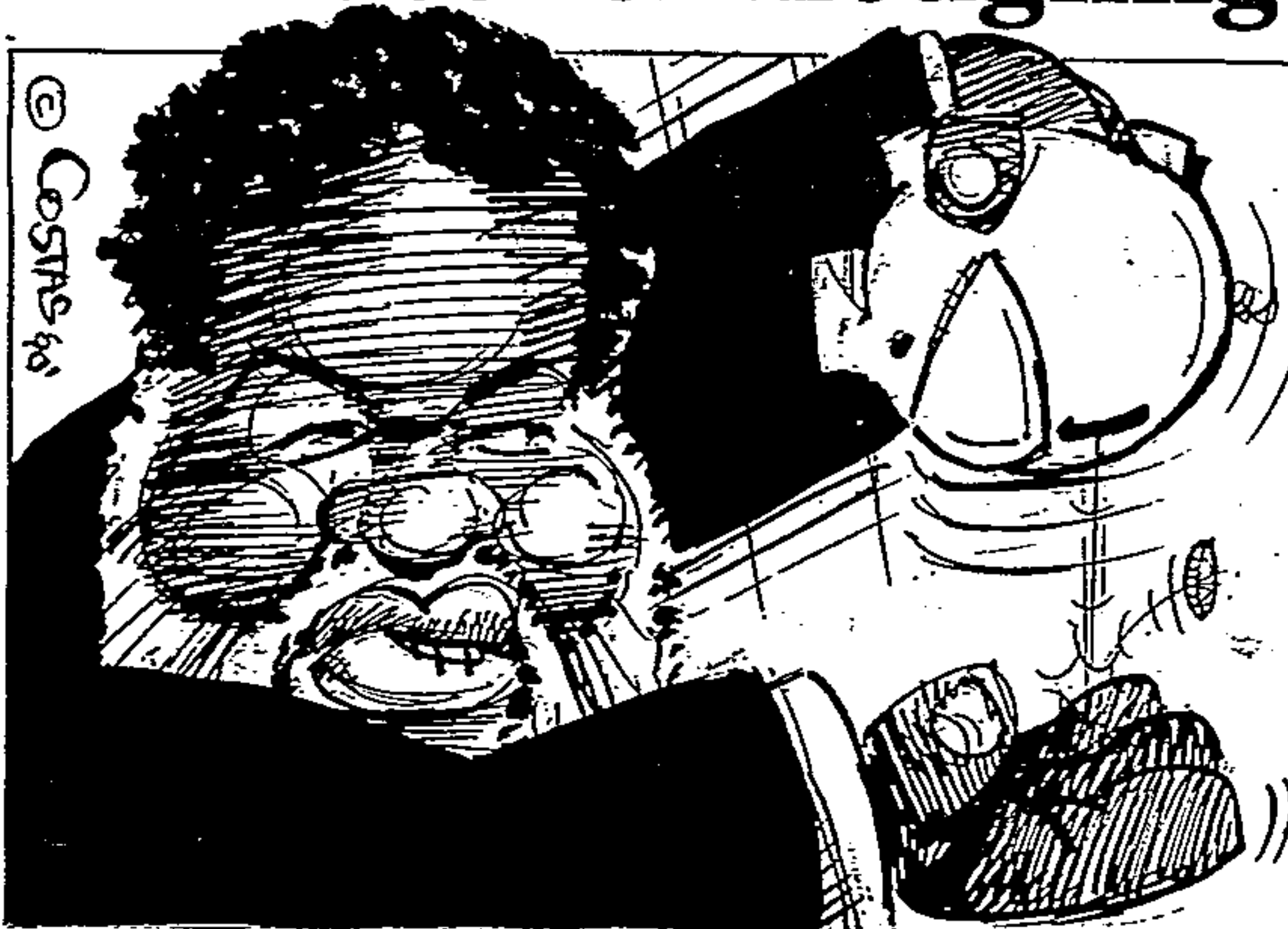
**S** EVEN months after the euphoria of independence the Namibian government must attempt to fulfil the economic aspirations of the masses.

With an unemployment rate of between 30 and 40 percent and a continuing decline in growth Sam Nujoma's South West African People's Organisation government is faced with huge challenges.

The government has wasted no time in trying to raise capital to fuel the wheels of an economy which has depended on South Africa for the past 70 years. At the United Nations-sponsored donors' conference earlier this year Nujoma secured several million rands to help Namibia get on its feet. A Private Investors' Conference for potential foreign and local investors will be held in Windhoek in February.

Unfortunately, the Gulf Crisis and a protracted drought have attacked the new country at its birth. As General Chairman of the Namibian Chamber of Commerce Harald Schmidt says: "There are various extraneous factors that are having serious adverse effects on the country's economy. Being totally dependent on fuel imports, the increased oil price has pushed up petrol prices substantially."

Depressed world commodity prices had forced some mining operations to close down, he said. Uranium, the country's main source of foreign revenue, is oversupplied on world markets and Namibian production has been cut by 20 percent. "The situation is worsened by wage increase demands by



the unions. The largest expenditure increases throughout the entire private sector revolved around wages."

Schmidt also pointed to the negative effects of the drought, saying this was depressing agricultural prices and depriving Namibia of one of its main sources of revenue. The increased supply of meat within South Africa — for obvious reasons Namibia's biggest trading partner — has meant Namibia's meat supply to South Africa has decreased significantly. Alternative markets have been difficult to find. At the same time interest on credit facilities in the agricultural sector have increased from 10 percent to 14 percent.

The manufacturing sector was "almost non-existent" and this placed the

burden of foreign revenue earning on primary exports, Schmidt said.

Another sector experiencing difficulty is the one the government perceived as the most vibrant — the construction sector. Of 12 000 employed in this sector at independence only 5 000 still have their jobs and "this figure will have decreased by another 1 000 to 1 500 once the last constructions have been completed by early next year".

The business community had hoped the recession, which began before independence, would have bottomed out by the middle of the year but it now seemed the country would experience a negative growth rate until 1993.

"There is nothing the government can do about this as the downturn is due to

factors beyond its control. The government can only alleviate the situation by announcing its investment policies so that potential investors know what to expect if they invest in Namibia."

All is not gloom though, since some major multinationals have started investing in the country.

Trade and Commerce Minister Theben Gurirab says Citroen seeks to establish a car assembly plant in Tsumeb near the Botswana border next year. Another major investment comes from British sugar company Lohmo, which will soon begin building a R400-million oil refinery plant in the country.

The Namibian Brewery secured the right to brew Guinness in June and Pepsi Cola, which it has been bottling

for some time, has recently found its way on to South African shop shelves.

Contrary to the gloomy picture painted by Schmidt, Gurirab felt the construction sector was "booming", with shopping centres and office blocks mushrooming all over Windhoek.

Gurirab conceded that these were still small steps and Namibia still had to do a lot to attract foreign investment.

"We have been formulating an investment code and it will be tabled in parliament soon. We know there are many potential investors who are adopting a wait-and-see attitude and we hope once they see our investment policies they will put their money in Namibia."

Both Schmidt and Gurirab said they noted the grave shortage of skills and improving this situation would be a great challenge.

Said Gurirab: "What is further complicating matters is that the private sector refuses to recognise qualifications which exiles obtained from Eastern European countries. Skilled people from exile have therefore had to be accommodated in the civil service," he said.

He said the government had committed itself to alleviating the skills shortage and had allocated 25 percent of this year's budget to education, the second biggest benefactor after infrastructure.

Unlike Rhodesia's painful transition to Zimbabwe, there was no mass exodus of skilled whites after Namibian independence.

Links with other Frontline states have increased slightly, with direct flights between Windhoek and Gaborone having begun. Some Zambian copper is being railed through Namibia to be shipped via Walvis Bay. A major road linking the country to Botswana is also under construction.

Schmidt said although trade with Southern African Development Co-ordinating Conference countries had improved slightly it was still hampered because Namibia's infrastructure was developed only to South Africa. However, Sweden has undertaken to improve links to SADCC countries in a project likely to begin next year.

Namibian Economic Policy Research Institute acting director Noma Goabab said that in view of the enormous difficulties such as the high fuel price, the drought and the skills shortage the government had coped quite well thus far.

"But only after March, when the investment code is known and the investment conference has been held, will we be able to tell in which direction the country's economy will go. What must happen now is that whatever capital is invested must carry with it social equity so that everyone can benefit," he said.

Expressing confidence in the new government's openness and his own support for the regime's mixed economy policies, Schmidt issued a note of optimism: "Namibia has a model constitution in which basic human freedoms are entrenched. I believe this will help steer Namibia in the right direction. Also, socialism has become a taboo word and I think the government realises this and will not try out failed policies. Namibia will definitely become a model for the rest of Africa."

## Namibia acts against plunder of the seas

By REG RUMNEY

NAMIBIA is showing that it does rule the waves in its fishing waters. This week the trial continued in Windhoek of the captains of five Spanish deep-sea fishing trawlers, caught fishing last month in Namibian territorial waters.

If they are found guilty they stand to be fined up to R1-million and have the trawlers confiscated.

The apprehending of the trawlers is first time Namibia has been able to act against those who have plundered its fish resources for years.

Because South African control of Namibia was disputed by the world community and the country did not have the status of an independent country, for many years Namibia could not put into effect the 200 nautical mile exclusive economic zone that applies to other countries. Since independence, it has done so and the case on in Windhoek now shows it is also ready to enforce the zone.

Atkins says in the absence of a 200-mile zone quotas for fishing in Namibian waters were set for each country by the international body, Icesaf.

However, countries did not necessarily abide by those quotas and Icesaf failed to enforce them.

In the past Namibians also complained that, while other fleets overfished deep-sea fish, South African companies overfished pelagic fish in their waters. Quotas in the past were allocated by South Africa, not Namibia.

Pressure began to build before independence for a "Namibianisation" of the fishing industry. This resulted in shares in South African companies being sold to Namibian interests, so that there are no South African subsidiaries operating in Namibia, according to Namibia's Fisheries permanent secretary Calle Schlettwein.

Nonetheless, three South African companies have disinvested from Namibia recently. These companies were involved in the pelagic fishing industry the fish that swims near the surface, such as anchovies and pilchards.

Fedfood sold its holding in Namib Visserye to Namib Fisheries Holding of Windhoek, and WB Holding sold its investment in Namibian Fishing Industries to Peter Clark Kuttel.

The suggestion was even made that Norwegian fishing interests were being favoured over South African interests — in repayment of old patronage of Swapo — when Oceana Fishing recently sold for R13,7-million its entire shareholding in Namibia Sea Products to Arun Holdings, a UK-registered company in which a Norwegian company has a major shareholding.

Schlettwein admits South African companies may be nervous because of fears they may be forced to make up for previous overfishing, but says there is no prejudice or favour in treating fishing companies based in Namibia.

Cuts in the total allowable catch (TAC) to allow the fishing resource to recover may have proved a further spur to disinvestment. Lower TACs have been in place since the early 1980s, says Marine Products MD Jan de Waal, and he thinks the pelagic resource has recovered fully since independence.

Asked about reports of TAC being cut recently, Schlettwein says the quota was in effect higher for 1990 than for the previous year. An initial TAC of 40 000 tons for 1990 was upped by an

extra 22 500 tons.

Oceana MD Walter Lewis says the reason for the sale was that Oceana was not getting a return on its investment. "We lost a substantial amount of money last year." There was uncertainty about the outlook for the next three years, and it was difficult to get clarity on policy decisions. So Oceana took the opportunity to disinvest.

South African participation in the Namibian deep-sea fishing industry has been small. According to I & J director Charles Atkins South Africans caught about 10 percent to 12 percent of the fish off the Namibian coast. The Soviets and the Spanish caught most.

I & J's Namibian-registered company Kuiseb has quotas for both pilchards and hake.

Schlettwein says two foreign companies, one of them being Kuiseb, were granted a joint quota for deep-sea fishing of horse mackerel (maasbanker) with a Soviet company.

No new concessions were granted for hake. The quotas have been granted on a temporary basis because Namibia hasn't yet formulated a fishing policy.

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12/12/90

# R170-m boost in aid for Namibia

W/(-ARGUS) (ZZIA)

By DALE LAUTENBACH  
Argus Africa News Service  
WINDHOEK. — With a R170 million assistance package to Namibia, newly united Germany is providing 29 percent of the total R550 million pledged to the fledgling African democracy by the international community.

Details of the German assistance were announced this week after negotiations between the two governments on how the money should be spent.

A quarter of the sum will be in the form of a soft loan at 2 percent interest and has been earmarked to buy surveillance system to monitor Namibia's 200-mile exclusive economic zone.

## Fish 'pirates'

The urgency of the establishment of a Namibian coastguard was highlighted when five Spanish boats were allegedly caught fishing illegally in Namibian waters.

Fishing authorities say it is impossible to estimate how much revenue Namibia is losing to fish "pirates" but from just these five boats, R15 million worth of fish was impounded.

About R127,5 million of the German assistance package is to be through grants at Namibia's request.

Dr Rainer Barthelt, director for southern Africa in the Federal Ministry for Economic Co-operation, praised Namibia's resistance to soft loans saying many African countries had handicapped themselves at the start by accepting too many loans.

The grant money will go into priority projects including the extension of the water-supply system in parts of Ovambo and a low-cost housing development in Windhoek.

Dr Zedekia Ngavirue, director general of the National Planning Commission and Namibia's chief negotiator on how and where assistance money is to be spent, was praised by the German delegation for his "very able and efficient work".

There was an apparent hiatus after the international donor conference held for Namibia in New York in June and at which R550 million was pledged by the international community.

There is now increasing evidence, however, of work done behind the scenes by Dr Ngavirue and his department.

Donor countries are signing the detailed and concrete applications of their pledges almost weekly in the capital and all countries so far have praised Dr Ngavirue's methodical approach.

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Friday, December 7 1990 5

## 15% air fare rise on SA-Namibia routes

WINDHOEK. — Air fares between Namibia and South Africa are to increase by 15% from December 10, the national airline Namib Air said in a statement here yesterday.

International flights will go up by 8% and flights within Africa by 6%.

It said the increases were to partially offset the rise in the cost of jet fuel which has trebled since July because of the continuing crisis in the Persian Gulf.

Namib Air's domestic fares are to be increased by between 5% and 15%. — Sapa

# Restrictions may stay for years

Star 12/12/90  
By David Braun  
Star Bureau

WASHINGTON — The time for the US to start lifting sanctions on South Africa could well be only a few months away, but it may be years before numerous state and local authorities repeal their punitive measures.

Namibia has already found to its cost that dozens of state and civic authorities have not amended their statute books to lift sanctions.

President Bush ordered the repeal of federally imposed sanctions on the day Namibia attained independence and the US State Department sent letters to every state governor to urge a similar purging of sanctions from state and local lawbooks.

However, several dozen local authorities still impose sanctions on Namibia, many out of sheer ignorance that conditions in the country have changed.

As South Africa has moved to fulfil the conditions for repeal of sanctions stipulated by the US Congress in 1986, it is generally expected that President Bush will

move to start repealing the measures from about May next year.

But what of the numerous measures which have been imposed by state and local authorities, over which the President and the Congress have no direct control?

According to a June 1990 study of state and local laws on South Africa, a total of 26 states, 78 cities and 20 counties in the US have taken some or other action to restrict their ties to South Africa.

## Frustrated

The Investor Responsibility Research Centre (IRRC) said many observers believed the wave of anti-apartheid measures that US state and local governments passed may have paved the way for the adoption of sanctions at the federal level.

In the early 1980s, anti-apartheid activists, frustrated by their inability to persuade the executive branch or Congress to impose limitations on US economic ties with South Africa, turned their attention to state and local governments, the IRRC said.

"The widespread adoption of South Africa-related measures at the

state and local level helped to raise public awareness of South Africa, and this in turn may have made it easier for policymakers at the national level to propose sanctions against South Africa," the IRRC added.

Observers today believe that the it will be the federal government, which will lead the way in the lifting of sanctions against South Africa. State and local authorities will take months, if not years, to follow suit.

The investigation into sanctions against Namibia found that the persistence with these measures by state and local authorities had become the biggest single stumbling block to increased trade between Namibia and the US.

One analyst believes that even with massive publicity and a concerted effort to expunge sanctions from all statute books it would still take eight months to a year to set Namibia completely free.

When the time comes for sanctions to be lifted against South Africa this process could take even longer, especially if conflicting signals about the desirability of removing all pressure on South Africa were to be sent by the various constituencies in South Africa.

CNY 704 18/12/90  
**Namibian PM  
to sign treaty**

WINDHOEK — Namibian Prime Minister Mr Hage Geingob left for Brussels at the weekend, where he is to be a signatory to the Lome Four Convention agreement today.

Mr Geingob said the significance of Namibia's membership of the convention lay not only in access to European markets, but also in the direct link it provided with the European community.

He expressed his satisfaction with the 10 500-ton beef quota allocated to Namibia in terms of the convention and said farmers should strive to meet it in the first year.

— Sapa

Expect nothing complete and irreversible  
ending of apartheid and the  
of a united, non-

Q&A (221A)

December 18 1990 5

## Namib Air may go for new routes

Own Correspondent

JOHANNESBURG. — Namibia's fledgling airline, Namib Air, may buy aircraft and expand services along new routes which could make North America and Australasia more accessible to South African travellers.

General manager Mr Keith Petch said yesterday that studies were being undertaken to decide if the airline, which now operates only one long-haul jet — a Boeing 747SP on lease from SAA — would have a big enough market to warrant international flights to destinations other than Frankfurt.

"We see ourselves as a small, but high-class carrier to Europe and we have a natural market for the route, but obviously we would like to consolidate and expand," said Mr Petch.



# Slowdown will continue and possibly worsen, says Sanlam

CAPE TOWN — A moderate slackening of monetary and fiscal policy can be expected during the first quarter of next year but the economic slowdown will continue and might worsen in the months ahead, says Sanlam's latest economic survey.

In the December issue of the survey, chief economist Johan Louw says the downturn is expected to level out towards the end of 1991.

He remains confident that its course will not be as severe as the previous two downturns in the 1980s.

Louw forecasts a negative real economic growth rate of about 1% for this year and a slightly positive rate of 0,5% for next year.

He says the relatively strong performance of the rand recently helped put a damper on the price increases of imported goods. The price index representing these goods rose sharply in October, largely because of the higher oil price.

But the price increases of locally produced goods remain high, and fuel price adjustments will keep the pressure on production prices.

In spite of the upward pressure on prices, Louw says he believes the rates of increase in production and consumer prices will tend lower, and that this slowdown will become more marked in the second half of the year.

B 1001 19/12/90

LESLEY LAMBERT

He expects the inflation rate, as measured against the year-on-year increase in the consumer price index, to average 14,2% this year and 13% next year.

A drop in the bank rate can be expected early in the new year in view of the slower growth in the money supply and the decrease in credit demand, Louw says.

Long-term interest rates in the capital market are also tending downwards and should soften more next year as a result of expected reductions in short-term interest rates, limited demand for long-term loan funds by the private and public sectors and the prospect of a decline in the rate of inflation, he says.

Foreign capital

In an economic evaluation of Namibia, Louw says the Namibian authorities need to establish an investment code to clarify the role of foreign investment in the development of the country.

He says Namibia relies heavily on foreign capital for economic growth and the provision of jobs and houses. A large amount of foreign capital is understood to be available, most of it

strictly designated for specific projects.

But investors need more clarity on the role their investments will play.

While Namibia depends heavily on transfer payments from SA before independence to balance its budget, it is clear greater reliance will have to be placed on tax income.

The realism of the government — to restrict expenditure largely to the available financial means rather than to accommodate the enormous needs — is encouraging, he says.

He says the Namibian economy is slowing down.

Mining remains the main contributor to the country's GNP, although its importance has diminished from 44% of GNP in 1980 to 31% in 1989.

The manufacturing sector contributed only 5% in 1989 and has been unable to increase its contribution in the past 20 years.

But, Louw says, there is reason for the Namibians to be optimistic about their fishing industry.

A Directorate of Sea Fisheries survey says the exploited fish reserves are recovering satisfactorily.

Fish quotas will be granted to companies, with certain incentives for Namibian companies, and it is estimated that up to R250m could be earned annually in royalties.

of Mr Sander de Goederen, 31, by two suspected  
hitch-hikers on the N2.

*Capt Timp 20/12/80*

**Namibia-EC convention**

*221A*

BRUSSELS. — Namibia yesterday became the  
69th country acceding to a development co-  
operation convention with the EC.

# Nujoma pleads for international aid

221A  
Star 20/12/90

WINDHOEK — Namibia president Sam Nujoma yesterday appealed to the international community to assist the country to achieve its aims in health care, education, employment and food production.

He was speaking in a televised address in Windhoek to coincide with the release of the United Nations Children's Fund (Unicef) report on the state of the world's children.

Mr Nujoma said Namibia inherited at independence from South Africa in March "the legacy of a privileged racially-biased elite, social and political contradictions and institutional neglect".

## Deprived

The most glaring disparity, he said, was in health services. Namibia had an infant mortality rate of between 79 to 85 deaths/1 000, and an under-5 mortality rate of 90 to 110/1 000.

"We are also facing a situation where some 106 000 children under five years of age are affected by malnutrition.

"In education, of the 265 000 11-year-olds eligible for school every year, 28 percent were de-

prived of any access to schooling whatsoever, and of those who enrol, only 37 percent complete primary school."

Mr Nujoma said institutionalised racism and deprivation had led to conditions which forced many children on to the streets where they begged.

"Today they are the most neglected members of our society with no bright future in sight unless we all pool our resources together to get them off the streets."

The Namibian government had embarked on programmes to enhance national food security, a primary health care programme in conjunction with Unicef, which includes a national immunisation campaign, and a policy to provide equal access to education for all children.

"However, our prime goal for the immediate future must be to get the children off the streets.

"With the necessary and effective long-term support from concerned sources, internal and external, my government is willing to do its part — not only in the interest of our children, but in the interest of all Namibians." — Sapa.

# Namibia needs financial aid

*however 21/12/90* **221A**

THERE is an urgent need for a so-called "investment code" for foreign investors which would give them clarity on how the Namibian Government sees their role in the future development of the country, says Sanlam's economic survey for December.

The company's chief

economist, Johan Louw, says it is clear the country will require a lot of foreign capital to develop its growth potential, increase work opportunities and improve the quality of all its people.

"Considerable amounts of foreign capital are apparently available, but strict conditions are attached, and in many cases it is required that this money be used for specific projects."

Louw says that, in conjunction with the South African economy and tighter export markets, Namibia's economy is slowing down.

In addition the withdrawal of the South African army from the northern territories hurt these areas.

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# Freedom fails the poor in Namibia

Star 29/12/90

It is only a bar across the road. A notice says: "Animal disease control checkpoint". A man in uniform with a clipboard emerges and takes your car number.

The road rockets away till it melts in a mirage on the horizon. The view behind is identical. You can drive for an hour here without turning the steering wheel and without any change in the endless thorn bush. It is a strange place for a gate. But this is the most important boundary in southern Africa — perhaps one of the most important in the world. It is the boundary between the First World and the Third World.

Officially it is a veterinary boundary, a fence which runs nearly 1 600 km across the country to prevent the movement of animals from north to south. Cattle in the north are afflicted with Rinderpest and foot and mouth disease and cannot be sold commercially.

## White farms

221A

To the south the bush has been parcelled up in white-owned farms and the cattle are behind fences. For decades the white government gave the farmers grants, tax concessions and water. To the north there are no fences. There are people, lots of them.

A recent deal to provide Namibian beef to the EC will only benefit farmers in the south. So, north of the fence, thousands of precious but worthless cattle roam, tearing up the meagre grass. Goats complete the desertification process.

Ovamboland, Namibia's most populous region, is becoming a disaster area. It is also where the war for independence was fought. It is the home base of Swapo, the independence movement, now the ruling party. Ironically, the presence of the South African army brought some prosperity but

At Oshivelo, RICHARD DOWDEN found a border which symbolises the gulf between the First and Third worlds.

now it has left, the region is in sharp decline, aggravated by the return of some 40 000 workless exiles.

Eight months of independence have brought a sort of peace to Ovamboland but so far, not a glimmer of prosperity. Now Namibia is independent, democracy has brought Swapo to power and the masses of Ovamboland, more than half the population, are claiming their share of wealth.

Are they going to get it? In Windhoek, people especially whites, are happy because a change in government has not brought a change in policies. The city remains a model of "First World" efficiency. The streets are clean, the shops full, the phones work.

But it is fragile. In public its professional residents welcome the new wonder and support their new government. In private they are terrified that Swapo and the Ovambo will "take Namibia into the Third World".

The new government is committed to overturn the old border but it is also determined to maintain the "First World" effectiveness of the capital. The boundary is here at the fence — a sort of economic apartheid which is far more intractable than social or political apartheid. This fence, in a million forms, extends all over southern Africa. If Namibia, a new country with a small population and plenty of international goodwill cannot overcome the rift between First and Third worlds, what hope is there for South Africa and for the rest of the continent? — The Independent.