NAMIBIA - GENERAL - ECONOMIC.

1991

Namibian move to save 2 000 jobs in fishing industry

ARGUS 9/1/91

From DALE LAUTENBACH
Argus Africa News Service

WINDHOEK. — Two thousand jobs have been secured for the first two months of the new year by the Namibian cabinet's decision to allocate fishing quotas to the existing 15 concessionaires.

The hake season traditionally begins in January each year but with the Namibian fishing policy still in the development phase, normal allocations are not being made.

However, to protect the jobs of some 2 000 workers employed by the existing Namibian concessionaires, the cabinet has suggested an interim quota to be limited to 50 000 tons for this and next month.

Quota levies

Quota levies of R838 a ton must be paid to the State Revenue Fund.

It was announced at a Press conference that the government was awaiting a scientific report on the state of the country's marine resource being prepared by the Marine Research Institute of Bergen, Norway.

The cabinet recognised the urgent need for a sound fishing policy. An interim committee involving the ministries of agriculture, fisheries, water and rural development, trade and industry and finance began work on such a policy in the final quarter of last year.

Expert help

The committee has called in expert help from the World Food Organisation and the draft policy is expected to be before the cabinet no later than next month.

The public has also been called upon to address the committee.

Namibia froze fishing concessions to foreign countries on independence in March last year when, for the first time, it gained sovereign control over its 200-mile exclusive economic zone. The cabinet announced that it has 82 concession applications for consideration.

"The government is determined that Namibian applicants will have fair consideration," said a cabinet statement.

Namibia is acutely sensitive to the fact that it benefited little from its own marine resource in the past when international fishing fleets had free run in its waters.

(221A)

R2,4m, whereas net borrowings increased by a lesser R542 000 to R4,8m.

The annual report lists several factors of a non-recurring nature which dented margins. These include costs incurred and the disruption to trading arising from the relocation of Partquip's Johannesburg and Durban warehouses. Also, it was decided to take out Credit Guarantee cover on the exposure to Spareco — which turned out to be an excellent investment.

But there are also indications that overheads might generally have been getting out of hand, owing to the policy of divisionalising activities according to the various niche markets in which the group concentrates. This led to a multiplicity of distribution centres around the country. That it contributed to an uneconomic cost structure is suggested by the fact that five of these centres have since been closed — two serving the Autoquip division (accessories, tyres, and so on) and three in the case of Techniquip (bearings).

Given that the above factors are either non-recurring, or that corrective action has been taken, margins may recover this year. However, some uncertainty about this arises from last year's 11,8% trading margin, which was not out of line with the group's historical performance.

From 1984 to 1988 the pre-interest margin on sales averaged 11,5%, and a noteworthy feature was the consistency of this ratio — the high for these five years was 12,1% in 1985 and the low 10,7% in 1987. It could be argued the 14,6% for 1989 (when EPS jumped 49%) was out of line, and that 1990 merely saw a return to the long-term average.

Supporting this view is management's stated objective of achieving a net return on equity of at least 20% (calculated on average shareholders' funds and a full tax rate). Despite last year's lower trading margin, ROE would still have exceeded 25%, hardly suggesting the group was under-performing against its own objectives. 1989's ROE was well ahead of target at 35%.

If the assumption that 1989 was an exceptional year is correct, the return to normality reflected in the latest results may well be a sounder base from which to project future performance.

If so, the market has probably over-reacted in driving the share price down to the current 45c — giving a p:e of only 3,4 times and a high 11,1% dividend yield. Even accepting that trading conditions this year will remain difficult, it could be argued that Autoquip was more accurately valued at the 1989 high of 70c than is the case now.

Brian Thompson

FM 11/1/91

NICTUS [redacted] (221A)

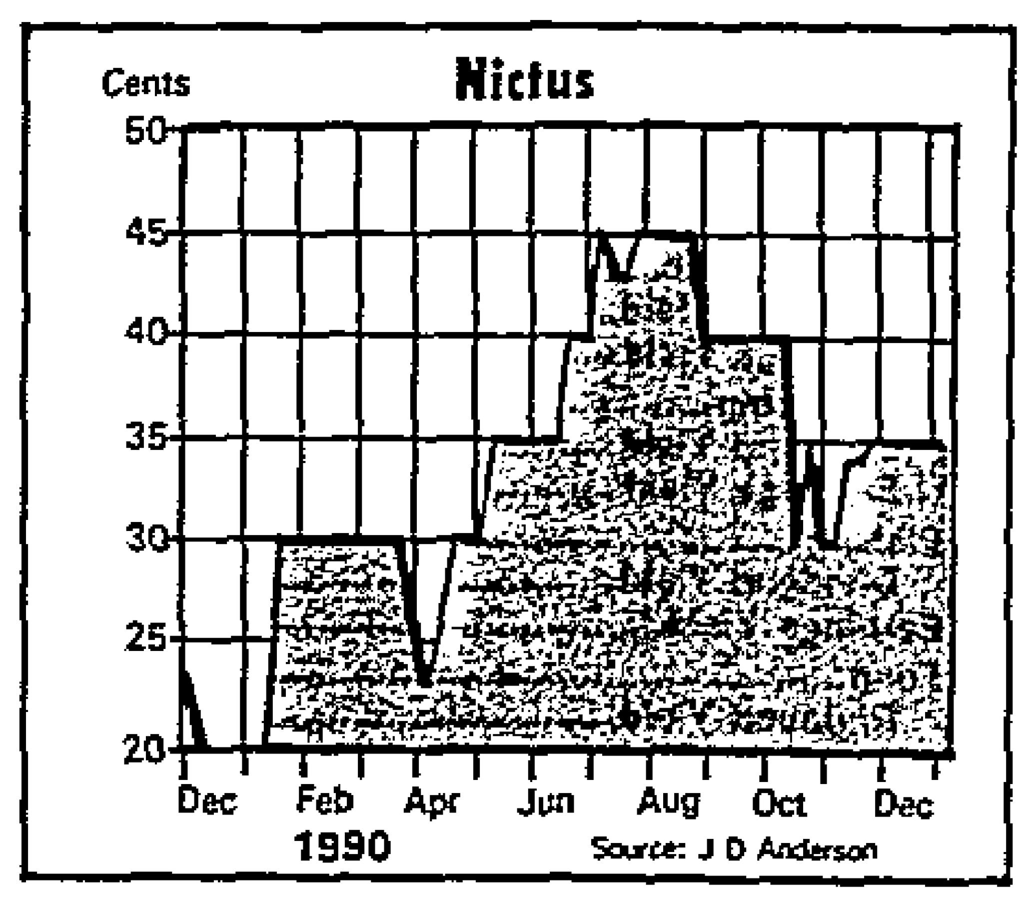
DEMAND DRIES UP

This troubled Namibian industrial holdings group — with interests in furniture, vehicles, carpets and property — is facing a new dilemma. With the Untag and SADF presence out of the Namibian economy and little foreign investment forthcoming, it could be difficult to maintain operating income, let alone produce growth.

Last year's 35% advance in operating income (with some aid from Untag spending) was wiped out by a R1,7m interest bill. This did not come as a surprise because Nictus has battled with low profitability and high gearing for some years. Three additional directors were appointed to increase management control. In line with this, directors' pay increased by 26,4%.

Activities: *Furniture, motor and property interests in Namibia and SA.* [redacted]
Control: *Directors 40%.*
Chairman: *P J Tromp; MD: N C Tromp.*
Capital structure: *7,12m ords. Market capitalisation: R2,1m.*
Share market: *Price: 34c. 12-month high, 45c; low, 20c. Trading volume last quarter, 79 000 shares.*

Year to June 30	'87	'88	'89	'90
ST debt (Rm)	3,6	5,5	6,1	7,3
LT debt (Rm)	2,1	2,3	2,2	1,8
Debt:equity ratio	0,96	0,85	0,98	1,13
Shareholders' interest	0,30	0,41	0,37	0,39
Int & leasing cover	2,36	2,39	0,69	0,77
Return on cap (%)	9,8	11,2	4,26	6,27
Turnover (% change)	97,1	50,2	12,1	0,22
Pre-int profit (Rm)	1,7	2,5	0,9	1,3
Earnings (c)	20,4	17,6	(6,8)	(4,9)
Dividends (c)	4	4	2	nil
Net worth (c)	131	124	117	113



Furniture losses

Furniture, which contributes 48,5% of turnover, is the only division with branches in SA and it was these which incurred the big losses.

MD Nico Tromp is confident rationalisation of the division (seven SA shops were consolidated into four) has stopped the drain and says the division is now profitable. Inventory levels are much lower, as are finance charges. He notes that this year, the Namibian furniture trade is suffering.

Things don't look too bright on the vehicle side either. With government well stocked with UN vehicles, it is unlikely that any real government demand will develop within six to eight years. The motor division contributes 42% of turnover.

The share is unlikely to appreciate until basic problems are resolved — such as the return of only 6,3% on capital. *Gerhard Stabber*

FM 11/1/91

NICTUS 221A

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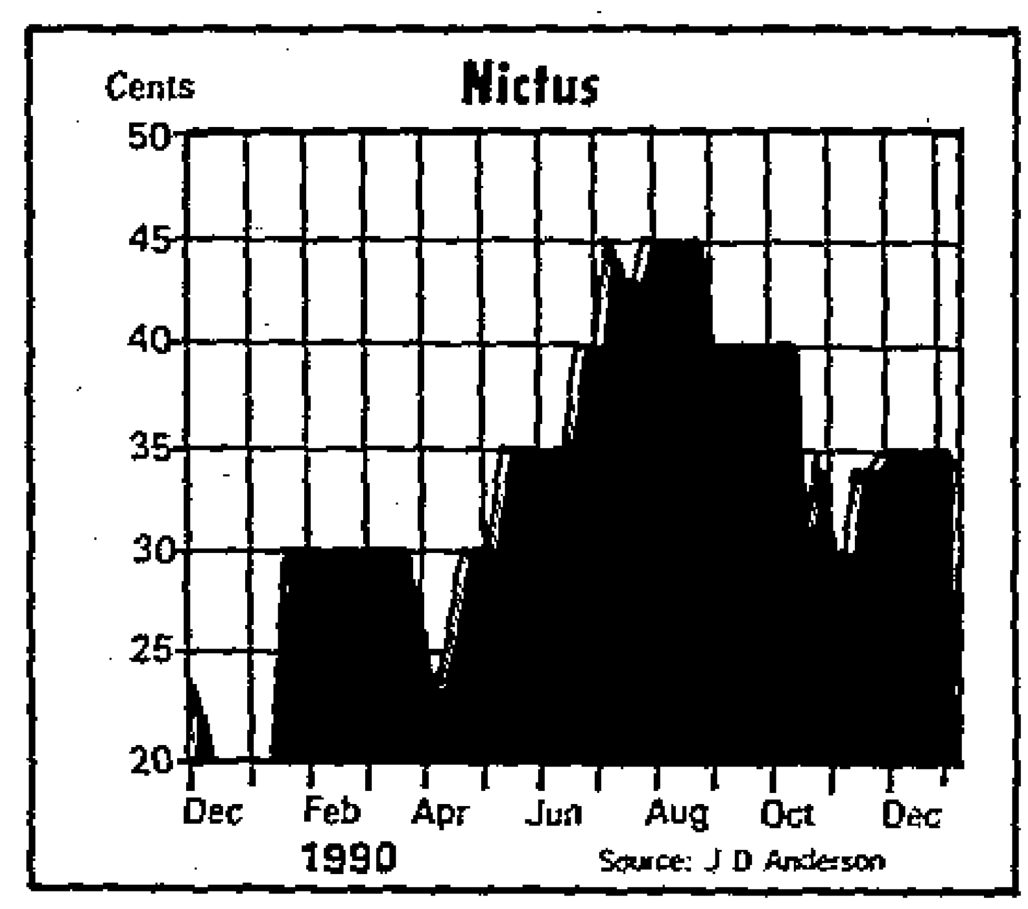

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OIL AND GAS (221ft)

MORE LOCAL MUSCLE

While SA has yet to discover viable oil or substantial gas reserves, the Gulf crisis has spotlighted the growing importance of the local energy sector. FM 18/1/91.

Engen, which owns Mobil and Trek and has a 30% option on the R9bn Mossgas project, also has the right to 20% of future oil and gas fields developed by Soekor in certain areas, including the Bredasdorp Basin.

Engen Chairman Bernard Smith, who also serves as Mossgas CE, says the company will soon tender for oil and gas exploration concessions off the Namibian coast — that is, as soon as enabling legislation is passed by the Namibian parliament.

"We have had talks with the Namibian government, which is formulating its policies regarding offshore exploration," he says. "There is a possibility that Soekor may assist in detailed seismic surveys off the Namibian coast. Once drilling commences, we will look for the best offers on tender."

Skerf Pottas, chairman of the National Petroleum Corp of Namibia, confirms that Namibia will soon pass legislation to allow foreign oil companies to tender for the geological exploration and survey of Namibia's offshore areas. "SA companies will be welcome to tender," he says.

Meanwhile, the R200m-a-year State-owned oil exploration company Soekor is also looking to expand outside SA. CE Ken Graham says Soekor is "looking at the geology and offering its services right up the West African coast."

Graham says he's confident Soekor will eventually "find and exploit its own oilfield," which includes the possibility of developing offshore oil fields beyond SA's borders. Now small oil finds in the Bredasdorp Basin are being evaluated. ■

Namibia plans Swakopmund terminal

KIN BENTLEY

22|B

LONDON — Namibia plans to build an oil terminal at Swakopmund to make it independent of SA for its oil imports, says a Shipping Research Bureau report.

The terminal will be built as an offshore mooring buoy, it says.

"The costs of the feasibility study alone are estimated at $500 000. The planned project has no funder yet, but the Namibian government is looking for possible financers."

The report says it is not known yet when activities will start, but says "it could be completed in six months.

"By constructing an offshore buoy the country could become independent of SA for its oil imports," says the anti-apartheid publication.

"At present, nearly all of its oil needs are imported via the only deep-water harbour in the area, Walvis Bay . . . controlled by SA."

Namibia seeking foreign investment

By Duma Gqubule 22/5

Efforts to encourage investment in Namibia are being stepped up at a four-day conference which began in Windhoek yesterday.

Among the 450 participants at the Private Sector Investment Conference are representatives from Total, Siemens, Mitsubishi, British Aerospace, Morgan Grenfell, Colgate-Palmolive and Chevron.

South African participants include Goldfields, Pepkor, Premier Food and Rembrandt.

Namibian has moved to allay many of the fears investors had when it gained independence a year ago.

Since then, the Swapo government has toned down most, if not all, of its socialist rhetoric.

It now talks of a "mixed market economy based on social responsibility — with a dynamic role for the private sector".

Finance Minister Dr Otto Herrigel talks about tackling the equity issue by increasing the rate of economic growth — in contrast to the ANC policy of achieving growth through redistribution.

Namibia's private sector has mostly welcomed the pragmatic policies.

It is particularly pleased with the inclusion of the word "market" to describe the mixed economy.

First National Development Corporation of Namibia executive chairman Bob Meiring says the government has moved with extraordinary speed to set up an appropriate enabling enviroment for investors.

"In only 10 months new mining, petroleum and labour laws have been passed by parliament. There is no nationalisation policy and a Foreign Investments Bill passed by parliament last month was enthusiastically received by the local business community."

The government intends to introduce a Namibian currency within two years, and a liberal foreign exchange regime for repatriation of profits, dividends and other remittances has been proposed.

Namibia's 'big chance to attract investors'

ARGUS 4/2/91 (22/A)

Argus Africa News Service

WINDHOEK. — A private sector investment conference starting in Namibia today is the country's "big chance" to attract much-needed investment, organisers said.

"We have to make this work because we won't have a second chance," said Mr Hans-Gunther Stier, national co-ordinator.

The three-day conference has drawn representatives from about 120 foreign companies including several from South Africa and a number of international organisations represented by their South African subsidiaries.

Mr Stier said about 700 delegates had registered by Friday and that a third were foreigners.

Namibia was looking for long-term investment to spur economic growth, said Mr Stier.

The conference planners targeted five key sectors: mining and energy, fishing, agriculture, manufacturing and tourism.

Mr Stier said the manufacturing sector would get special focus because it contributes only seven percent to the country's gross domestic product.

He said there also was specific interest in the textile industry.

Warning against unrealistic expectations, Mr Stier said the success of the conference would not be measured in dollars, pounds and marks at the end of the three days, but by the "bridges built".

Nujoma calls for economic reconciliation

B/Day

5/2/91

WINDHOEK — Namibian President Sam Nujoma yesterday called for a commitment to economic reconciliation to match political progress.

Speaking at the opening of a three-day conference to attract foreign investment to Namibia, Nujoma said government had already begun to address social and economic problems inherited at independence from SA.

"It is now time to form an alliance with the international investment community," he said.

Nujoma said Namibia was aware it would have to use existing resources more effectively and reach out for technological and business experience.

221A

Guarantees

"We have a preference for policies that will accomplish real growth — through value adding — competitive import substitution and market expansion."

5/2/91 B/Day

Namibia provided an attractive enabling environment to investors, he said.

Government was determined to provide investors with guarantees in the context of a market economy. These were laid out in the Foreign Investment Act passed last year which provides protection from nationalisation, freedom to remit capital and profits and a process for settling disputes.

"Our policy on foreign investment is to have an open door," Nujoma said.

Turning to local businessmen, Nujoma said he believed the economic difficulties they were experiencing were short term.

Uncertainty could never be completely eliminated from any business environment.

"Businessmen take risks, that is why they succeed," he said. "My government is aware of your problems and your needs and conferences such as this one are an attempt to articulate these problems and concerns." — Sapa.

Namibia aims to be investment haven

TIM COHEN

NAMIBIA intends to become an investment haven, promising freely convertible foreign currency, no tax increases and liberal exchange control regulations.

Speaking at a private sector investment conference in Windhoek recently, Finance Minister Otto Herrigel said in spite of the Namibian government's high ideals about correcting the wrongs of the past, it was being pragmatic about economic problems. BDay 12/2/91.

"Due to our very open economy, once it has its own currency, Namibia will most likely implement far more liberal exchange control regulations than we are forced to accept at present." 221A

He said Namibia's Investment Code provided for the issuing of a Certificate of Status Investment.

Criteria for issuing such certificates would be the size of the proposed investment and the extent to which it would contribute to Namibian development.

The code certified that holders would at all times be able to buy freely convertible foreign currency and to expatriate profits, dividends and the proceeds of sale of their enterprises.

Namibia hosts investment conference

By TOM MINNEY: Windhoek (221A)

AN INVESTMENT in national reconciliation was how Namibia's Trade and Industry Minister Ben Amathila described the Private Sector Investment Conference in Windhoek last week. More than twice as many delegates as expected came, and the Swapo-led government was amazed at its success in luring potential investors.

The world of business, it seems, is still interested in Southern Africa despite the lure of Eastern Europe and the worries of the Gulf. W|Mail 15|2-21|2|91

The Namibian government is making a determined effort to woo the private sector. Late last year a liberal Foreign Investments Act allowed free access to foreign exchange, and no discriminatory treatment for investing companies.

President Sam Nujoma said: "We have shed our political and economic isolation. It is time to form an alliance with the international investment community."

The 1 000-odd delegates discussed farming, fishing, tourism, manufacturing for export and import-substitution, and mining and petroleum exploration.

Many said they had come because of the reported democracy in Namibia.

Keynote speaker Peter Hadfield of the R125-billion Royal Dutch/Shell group said investors took the commercial risks, and in return wanted a stable country with no upheavals and no arbitrary changes of the rules. Tax incentives, ease of getting permits for skilled staff, education levels and bureaucracy were all important.

The conference had not aimed to produce concrete investments but to provide a platform for the government to explain its policies and for the larger businesses to meet and talk.

NAMIBIA FM 15/2/91 (221A)

ENABLING ECONOMICS

Hopefully, it is a harbinger of a more enlightened investment era in Africa in the Nineties: Namibian president Sam Nujoma, who came to power on a militant socialist note, is now attempting an alliance with the international investment community.

"We are realists," he told 1 000 participants at Namibia's recent private sector investment conference. "We are aware that, worldwide, the competition for investment funds is fierce in the present economic climate... that investors look for an attractive enabling environment.

To instil confidence, his government will guarantee the private sector "the freedom to manage its own enterprises in accordance with sound rules and regulations."

The "enabling environment" was the title of the address by Finance Minister Otto Herrigel. He noted Namibia's investment code did not restrict foreign participation nor require Namibian participation.

Criteria for acceptability — and a Certificate of Status Investment — includes the extent to which investment is likely to contribute to Namibian development objectives, such as increased employment, training, foreign exchange earnings and stimulation for less developed regions.

Significantly, he spoke of "far more liberal" exchange control regulations when the country has its own currency — though he stopped short of promises. Meanwhile, certificate holders will be allowed "to buy freely convertible foreign currency to meet foreign financial obligations arising from their investment, and to transfer out of the country the profits, dividends and proceeds of sale of their enterprise."

He said also there is little scope to increase tax rates and stressed the importance of financial discipline for government.

Perhaps this approach could be a useful model for those who, in the past, had high hopes that socialism would generate growth. The record of failure in those countries which experimented with State ownership should prompt any future political leaders who hope to see economic growth in SA to seek a more viable alternative. ■

FOREIGN INVESTMENT 221A

SUICIDE ATTEMPT?

FM 22/2/91

Is Namibia rejecting SA investment? SA's envoy in Windhoek, Riaan Eksteen, has asked the Namibian government to clarify the views of Trade & Industry Minister Ben Amathila.

According to a story in the *Windhoek Observer* last week, Amathila indicated that Namibia has a moral obligation to discriminate in any way it sees fit against a potential investor, such as SA, that practises apartheid.

The interview was conducted after a large number of South Africans attended a private sector investor's conference recently in Windhoek.

The *Observer* reported Amathila as saying foreign investors would be treated according to the way they conduct themselves. "It is expected that they treat the government with the necessary respect," the minister is quoted as saying.

Eksteen says he raised the issue with the Namibian government. "If Amathila was quoted correctly, the situation will be seen in a serious light." He says neither the Namibian government nor Amathila has yet replied to him.

DTA opposition leader Dirk Mudge reacted strongly to Amathila's statement in the same issue of the *Observer*. SA businesses could be scared away if the Namibian government singles them out in this way, he said. "This is contrary to the interests of Namibia."

In its reaction, *Die Republikein*, a DTA-supporting newspaper, called Amathila shortsighted and accused him of not taking notice of the changes in SA. *Die Republikein* also questioned the democratic qualities of countries such as Angola, Zimbabwe and Zambia — which have signed trade agreements with Namibia. ■

Namibia expects R209m deficit

WINDHOEK — Finance Minister Otto Herrigel presented Namibia's first budget yesterday. This provides for additional expenditure of R164,7m for the 1990/91 financial year. (221A)

"Apart from ~~this total~~ of R164,7m, a further statutory obligation of R9,1m, resulting from exchange rate fluctuations and increased cost of loans, has to be financed," Herrigel told the National Assembly in Windhoek.

Provision was made for expenditure of R2,5bn in the main budget, with an expected revenue of R2,3bn, leaving an expected deficit of R209,6m. BDay 28/2/91

For the current financial year, total estimated expenditure was R2,7bn and the total amount financed would be R2,5bn.

"That leaves a total of R212,1m, which is very close to what we envisaged," Herrigel said.

He had no choice but to raise loans or arrange an overdraft with the Central Bank of Namibia to finance the deficit. — Sapa.

All those MPs may cost R35m to keep

BDay 28/2/91

GERALD REILLY

PRETORIA — SA's 308 parliamentarians will cost taxpayers in excess of R35m in the new financial year when perks are added to the salary account, according to informed calculations.

This is based on the virtual certainty that parliamentarians will give themselves the same 12% pay hike expected by public sector workers.

In the current financial year salaries and allowances for the tricameral system's 308 white, coloured and Asians MPs, according to 1990/91 budget estimates, will amount to around R27m.

The 32 Cabinet-rank ministers — 18 in the central Cabinet, four own affairs ministers in the House of Assembly and five each in the Houses of Representatives and Delegates — will earn around R6m.

A minister's salary this financial year totals about R185 000, which includes a large non-taxable reimbursement allowance.

And the 11 white deputy ministers, and one each in the House of Representatives and House of Delegates, will earn around R1,7m.

Last year's 26% pay hike for politicians — an across-the-board increase of R12 000 a year in addition to the 10% non-pensionable allowance granted all exchequer personnel — was greeted with outrage by the Public Servant's Association.

At the time PSA president Colin Cameron said if there were special circumstances justifying a double pay hike for politicians then the same circumstances had to be taken into account for government workers.

And in addition to the 26% increase MPs were given an R8 000 a year rise to R18 000 for "constituency expenses".

The administration of Parliament, including Hansard and staff, was expected to amount to about R35m.

FM 1/3/91.

INVESTING IN NAMIBIA

Namibia Trade & Industry Minister Ben Amathila has strongly rejected a report in the *Windhoek Observer* that suggested that he believes Namibia should discriminate against SA investment because of apartheid (*Business* February 22.)

"This country has an open policy with regard to foreign investments," Amathila said in a press statement last week. "The Foreign Investment Act is liberal, non-discriminatory and non-arbitrary . . . The question of discriminating against investment from any quarter of the globe is, therefore, simply just out."

He added: "As a member of the Southern African Customs Union and the Common Monetary Area, our relations with SA are excellent and we wish to keep it that way."

Windhoek Observer editor Ted Magill stands by the report. He says: "Minister Amathila did make the statements as reported and there is no question of any misrepresentation."

221A

Walvis Bay possession row looms

By Peter Fabricius
Political Correspondent

South Africa is expected to offer Namibia joint administration of Walvis Bay — but not possession — when the two governments meet on March 14 to discuss the enclave.

Delegations from both governments are to meet in Cape Town to determine the status of the harbour and the off-shore islands. Star 1/3/91

Minister of Foreign Affairs Pik Botha will lead a delegation of seven Cabinet Ministers, and Namibian Foreign Minister Theo-Ben Gurirab a three-Minister team, plus officials.

Walvis Bay and the dozen-odd islands remained as South African possessions after independence because they were never part of the UN-mandated territory which South Africa handed over on March 21 last year.

It is certain that the Namibian government will demand that Walvis Bay be handed over.

But it is expected that South Africa will resist the demands for now.

Diplomatic sources suggest that South Africa might throw Namibia a sop by moving Namibia's southern boundary from the north bank of the Orange River to the middle.

A year after independence Namibia battles

221R

22/3/91

WINDHOEK — Independent Namibia's first birthday today is being celebrated quietly.

President Sam Nujoma has not taken revenge on the country's white ex-rulers, who make up 80 000 of its 1,5 million people. He has encouraged private business and managed government finances cautiously.

But Namibia stays poor. Young men linger on street corners, wondering what independence was about.

Namibians used to blame slow growth on apartheid.

But since SA pulled out last March, recession in the rich economies has wounded even the most virtuous third-worlders.

To beat the odds, the government has gone all out to woo investors. About 140 foreigners turned up in Windhoek earlier this month to hear about its new investment law.

The new law, free of self-defeating national pride, guarantees fair and prompt compensation in the event of expropriation.

Foreign firms are promised the same treatment as locals: no need for cumbersome joint ventures.

Finance Minister Otto Herrigel promises lighter exchange control after 1993, when he plans to replace the rand with a Namibian dollar.

For the present, unemployment, which afflicts two-fifths of the workforce, is spreading.

Some 25 000 workers in the northern provinces — over half the local wage-earners — lost their livelihood when SA's occupying army departed.

The vast uranium mine Rossing, having spawned a town in the middle of a desert, has frozen recruitment because of low prices.

Gold stays low, too, and hoped-for new projects are at best delayed.

Hopes in Windhoek lie with oil and gas. The Kudo gas field off the coast has reserves estimated at five trillion to 15 trillion cubic feet.

Big oil firms — including Chevron, BP, Shell and Total — are lining up for exploration licences on the continental shelf, where prospects are described by ECI, a British geological consultancy, as wild and wonderful.

To control its spending, the government wants to trim its bloated civil service.

This may mean sacking whites, thus souring race relations. Until now, white skills and money have stayed in the country.

But Mr Nujoma is under pressure to find work for 42 000 former exiles, who have discovered that foreign qualifications are no automatic passport to a job.

Or to a house: Namibia's towns are said to be 50 000 short.

In the midst of all this, the president's Mercedes terrorises motorists, its outriders sometimes driving full tilt at oncoming traffic.

The opposition parties are confident of gains in next year's upper-house election.

Their newspapers assail the goverment each day, a reminder both of economic trouble and of Mr Nujoma's tolerance.
— The Economist

Govt agrees to talks on Walvis Bay's future

BDay 1/3/91

Political Staff

CAPE TOWN — In a surprise move, government has agreed to negotiate the future of the Walvis Bay enclave and a number of small islands off the Namibian coast.

221A

After years of refusing even to discuss Namibia's claim to the only viable deep-water harbour on its coast, SA has agreed to place the issue on the negotiating table.

The two governments announced in a joint statement issued simultaneously in Windhoek and Cape Town last night that high-powered delegations — headed by Foreign Minister Pik Botha and his Namibian counterpart Theo-Ben Gurirab — would meet in Cape Town on March 14 to begin negotiations.

Since independence a number of bilateral agreements between the two countries and pragmatic relations on the diplomatic front has seen a softening of attitudes.

Well-placed observers last night said it was now a matter of time before SA ceded the territories to Africa's newest independent nation.

As part of the trade-off, SA will be well-placed to insist on treaties that entrench Namibia's "friendly neighbour" status.

The SA delegation, which includes seven Cabinet Ministers, consists of: Barend du Plessis (Finance), Dawie de Villiers (Mineral and Energy Affairs and Public Enterprises), Gert Kotze (Water Affairs and Forestry), Kent Durr (Trade and Industry and Tourism), Hernus Kriel (Planning, Provincial Affairs and National Housing), Louis Pienaar (National Education and Environment Affairs and former Namibian administrator-general); Cape Administrator Kobus Meiring and Walvis Bay MP Chris de Jager.

A few golden dreams for Namibia

2219

South 7/3 – 13/3/91.

By Dirk Potgieter

LONG-TERM confidence in Namibia's economic growth, which depends on natural resources, has been overshadowed by short-term uncertainty that could prove to be the rule.

There have been recent discoveries and proven potentials, including gold, copper, lead, zinc, marble and granite, as well as new offshore diamond fields.

But the reality is quite different. Existing mines are retrenching workers and slowing down production because of world recession and cut-throat global competition.

New discoveries are scheduled for development by those already employed by the mining companies.

Multinational management strategies march to their own tune and only correspond to national interest from time to time.

The litany of chop-and-change exploitation patterns includes last year's closure of Uis tin mine and the predicted closure of Tsumeb Corporation Limited's copper mine.

Retrenchment

At the Rossing Uranium Mine, much criticised during the pre-independence period as an illegal multinational operation shipping an environmentally-dangerous substance, community workers have been axed to cut production costs and match low-price conditions in a slumping world market.

Rossing says retrenchment is a last resort, that uranium prices are low because of dumping by the Soviet Union and former East Germany, and that money saved from current job cuts is going into education programmes and further exploration.

But the sense of insecurity remains.

Consolidated Diamond Mines (CDM) announced the decision to mine pocket beaches in the vicinity of Chameis, 120km north of its operation centre, Oranjemund, after having installed the necessary infrastructure at a cost of R16m.

It is estimated that diamond production there will total 75 000 carats a year for three years.

Good news, thought the mineworkers, this would mean more employment. "Not so," said CDM public relations officer Clive Cowley "we merely shifted activities to Chameis in the northern extremity of the mining area, and will make use of existing personnel."

Confidence

A company statement said: "It is an exercise also going on in other parts of southern Africa.

"It is a response to economic conditions which does not in any way reflect badly on the confidence that we have in various parts of Namibia."

But this is of little comfort to the newly jobless and government planners.

Both groups are subject to a climate of uncertainty defined, if not created, by multinational powers beyond their control.

"What is even worse," one worker says, "is that the people at the top won't have to change their lifestyles because of this 'flooded market'. (At Rossing) 21 new superintendents have just been appointed and they all got brand new luxury cars.

" It is we, who can least afford it, who are most affected."

No joy for fishing companies

B/Day 8/3/91

MARCIA KLEIN

(221A)

REDUCED catches and increased finance costs took their toll on associated fishing companies Namibian Sea Products (Namsea) and Namibian Fishing Industries (Namfish).

Both companies fell under the control of a Norwegian consortium in October 1990, at which time the board of directors was reconstituted.

Neither declared dividends and were not expected to in the near future in terms of a new conservative dividend policy aimed at providing capital for diversification.

Namsea, which was sold by Tiger Oats subsidiary Oceana Fishing to the consortium for R13,7m, showed a 77,8% decrease in attributable earnings to R2,3m (R10,3m) for the 15 months to end-December.

Lower earnings were mainly due to reduced landings of rock lobster at Luderitz and a slower movement of canned pilchards and increased finance costs at Walvis Bay, directors said.

Turnover increased by 111,7% to R17,1m (R8,1m) and operating income was 74,5% higher at R3,5m (R2m).

However, income from investments declined from R8m to R1,7m, mainly due to a reduction in dividends.

While net income before tax was almost halved to R5,2m (R10,0m), tax increased from 837 000 to R2m due to a change in accounting policy.

The company's net income decreased from R6,6m to R2,8m, and earnings were 57,7% down at 67c (158,3c) a share before extraordinary items.

Namfish also decreased its attributable income from R3,8m to R1,7m for the year to end-December 1990.

Turnover grew by 9,9% to R11,7m (R10,7m), but operating income fell by 16,6% to R2,5m (R3,0m).

Earnings were 44,6% down at 72c (130c) a share before extraordinary items, while no final dividend (60c a share) was declared.

BUSINESS DAY, Tuesd

FINANCE

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'Investment friendly' Namibia draws praise

B/Day 19/3/91 (221A)

KIN BENTLEY

LONDON — Until recently just another war zone, Namibia now offered the international community an "investment-friendly" environment, said an analysis published here last week.

Africa Confidential carried a lengthy article and concluded that Namibia was "on course to establish, like neighbouring Botswana, one of the most attractive investment climates in southern Africa".

The article praised Finance Minister Otto Herrigel and Industry Minister Ben Amathila.

The two men, it said, "showed at the private sector investment conference (in Windhoek last month) to what degree the government — if not all sections of Swapo — is sensitive to investor concerns".

"But it remains to be seen whether words will translate into the flow of private capital that President Sam Nujoma's government is counting on."

The journal said in fishing there were high hopes, with joint ventures already being set up.

In manufacturing, it said, "Namibia's location and infrastructure make it a suitable base for exporting finished products to the region. Given the small size of the domestic market, with a population estimated at 1,5-million, and the presence of South African-owned and local firms, projects are likely to attract investors only if there is export potential," it said.

"Mining and energy both have considerable potential. Despite its favourable geology, Namibia has been under-explored due to the political inhibitions of foreign companies prior to independence."

Gas field

The report said the prospects of locating commercially recoverable hydro-carbon deposts were also good. It said the government planned to award its first exploration licences to foreign oil companies by the end of this year.

"The Kudu gas field, just off the mouth of the Orange River, has reserves potentially as large as 425 000-million cubic metres — bigger than SA's Mossgas.

"But the problems of finding an export market may make it less sought-after than exploration permits along the northern coastline."

Onshore, it said, Taiwan's Overseas Petroleum Investment Corporation (OPIC) plans to drill its first exploratory well near the Etosha Pan later this year.

Drawbacks for Namiba were that mining and energy investments were capital- rather than labour-intensive. And, with unemployment rising, a recent downturn in base-metal and uranium markets means that Rossing, which has already frozen recruitment, may cut production by 25% for the next two years.

But the report is optimistic about economic management.

"With the government determined to avoid borrowing abroad, and grant aid in short supply, its economic priority is to maximise investment in productive sectors." Herrigel's determination to maintain financial rigour, with Nujoma's backing, "has impressed".

"Herrigel has tried to ensure that the introduction of a new currency in 1992/93 will not lead to economic dislocation by announcing that the Namibian dollar will initially remain at parity with the rand. For the foreseeable future, Namibia will also remain a member of the Common Monetary Area (CMA) administered by the South African Reserve Bank."

The good news for the foreign investor, said the report, was that the Investment Act provided guarantees against expropriation, along with rights to fair compensation and international arbitration in the case of disputes.

NOTE : This worksheet must be handed in.

Namibia 'offers friendly investor climate'

CAH Times 12/3/91 221A

Own Correspondent

LONDON. — Namibia, until recently just another war zone, now offers the international community an "investment-friendly" environment, says an analysis published here yesterday.

The latest edition of Africa Confidential carries a long article on the recently-independent state and concludes that Namibia is "on course to establish, like neighbouring Botswana, one of the most attractive investment climates in Southern Africa".

The article particularly praises Namibia's German-speaking Finance Minister, Mr Otto Herrigel, and Industry Minister Mr Ben Amathila.

The two men, it says, "showed at the Private Sector Investment Conference (in Windhoek last month) to what degree the government — if not all sections of Swapo — is sensitive to investor concerns".

It notes that a Foreign Investments Act passed by the National Assembly with all-party support in December was "generally welcomed" by the 100-odd overseas investors, plus 300 local private sector and 60 South African business representatives at the conference.

It says Namibia is better endowed with natural resources than Botswana.

First year 'saw an end to exploitation'

South 21/3 - 27/3/91

(221A)

ON THE eve of Namibia's first anniversary of independence, Gwen Lister spoke to President Sam Nujoma about a variety of issues, from concern about the crime rate to unemployment and priorities for the second year:

THE most significant aspect of the past year is the achievement of independence itself which brought freedom to people deprived of it for more than 100 years, says Sam Nujoma.

"There could be no economic development without peace and stability," he said, adding that the Swapo government had brought this about.

He felt that the policy of national reconciliation had been accepted by the majority of citizens of this country.

"I must emphasise that political freedom would be meaningless without economic independence."

In this regard the government had dismantled apartheid institutions set up by the colonial administration and was presently restructuring the administration and setting up ministries.

Namibia was formerly governed as a district of South Africa and was economically intertwined with that country. This artificial dependence had been imposed upon Namibia by South Africa.

"At one stage Namibia was a producer of dairy products such as milk, butter and cheese, but most of these places closed and farmers were encouraged to raise cattle for beef to feed the soldiers," he said.

Cattle was transported live to South Africa, was slaughtered and packed there and then brought back to Namibia where it was sold for twice the price.

"Our government has started to put an end to that exploitation of our natural resources," Nujoma said.

Implemented

Plans and decisions were now being implemented, including agricultural projects such as the development brigades in the eastern areas of Buffalo and Omega, which aimed to provide the nation with fruit and vegetables.

Another area of priority had been education. Namibia had inherited apartheid schools, and the Education Ministry was presently restructuring, reorganising and dismantling that system.

"There were still cases of children being taught under trees," the president said, adding that existing schools should be expanded and new ones built.

President Sam Nujomo

Regarding health, the priority was to establish new hospitals and clinics in rural areas to provide for adequate medical care. In the field of housing, there were a large number of people who were living in poor housing and the government was scientifically analysing the situation and more progress would be made in the coming year.

Questioned about unemployment, President Nujoma said that agricultural projects and development brigades would start soon and would be labour intensive. ~~These would~~ be set up in the south, central, eastern, northern and north-western regions, and would include the construction of dams.

More dams were needed to store water after good rains, and this could later be used for human and animal consumption as well as irrigation. He expected that the agricultural projects and development brigades would employ as many as 10 000 people in the first year, and this could triple in the next.

Unemployment

Asked whether he was still concerned about the increased crime rate, President Nujoma said that this was a social evil, exacerbated by unemployment, and needed to be effectively dealt with.

"Unemployed youngsters and school dropouts could also be taken up in the development brigades," he said.

President Nujoma emphasised that the country had inherited an approximate 30 to 35 percent unemployment rate from the colonial government and this had been exacerbated by the return of former exiles. It was not easy to deal with this question overnight, he added.

Was the return of Walvis Bay to Namibia imminent? President Nujoma replied that bilateral negotiations had started on this issue on March 14 and Namibia was encouraging them to continue and for South Africa to "come to its senses" and hand it back.

Namibia, he added, would continue to negotiate for the complete decolonisation of Namibia. He emphasised that the matter concerned the present South African government only.

"It was their internal problem if South Africa sought to obtain the consensus of others," he said.

The return of Walvis Bay to Namibia was in accordance with UN Security Council Resolution 432 of 1978, he said, which had been passed at Swapo's insistence before the adoption of Resolution 435, providing for the UN settlement plan.

Regarding the President's motorcade and some negative public opinion that had been expressed, Nujoma said that the people of this country had not had a president in the past. He, as the first president, had to set up a security system which would not only ensure his own personal safety, but would also determine procedures for the future.

There was provocation on the part of certain citizens, he said, who did not want to respect the president they had not voted for. But the president's security also had to ensure the safety of guests and visiting heads of state.

Namibia to join Common Monetary Area

Draft agreements to admit Namibia as the fourth member of the Common Monetary Area with South Africa, Swaziland and Lesotho, are being prepared.

Minister of Finance Barend du Plessis said in his Budget review tabled in Parliament the agreements provide that the South African rand be the only legal tender in Namibia until otherwise agreed; that Namibia will continue to have access to the South African money and capital markets as well as the foreign exchange markets; and that funds will flow freely between the two countries. — Sapa.

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South 21/3 - 27/3/91.

Big spending charges as Namibia turns one

South 21/3-27/3/91 (221A)

From Tom Minney
Windhoek (221A)

ACCUSATIONS of wild buying of Mercedes Benz and BMW cars, jet-setting, high living and even wearing "expensive" African clothes were among the charges lodged by Namibia's political opposition as the country celebrates its first birthday.

The ruling Swapo party hit back by accusing opponents who had previously been part of a South African-controlled administration of hypocrisy and a legacy of poverty and neglect.

The debate was on a bill for extra budget spending for the first year and focused on the government's economic record.

Things did not go as the Finance Minister, Dr Otto Herrigel, had forecast, but it seemed he had underestimated the task of turning an economy of apartheid into an economy of development.

In the bill, Herrigel asked for extra spending of R173m compared to his original budget tabled last July, and added that income was lower than expected. Out of a total budget of R2,7bn, he proposed to borrow to cover a deficit of R212m.

"The government is continuing to have to cope with the remnants of apartheid," explained Prime Minister Hage Geingob in a White Paper on national priorities tabled in March. "There is widespread poverty, unemployment and illiteracy."

PERENNIAL POVERTY: Most people are subsistence farmers PIC: PIERS VIGNE

Growth

South African's occupation cut Namibia off from investment and development. Its economy grew by only one percent between 1980 and 1989 after inflation, considerably slower than the population increase.

The gross domestic product (GDP) or national wealth per head was R3 000 in 1988, respectable by sub-Saharan African standards. This healthy balance, however, masks income differences based on skin colour that make a mockery of a national policy of reconciliation.

In 1988, the average GDP for whites, some five percent of the total population, was R41 250. For those black people who held modern and salaried jobs (40 percent), wealth was R1 875 a year.

The majority of the people are subsistence farmers and small traders, with an annual gross income of R212 each.

Roads, water, telephones and other services reached the mainly white or "commercial" areas and no further. Rural development was unknown.

Apartheid had left other structural millstones to economic planning. For many years the South African-appointed administrator general made all the spending decisions and had simply to ask the finance minister in Pretoria for a budget subsidy to cover deficits. The money was usually given lavishly and without strings.

Like other recipients of unearned money, Namibians became hooked on quick-fix subsidies, unable to set priorities or to earn enough income. A leading Namibian economist Rainer Ritter, describes it as a civil servant's "opium".

Apartheid planners set up 10 "second-tier" authorities, fostering tribal divisions. Each of 10 "population groups" had its own education, health ad other departments as well as its own legislative assembly. Nine-tenths of their income was subsidised by a central authority which in turn was subsidised by Pretoria.

At independence there were 50 000 civil servants and public spending had risen from 16,5 percent of GDP in 1980 to 30 percent of GDP after 1985. Gross fixed investment had declined from 28 percent of GDP to 15 percent over the same period.

The new government and Finance Minister faced the impossible challenge of correcting the imbalances without increasing the spending deficit. Their hands are tied by agreed guarantees not to dismiss civil servants from the old regime, although they must restructure and bring in officials better suited to serve Namibia's majority population.

Turning an economy and a country around is like moving a large ship. The budget for the first year of independence was almost no different from previous years.

Civil servants then spent three months reallocating the spending to the new government structures and new ministries that were set up, without introducing much that was new.

At the time, people slammed this as inactivity. But until only a few months before independence, there were almost no surveys or statistics relevant to 95 percent of Namibia's people, those who are not white. Population estimates ranged from 1,2m to two million. The months before and after independence were taken up by extensive surveys on health, settlement, nutrition and so on by international agencies such as Unicef.

Year one has been largely taken up with putting infrastructure into place, and there is far more of this to be done before the way is clear to start considerable new spending.

Some of the heaviest spending is directed to education, and this is also one of the biggest overspenders in year one. Not only are classrooms urgently needed, but Education Minister Nahas Angula is embarking on an ambitious scheme to alter the whole curriculum and structure of what were formerly 11 separate education authorities.

Health services, too, will be expensive. In 1991 there are plans to build 21 clinics, improve hospitals and create a system of primary health care more cost effective in reaching rural areas and preventing disease.

Budget

Namibia's second budget is due next month and is expected to announce the new thinking and ideas. Even the system by which the budget is presented is likely to be new. Several government leaders have called for a programme approach to the budget and an International Monetary Fund expert is now working with the Ministry of Finance.

Herrigel is tough on discipline and hates borrowing and extravagance. He is in fierce discussion with Cabinet colleagues over spending priorities. But it will be several years before the government can make real progress on its stated aims.

Salaries, pensions and staff perks take up a substantial proportion of the budget and of the overspending and new officials do not show any willingness to give up the luxury cars and housing allowances their former oppressors enjoyed.

The new structures are expected to be expensive to set up and not to produce returns for an initial period. Even basic steps to end racial discrimination will take years.

Herrigel included a "conservative" estimate that R160m of help would reach his 1990/91 budget.

This has now been scaled down to R100m as yet more promised money does not arrive.

The challenge facing the new nation is how to find the funds to put new thinking into practice without running up debts that will seriously hamper the work of future governments.

Whether this will be possible will be revealed with the second year's budget.

NAMIBIA, ONE YEAR ON: *Samantha Weinberg looks at the state of the world's newest nation*

Happy birthday ... a Windhoek resident makes her feelings clear at the birth of Namibia, one year ago Photo: JUSTIN SHOLK

The good, the bad and the birthday

221A

WMail 22/3 - 27/3/91

NAMIBIA celebrated its first birthday on Thursday with an all-day party at Windhoek Stadium.

There was cause for celebration: the world's youngest country, with its turbulent past of colonialism and a bloody two-decade struggle for liberation, had survived its first year of independence with no major hiccoughs.

Contrary to expectations, there is a democratic government in power, intent on promoting national reconciliation; two formerly warring forces — the South West African Territorial Force and the People's Liberation Army of Namibia — have been incorporated and are being trained by the British as a professional army; the once-hated South African police force has changed into a much-liked national force, and there is peace in the land. People are proud to be Namibian.

In the Atlantic Ocean town of Swakopmund the German-speaking patrons of the Europa Hof Hotel discussed what had changed since independence.

"For me, life is much the same," said one. "There is more crime and less tourism, but apart from that, we are living the same way we used to.

"The politics are bad, of course, and the economy is worse but it is far better than we could have expected. We still have our farms, our businesses; our clubs and our friends."

Unlike in the pre-election period of 1989, when many white South Westers considered leaving the country at the first sign of trouble, emigration is seemingly no longer on the cards.

"We are Suid-Oeesters and we will stay. We aren't afraid of anything," said the large, middle-aged German manager of the local sports club.

In the sprawling township of Katatura on the outskirts of Windhoek, people are proud to be citizens of an independent Namibia, but increasingly dissatisfied at the apparent lack of support being given by the government to the population.

One year after voting them into a majority at the national assembly, loyal Swapo supporters are beginning to ask when the government will fulfill the often extravagant promises made during the election campaign.

"Where is the change? Where are the new houses, schools, clinics? Why have the roads in Katatura not been tarred and above all, where are the jobs?" asked a community worker.

Criticism has been levelled at President Sam Nujoma's 14-car motorcade, which races through the streets, sirens howling, escorting the president's large Mercedes; at the large number of top-of-the range cars being driven by R650-a-month drivers for ministers earning salaries of nearly R13 000 (plus housing allowances); at a recent courtesy visit to Cuba by Nujoma, for which he leased a plane from South Africa at a cost of around R800 000 for the six-day trip.

There is criticism, too, of the huge and costly administration, inherited from the South Africans but enlarged under the present administration.

Around 40 percent of Namibia's annual budget is eaten up by administrative costs. "Why is so much money being spent by the government, when people are starving and without jobs?" asks the leader of the official opposition, Mishake Muyongo.

On the ground — and among the more hardline Swapo ministers — there is an increasingly strong feeling that the government's almost obsessive adherence to policies geared towards promoting national reconcilation is just too expensive and aimed at pleasing the whites — at the expense of the much larger poor population.

Not only have white civil servants kept their jobs, but as yet there has been no land reform, no nationalisation of the large — predominantly South African-owned — mining companies, little effective means of redistributing income and few job-creating initiatives. What wealth Namibia has remains concentrated in the hands of the few.

The people are beginning to get impatient. They fought for the liberation of Namibia for 23 years, now they want jobs, land and houses, not just the abstract of national reconciliation.

The tourism and service industries expanded on the back of the artificial boom created by the massive United Nations and international contingent based in Namibia during the transition to independence, and are now unable to service their debts.

The fishing industry, one of the great hopes for the future, is being rehabilitated after being mercilessly overfished during the free-for-all when South Africa was in power.

The karakul wool industry is all but dead and beef and mutton prices have fallen — although the securing of a quota for beef export to Europe under the Lome Convention is a positive sign.

On a similarly upbeat note, the proposed development of a hydro-electric power station at Epupa Dam in the north would turn Namibia into an exporter rather than importer of power.

But the upturn in the economy is a few years off and in the meantime the Swapo government will be increasingly tempted to make concessions to the majority of the population for the sake of popularity — like confiscatory land reform and inflationary job creation — which might have deleterious effects in the long term.

If they can restrain themselves, keep to a tight budget and maintain their reconciliatory line but at the same time direct resources to poorer sections of the population then the future of Namibia could be bright.

UNIVERSITY OF CAPE TOWN

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Applicants are considered irrespective of gender, race or creed.

C70913/1408R

Storm over a port mars anniversary celebrations

WMail 22/3 - 27/3/91 221A

HUNDREDS of harbour workers in Walvis Bay have placed their jobs in jeopardy by taking the day off to celebrate the first anniversary of Namibia's independence.

While March 21 was a public holiday in Namibia, in Walvis Bay — a 1 124 km square enclave halfway up Namibia's western, Atlantic Ocean coast — it was officially business as usual.

Now the employers of the celebrating workers are threatening to take action against them for failing to appear at work without permission to stay away, according to a Namibian trade union newspaper.

A week ago, about 300 other workers were reportedly sacked after taking part in a march to protest against South African occupation of the territory.

The march, which took place on the eve of negotiations between a Namibian delegation led by Foreign Minister Theo-Ben Gurirab and his South African counterpart Pik Botha, was attended by at least 5 000 protesters calling for the incorporation of Walvis Bay into Namibia.

South Africa has legal claims to the enclave dating back to 1878, when Britain annexed the area and six years later transferred its administration to the Cape colony.

However, the Namibians claim the land — as well as the Penguin Islands and the northern half of the Orange River — is theirs by law (it is written into the new constitution) and by right. "These are as good reasons as the ones that prompted us to fight to decolonise Namibia," said Gurirab.

"The celebrations for Namibia's first year of independence will be incomplete because Walvis Bay and the offshore islands do not form part of our national territory."

Residents of Walvis Bay also expressed their sadness at not being able to celebrate independence day. "We are Namibians too, many of our families are there now. I wish we too could share in the happiness of Namibia on independence day," said Elias Kambona, who works in Walvis Bay.

The majority of the 20 740 residents of the desert enclave are in favour of its incorporation into Namibia.

The white business community believes it would be good for business if Namibia were to administer the harbour: "They would give us more fish," said one local businessman, who was hanging out with a small group of friends on the otherwise deserted streets of the rather ugly, single storey town last weekend.

Not only local businesses but the Namibian economy in its broader sense would benefit from control over the only deep-water port on the coast.

Revenue from customs and exiles duties, currently collected by South Africa, would instead make their way into Namibian coffers, and businesses — both import and export related — which would be likely to benefit from proximity to a harbour would inevitably spring up.

Before going to Cape Town for negotiations with Botha, the Namibian foreign minister told the national assembly he would not settle for anything less than the unconditional surrender of Walvis Bay by South Africa. However, on coming out from what was described as an "amicable" meeting, Gurirab said only that a further meeting would be convened in the future to discuss the issue and that he had "found a readiness to negotiate and a preparedness to go forward".

SA and Namibia start talks this week on who owns Walvis. Dale Lautenbach reports:

The battle for the bay begins

Star 12/3/91

221A

AS Namibia prepares to negotiate with South Africa over the future of Walvis Bay, its officials are looking for a helpful political spinoff from the Gulf War.

In that war, United Nations resolutions were given some of the strongest international backing they have yet received anywhere and the Namibians hope this will give strength to the UN Security Council resolutions declaring that Walvis Bay and the offshore islands are part of their territory.

At the same time, the Namibians are aware that in the negotiations due to begin in Cape Town on Thursday they are calling into question a principle that has become holy writ in the Organisation of African Unity. This is that there must be no meddling with the territorial boundaries that African states inherited from the colonialists, however open to dispute they might be.

On the regional front, Namibia is dealing with a South Africa that is beginning to bask in the credibility that has come from President de Klerk's reform policies.

This new credibility is helping to erode sanctions against South Africa and Namibia knows the South Africans are aware the process will be accelerated if Pretoria makes concessions on the Walvis Bay issue.

If the South Africans adopt an obstinate stance in Cape Town, however, the Namibians may cite the precedent created by the Gulf War.

A Namibian Foreign Affairs source said South Africa had in the past invoked "old colonial arguments" about the annexation of Walvis Bay by the British to the Colony of the Cape of Good Hope in 1878, and the title then passing to South Africa at Union in 1910.

The South African legal argument notes, however, that when the League of Nations conferred a Class C Mandate for the administration of the then South West Africa on South Africa in 1919, Walvis Bay was specifically excluded. During South Africa's administration of South West Africa, Walvis Bay was treated as part of the territory for administrative purposes only.

However, in 1977, in the light of a growing international challenge to South Africa's apparent hope to make South West Africa a form of fifth province, South Africa transferred the administration of Walvis Bay back to the Cape Province. The government of Prime Minister John Vorster appeared to be trying to make sure that if the territory were to be lost to South Africa, Walvis Bay would not be lost with it.

At independence the Namibians took care to have their constitution recognise Walvis Bay as a *de jure* part of Namibia. It was a position unambiguously, if symbolically, underlined recently when the first lady of Namibia, Kovambo Nujoma, accompanied by the then outgoing Minister of Fisheries, Gert Hanekom, arrived in Walvis Bay to open a fish processing plant.

The office of the Chief Representative of South Africa confirmed that the Namibian dignitaries had not sought permission to enter territory that South Africa considers its own. However, they decided to refrain from making an issue of it. A Namibian Foreign Affairs source said, however, that "we consider Walvis Bay ours and we'll go there freely".

This symbolism was an important element in the choice of a venue for the negotiations. It could not be Walvis Bay, for this would have posed the question of who was hosting whom. The Namibians were not prepared to be hosted by South Africa on ground they consider their own.

While President Nujoma said during his state visit to Cuba that Namibia's claim to Walvis Bay was not negotiable, the Namibian diplomatic position allows a little more room for manoeuvre.

It is that South Africa must recognise Namibia's sovereign right to the port and the offshore islands, but that once this principle is established, Namibia is prepared to look at a transition period during which the arrangement might be that of joint administration.

Foreign Minister Theo-Ben Gurirab has ruled out the idea of a free port, again on the basis of the principle that Walvis Bay is *de jure* Namibian. However, some Foreign Affairs sources have hinted that South Africa might be granted free access to the port for a period.

For its part, South Africa seems not to have moved much from its argument that Walvis Bay is sovereign South African territory.

The South Africans go further and cite the Organisation of African Unity decision in Lusaka in 1969 to recognise "present boundaries" (in other words colonial ones) as "the boundaries of what will be free and independent African states".

The positions of both governments seem intractable, but the fact that they have committed themselves to negotiations indicates a willingness to find a solution. — Star Africa Service.

ARGUS 12/3/91.

Namibia gets set to address the inequities of past

From DALE LAUTENBACH 22/4
Argus Africa News Service

WINDHOEK. — Namibian Prime Minister Mr Hage Geingob tabled his government's White Paper on National and Sectoral Policies to free the country from the economic and administrative inequities of the past.

Mr Geingob said while Namibia had made significant strides in its first year of independence it faced "innumerable hurdles created by the structures and economy of sharp contrast inherited by the country".

Listing the various ministries and the policies they were adopting, it emerged that the biggest problem facing most of them was redressing the bias of the past in the distribution of land, infrastructure and services.

Quoting figures for 1988, Mr Geingob said that while the per capita gross domestic product (GDP) was R3 000, the white population, which comprised five percent of the total, had an estimated annual per capita GDP of R41 250.

"Non-whites within modern economic activities (about 40 percent) had an estimated per capita GDP of R1 875; and the rest — non-white population dependent upon subsistence agriculture and informal activities — had an annual per capita GDP of R212."

HARD WORK

To address this, government had identified three main objectives: "First the government must catalyse the economy. Second, in pursuance of a just and equitable society, it must reduce income disparities. And, third, public expenditure must be restrained and redirected."

He stressed, however, that equality would not be achieved by government "handouts" and he called on all Namibians to work hard.

Mr Geingob identified the mining and energy sector, agriculture and fishing as the mainstays of the country's future.

International oil exploration companies had already expressed a "keen interest".

As 60 percent of Namibia's land was in the hands of five percent of the population, this too would be addressed.

submitted for consideration, to the successor to the NTC, the South African Roads Board.

Certain person appointed as attorney-general

*18. Mr A J LEON asked the Minister of Justice:

(1) Whether a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, has been appointed as an attorney-general; if so, what are the relevant details;

(2) whether this person's appointment relates to the Harms Commission of Inquiry; if so, (a) what was the extent of his involvement in the said Commission and (b) what is the (i) nature, (ii) extent and (iii) jurisdiction of the duties he has had to perform since the termination of the Harms Commission of Inquiry?

Hansard 12/3/91 B462E

The MINISTER OF JUSTICE:

(1) The person concerned has not been appointed, in terms of section 3(1) of the Criminal Procedure Act, 1977 (Act 51 of 1977), by the State President as an Attorney-General for a specific area of jurisdiction. He, however, holds the rank of an Attorney-General with corresponding salary. Officially he is assigned to the personnel of the Attorney-General, Cape Town. It may be added that it is possible in terms of the Public Service Act, 1984 (Act 111 of 1984), and the Public Service Staff Code to promote a person out of adjustment on sufficient cause. In this case he was prevented from filling the vacancy of Attorney-General, Kimberley due to his service with the Harms Commission of Inquiry.

(2) No. (a) and (b) fall away.

***Margit Rye*: seizure**

*19. Mr R R HULLEY asked the Minister of Defence: Hansard 12/3/91

(1) Whether he ordered, authorized, and/or was informed in advance of, the recent seizure of a vessel named the *Margit Rye* by members of the South African Navy or any other members of the South African Defence Force from its berth at Durban docks; if so, (a)(i) why was the seizure ordered and (ii) who carried it out and (b) on what authority was the order given to members of the Defence Force to seize this vessel;

(2) whether any disciplinary steps have been taken arising from this matter; if not, why not; if so, what steps;

(3) whether the *Margit Rye* has been the subject of any recent legal procedures involving the Defence Force; if so, what procedures?

Hansard 12/3/91 B463E

The MINISTER OF DEFENCE:

(1) I became aware of the matter in a routine manner. My authorization was not expected as the responsibility rests with the SA Defence Force.

(a) and (b) The seizure was ordered by an officer of the SA Defence Force who had the necessary authority and who acted on legal advice and in good faith.

(2) No, as above.

(3) Yes. Two civil actions were brought before the Natal Provincial Division of the Supreme Court of South Africa. I am prepared to supply further information about this matter to the Honourable Member in confidence.

Transkei Defence Force: amounts allocated

*20. Mr R V CARLISLE asked the Minister of Foreign Affairs:

(1) Whether, in respect of Programme 3 of Vote 4 of the Estimates of Expenditure for the 1990-91 financial year, any amounts were allocated for the Transkei Defence Force; if so, (a) what amounts and (b) for what purpose;

(2) whether any training or equipment is provided for the Transkei Defence Force by the South African Defence Force, Armscor or any other South African body; if so, (a) what training or equipment and (b) by whom?

Hansard 12/3/91 B464E

The MINISTER OF FOREIGN AFFAIRS:

(1) Yes

(a) R467 543

(b) The secondment of five members of the South African Defence Force as pilots and air technical staff.

(2) I suggest that this question be put to the Minister of Defence.

Hansard 12/3/91

Walvis Bay: discussions

*21. Mr C W EGLIN asked the Minister of Foreign Affairs: 221A

(1) Whether the South African Government has received any request from the Government of Namibia to enter into discussions on the future of Walvis Bay; if so, what was the Government's response to this request; Hansard 12/3/91

(2) whether the Government will take steps to initiate such discussions? B469E

The MINISTER OF FOREIGN AFFAIRS:

(1) and (2)

A joint statement by the Governments of South Africa and Namibia was issued in Cape Town and in Windhoek on 28 February 1991 to the effect that the South African and Namibian Governments had agreed to meet in Cape Town on 14 March 1991 to commence with negotiations on the subject of Walvis Bay.

UNHC: return of exiles

*22. Mr C W EGLIN asked the Minister of Foreign Affairs:

(1) Whether, with reference to his reply to Question No 20 on 26 February 1991, the South African Government is considering extending an invitation to the United Nations High Commission for Refugees to play a role in connection with the return of exiles to South Africa; if so,

(2) whether a decision has been reached in regard to this matter; if so, what is the decision? Hansard 12/3/91

B470E

The MINISTER OF FOREIGN AFFAIRS:

(1) and (2) The matter is still receiving attention.

Good Hope Teacher Training College

*23. Miss M SMUTS asked the Minister of Education and Training: Hansard 12/3/91

(1) (a) When did the Good Hope Teacher Training College start functioning and (b) on what premises was it situated;

(2) whether it was promised or intended that a proper campus be built for this college; if not, why not; if so, (a) when will it be built and (b) at what estimated cost;

(3) how many students are studying at the college at present?

B471E

The MINISTER OF EDUCATION AND TRAINING:

(1) (a) January 1987. Hansard 12/3/91.

(b) In buildings of the Eloxulweni Primary School in Khayelitsha.

(2) Yes.

(a) The planning of the new campus will be completed at the end of May 1991. The commencement of the building programme will depend on the availability of funds.

(b) Approximately R9,5 million.

(3) 771 fulltime and 110 part-time students (as on 7 March 1991).

Strategic stockpiles: value

*24. Mr K M ANDREW asked the Minister of Trade and Industry and Tourism:

What is the current value of the strategic stockpiles (a) owned and/or (b) financed by the State?

Hansard 12/3/91 B472E

The MINISTER OF TRADE AND INDUSTRY AND TOURISM:

The original objective of the stockpiling scheme of strategic commodities for general use, administered by the Department of Trade and Industry, was to give effect to the national stockpiling policy and strategy regarding identified commodities in order to promote the economic and security objectives of the RSA.

The stockpiling scheme was established some 25 years ago, at a time of increasing threats of sanctions and boycotts against the RSA. The scheme comprised the build-up of stocks of essential strategic imported commodities to act as a buffer, should effect be given to such threats.

Walvis Bay outcome could unleash a wave of other claims

B/Day 14/3/91. 221A

DEREK FLEMING

THE negotiations starting today in Cape Town between Namibia and SA over disputed title to Walvis Bay and the Penguin group of islands could, if they go wrong, turn upside down critical aspects of international law affecting, among other things, other areas of southern African geography and sensitive UK territorial claims.

The world community insists Walvis Bay and the islands be surrendered to Namibia in resolutions of the General Assembly and the Security Council of the UN. The bay is the only deep-water port and viable harbour serving Namibia — 90% of the country's trade passes through it.

Having no natural resources, Walvis is primarily a strategic asset to Namibia. Without use of the port facilities, the Namibian economy would perish as it is wholly directed towards exporting mineral ore, ranching produce and what is left of the fish catch. Windhoek's control over Walvis would allow economic independence. For Swapo, denial of this control represents apartheid's purchase upon their throats.

So far Pretoria has set an unenthusiastic pace — cultivating the impression that anything may be discussed while simultaneously reserving its legal position. UN Security Council Resolution 435 refrained from mentioning the territories for fear of scuppering the independence initiative; a similar concern excluded the matter during its implementation in 1989.

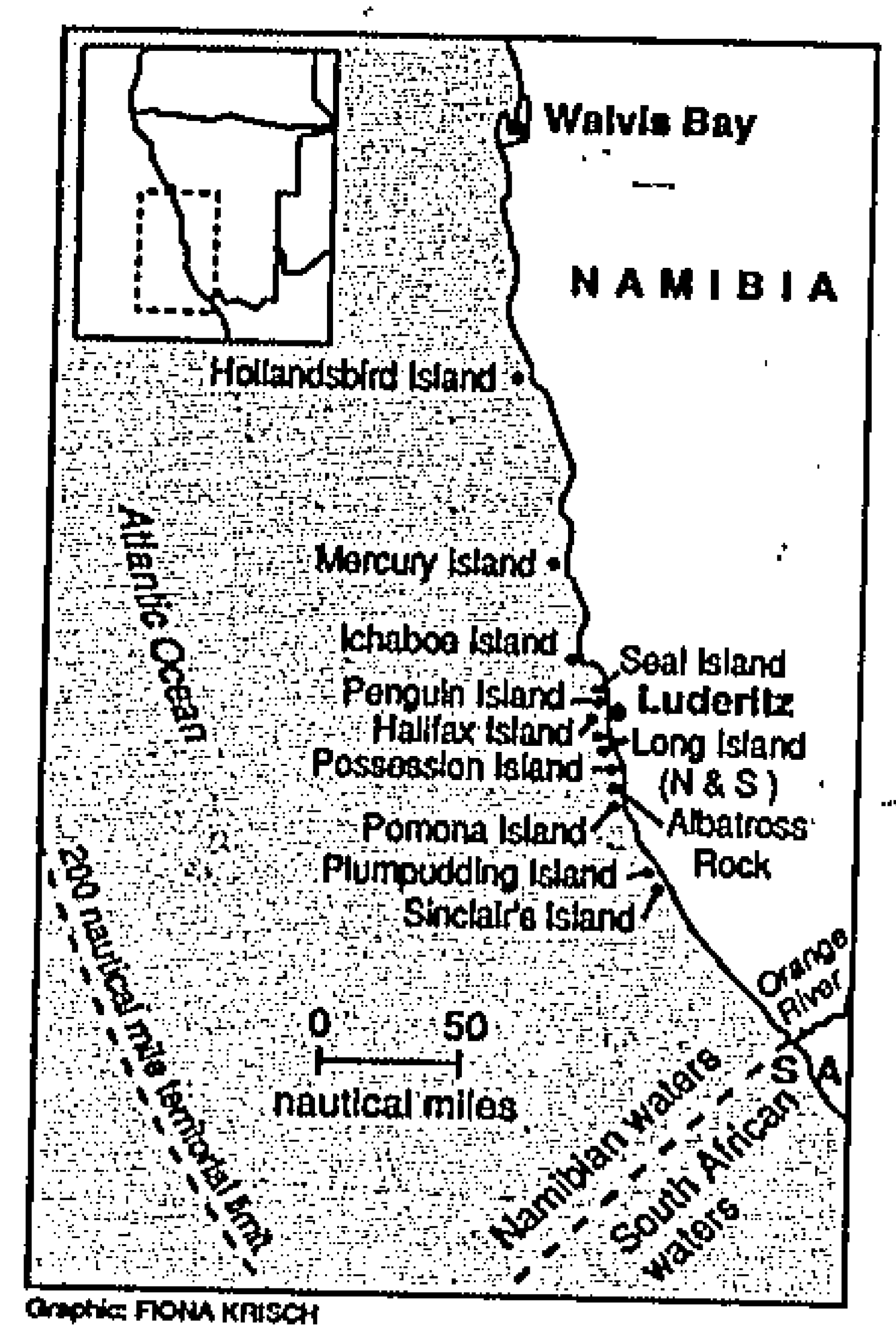
Politically, Swapo needs to deliver some advance towards reincorporation; extensive compromise might upset its chances in next year's elections for the upper House of the National Assembly. Current uncertainties are further delaying development planning, exacerbating the unemployment crisis.

Sources in the Union Buildings suggest a solution could take a number of forms. Ideally, for SA Foreign Minister Pik Botha, would be some Namibian involvement in the administration of Walvis Bay, either jointly or shared, while sovereignty stays where it is. Botha has stated "it is not necessary to elevate this to an international dispute; we are prepared to be flexible". Should an amicable solution prove evasive, Swapo will unhesitatingly refer the issue of title to the International Court of Justice (ICJ).

Free port status similar to Hong Kong's is widely mooted, but remains impracticable for infrastructural reasons. Whites in the Walvis enclave wish SA to stay, believing Namibia insufficiently competent to maintain harbour facilities. The legal possibility of joint sovereignty exists as an alternative to Pretoria's ceding full title. A Swapo signature on a treaty establishing such a régime would put paid to the cherished notion of incorporation at law and in practice, at least until a government sympathetic to Swapo comes to power in SA.

Namibian Foreign Minister Theo-Ben Gurirab, pragmatic and wily, might settle for interim, joint administration; phased-in control and full sovereignty later, after SA attains a new constitution.

Gurirab has gained one advantage in being the guest party at the first round of talks — protocol permits the Namibians to spell out their position before the dealing begins. If Swapo have altered their decades-old position, here is when the first indication may be given. It is, however unlikely.



Graphic: FIONA KRISCH

Namibia could raise the "illegitimacy" of the De Klerk government and hence its *locus standi* in these discussions. But this would be a self-defeating argument for Swapo as it would allow the SA government to stall further on a negotiated solution.

If delays continue until the advent of a new constitution for SA, the perspectives of extra-parliamentary groups become relevant.

Azapo, PAC and the ANC unanimously agreed the bay and islands are properly Namibian. Inkatha hopes to find a position soon. None had considered that the jurisdictional bounds of a non-racial state might exclude cession of these territories under an entrenched section of the constitution.

ANC spokesman Yusuf Salojee described the Penguin group of islands as returnable on the basis of "historical association and geographical proximity" — a known notion in the general development of international law. Mandela similarly assured Nujoma in public and in private last month.

But this opens up a whole series of previously unforeseen consequences. Such unqualified criteria strengthen claims by Lesotho to parts of the Free State and Swaziland to KaNgwane. The ANC "resolves" the quandary by deferring all title claims till after the constitution is finalised. Windhoek's demands are exceptional, presumably, because Walvis and the islands' sovereignty is subject to two UN decisions.

Here the history of Walvis becomes relevant. Royal Navy Commander Dyer annexed the bay in 1878 in the name of "His Majesty". Letters Patent authorising transfer to the Cape were taken up six years later, and in 1910 it transferred into the Union. Imperial Germany recognised SA title to the bay and 12 islands rich in guano down the southern coast. First claimed for Britain in 1861, the largest is 90ha. The richest South Atlantic fish resources were in these waters.

In 1922, Walvis Bay and the islands were transferred to Windhoek's administration as part of the "fifth province". In 1977 Prime Minister John Vorster returned them to Cape control pending the passage of Resolution 435 in 1978.

Clearly Pik Botha would prefer to avoid arbitration at the ICJ in a period when foreign perceptions of SA's polecat status are changing. But, in terms of international law, Pretoria's claim to Walvis and the islands is stronger than its earlier claim over South West Africa. Precedent for Swapo's contention is not extensive because it is recent and untried — though customary international law on the right to self-determination of decolonised peoples and territorial integrity of non-self-governing territories are settled law. Besides, Swapo has stuck to broad principles only.

Shifting criteria for establishing sovereignty — in Dyer's day merely raising the Union Jack and invoking a proclamation to a peopleless stretch of desert coast was sufficient — have consequences for other states. Britain, say, would be concerned about an ICJ opinion favourable to Swapo's position: it holds import for Crown sovereignty in the Falklands, Gibraltar and even Ulster. Should Swapo prevail at The Hague, the head of the Commonwealth won't be pleased.

If a solution is to be found, at least one side, perhaps both, need to move beyond yesteryear's rhetoric. Both stand to lose from protracted bickering. Every consideration urges a speedy, negotiated settlement of the Walvis dispute. The world is not watching indifferently.

□ Fleming, a journalist with a legal background, has drafted legal opinions for the then UN Council for Namibia, and at present writes for a New Delhi-based news agency. These views are his own.

Namibia's bid to reclaim Walvis Bay

2217

South 14/3 - 20/3/91

Mr Pik Botha and Mr Theo-Ben Gurirab in Cape Town this week PIC: SALLY SHORKEND

THE Namibian Minister of Foreign Affairs, Mr Theo-Ben Gurirab, heading a delegation from Namibia, flew to Cape Town on Wednesday to hold talks with the South African government on the future of Walvis Bay.

They were met by South Africa's Minister of Foreign Affairs, Mr Pik Botha.

Meanwhile, the South African Railway and Harbour Workers Union (Sarhwu) planned a two-day national stayaway this week in support of the Namibian government's demand for the reincorporation of the major harbour and off-shore islands into Namibia.

Sarhwu also demanded that no joint administration should occur over the harbour.

Outlining Namibia's position to the South African government, Gurirab said neither the Organisation of African Unity (OAU) nor the United Nations recognised South Africa's claim to Walvis Bay.

He said a vital component of Namibia's self-determination was that its political independence be linked to permanent sovereignty over natural resources.

"Consequently, Namibia's independence would be incomplete without the actual reintegration of Walvis Bay and the off-shore islands into the rest of the country."

He said South Africa would be in breach of trust if it continued to cling to Walvis Bay.

"Consequently, the refusal to hand over the mentioned territories on the day of Namibia's independence will remain a monument of treacherous intent, motivated by ulterior motives," Gurirab said.

"Both our peoples have had enough of conflicts, suffering and endless bickering over issues which, given the political will of the parties concerned, could be resolved. Surely, none of our peoples would want a protracted dispute over Walvis Bay."

He proposed that the two governments reach an agreement which would serve as a framework for the final settlement of the dispute on the enclave.

On reaching agreement on the central issue of sovereignty, a transitional administration should be put in place with immediate effect, Gurirab said.

Old debts confront Namibia's Swapo

221A

BDay 15/3/91

LINDEN BIRNS

AT THE same time as it is trying to build a strong economy by luring foreign investment, Namibia's Swapo-led government is taking the opportunity to pay back old debts to former allies and comrades-in-arms.

But talk to the average (black or white) Namibian and, after a furtive glance over his shoulder, he will tell you that Swapo as a party should repay those debts, and that the money should not come from public coffers.

Foreign Affairs Permanent Secretary Andreas Guibeb, in an interview in Windhoek, said the government had moved away from socialist ideas of wealth redistribution to Western ideas of wealth creation.

It was accepted that this would increase the economic "cake", enabling Namibians to benefit from bigger slices of the national wealth. It was in line, too, with government's declared policy of creating a stable political and economic environment conducive to foreign investment.

Foreign investors needed security, "and our President Sam Nujoma has stated government recognises it is not in a position to solve the country's economic problems alone", he said.

"We have to send positive signals to the big investors in the US, Europe and Japan, and get them to sink their money in Namibian projects."

Asked whether he thought the donation of R1m in taxpayers' money to the ANC in SA, and the invitation to Cuban President Fidel Castro to a multimillion-rand government "birthday party" could not be misconstrued as negative signals by potential investors, Guibeb said: "Both Cuba and Swapo were founder members of the Non-Aligned Movement.

"Cuba provided a great deal of assistance to our people in exile. So it's important as a gesture to invite Castro to the birthday party. It should be seen in that perspective."

The government should be judged on its track record.

The constitution was the ultimate guarantee for investors as it enshrined the free market economy and barred arbitrary nationalisation.

He did not comment on the R1m cheque handed to the ANC, which appeared as an item to be accounted for in Namibia's recent Appropriation Budget to cover heavy government over-expenditure.

Despite the staging of an investors conference in Windhoek last month, and earlier promises of foreign investment, little has been forthcoming so far.

● Survey: Pages 16-20

Windhoek service sold to Intercape

CMA-Times 15/3/91

221A

WINDHOEK. — The Namibian company F P du Toit Transport (Pty) Ltd has sold its luxury mainliner coach service to Intercape in South Africa, managing director Mr Willie du Toit said in a news release issued here.

Cape Town-based Intercape is owned by Mr Johan Ferreira, who was well known in Namibian transport circles for 21 years.

Both Mr Ferreira and Mr Du Toit emphasised that there would be no immediate changes to the mainliner service.

Mr Du Toit said the takeover would not affect Namibian employees as Intercape had agreed to accommodate all Namibian staff.

He said his company intended to concentrate on freight transport in future and had already concluded major contracts with neighbouring countries. — Sapa

430
270
160

Employment crisis may hurt Namibian govt at the polls

221A

B Day 18/3/91

Business Day Reporter

MANY of the 43 000 exiles who returned to Namibia are still without jobs, according to the latest edition of Africa Confidential.

It says even those with qualifications obtained in exile have found these do not provide an automatic passport to a government job.

"Unemployment is conservatively estimated at 30% to 40% or more of the active population in Windhoek and other towns.

"There are nearly 200 000 people in formal sector employment, including the bloated government service of some 40 000, while 70% of the population depend on earnings from agriculture or migrant labour. A downturn in construction has cut the workforce in this sector from 12 000 to less than 6 000."

The magazine says weak base-metal and uranium markets mean that Rossing Uranium, which has already frozen recruitment, may cut production by 25% for the next two years.

And, it says, mining and energy investments are capital rather than labour-intensive.

Discoveries are unlikely to bring significant employment growth in the near future, it continues, and this may not be soon enough for a government faced with a crisis of expectations from its electorate and the prospect of losing votes in coming elections.

However, it says Namibia is on course to establish an attractive investment climate.

"But it remains to be seen whether words will translate into the flow of private capital that President Sam Nujoma's government is counting on to revive growth in the economy and generate new employment opportunities.

It says joint ventures are being set up to exploit deep-sea fishing.

Despite its favourable geology, Namibia, it says, has been underexplored.

"In particular, the Kaokoveld region in the northwest, though lacking infrastructure, is believed to contain exploitable deposits of coal, iron ore, base metals and gold.

"Rossing Uranium is spending R3,3m this year on evaluating a large graphite ore-body. Other industrial minerals also have potential, such as high quality marble and granite."

Prospects of locating commercially recoverable hydrocarbon deposits are good, Africa Confidential says, and the government plans to award exploration licences this year.

"The Kudu gas field, just off the mouth of the Orange River, has reserves potentially as large as 425 000-million cubic metres — bigger than SA's Mossgas development.

"Onshore, Taiwan's Overseas Petroleum Investment Corporation plans to drill its first exploratory well near Etosha Pan later this year."

Standard of stock handling criticised

Star 20/3/91

By Paula Fray
Consumer Reporter

Consumers ultimately pay the cost of "disgraceful" handling of stock in stores, Grocery Manufacturers Association executive director Jeremy Hele told a distribution and logistics conference in Johannesburg yesterday.

An estimated R150 million a year was wasted by the industry if a conservative return figure of 1 percent was taken, Mr Hele said.

This could pay for 1 000 new hospital beds a year or schools for about 30 000 children, he added.

Addressing the South African Production and Inventory Control Society, Mr Hele said the disgraceful standard of stock handling and the almost criminal lack of any concern for the condition of products in store was based entirely on the fact that the manufacturer could be forced to pay for stock returned after it has been delivered and accepted.

Wasting

"This is naturally costed into the price charged to the retailer and ultimately paid for by the consumer," Mr Hele said.

"If we take a conservative return figure of 1 percent (many manufacturers average as much as three times that figure), this represents a figure of R150 million a year that the industry is wasting.

"Stock, once delivered and accepted in good condition, belongs to the purchaser. If this is accepted, then wastage figures in consolidated distribution are reduced to the almost non-existent figure which chains like Tesco in the United Kingdom report," Mr Hele said.

Demands were made on manufacturers to pay a "swell allowance", which was an amount of anything up to 2 percent of turnover. For this the retailer agreed not to claim for the stock damaged in his store.

"It is no more than a payment for a quantified level of inefficiency," he said.

Pharmacists can charge for advice

Star 21/3/91

Own Correspondent

DURBAN — Pharmacists are to be allowed to charge a professional fee to customers asking for medical advice, Pharmaceutical Council vice-president Don Sutherland has announced.

Speaking at the annual meeting of the Association of Retail Pharmacists, Mr Sutherland said the flexible fee would be added to the cost of any medicine which might be necessary.

Entitled

"Pharmacists, being professionals in medicine, will now be able to distinguish themselves from traders in medicine," he said.

The matter has been finalised by the Pharmacy Council. Final documentation will be sent to pharmacists in the near future, but the council believes that a pharmacist "is entitled to a just and reasonable remuneration for any professional services rendered".

The practical implications are that the council will no longer, by way of regulation, restrict the pharmacist to a professional fee of R1,30 up to R2,25 (at present built into the cost of prescriptions).

Don Sutherland

Mr Sutherland said pharmacists could charge for "logistical functions, processing of prescriptions and dispensing as well as for advisory and informative functions".

He added that the move "does not mean that getting medicine from the pharmacist will necessarily cost more than before, because what he now charges for a professional fee may be countered by not taking a profit on medicine if he so wishes".

Mr Sutherland also announced that pharmacists, "in a bid for survival", would take their plight to Minister of Health and Population Development Dr Rina Venter this week for arbitration and possible amendments to their legal and professional rights.

He said there were now 5 713 registered dispensing doctors in the country and 5 820 pharmacists.

"This is just not acceptable. The growth in the number of dispensing doctors has risen about 10 percent every year for the last five years while the increase in numbers of pharmacists was only about 4 percent over the same period."

Sweeping

A meeting was held on January 25 between the Pharmaceutical Council, the Minister of Health and the Joint Parliamentary Committee on Health.

At this week's meeting between the Pharmaceutical Council, the Minister and the Joint Parliamentary Committee on Health, sweeping changes could be approved by the Minister.

These may include the granting of legal rights to pharmacists to prescribe more scheduled drugs.

R36-m payout for troops on both sides of Namibian war finalised

WINDHOEK — Finality has been reached on the payout of R36 million by South Africa to former combatants, from both sides, in the Namibian bush war, Dieter Petzsch, spokesman for the South African mission in Windhoek, said yesterday.

Star 20/3/91

Divided

He said an amount of R12 million had been paid into Namibia's Standard Bank — because it had the largest distribution of branches — to be divided evenly among 9 000 former members of the SWA Territory Force and Koevoet paramilitary police unit.

Payment would begin on April 2 to a verified list of beneficiaries.

South Africa's representative in Namibia, Riaan Eksteen, on Monday handed Namibian Foreign Affairs Minister Theo-Ben Gurirab a cheque for R12 million to be paid out to former members of Plan, Swapo's military wing. Plan and the South African-led SWATF and Koevoet units engaged in a 23-year bush war before Namibia's independence last March.

A third amount of R12 million was being kept in a contingency fund for which the details were still being worked out, Mr Petzsch said.

The payout affects only former fighters who were demobilised before independence.

He said South Africa had planned, before independence, to make a payout to SWATF and Koevoet servicemen.

"At independence President Sam Nujoma asked President de Klerk quite specifically if Plan members could also be accommodated," Mr Petzsch said.

221A

Pledged

The R36 million includes the R25 million pledged by South Africa to assist Namibia at an international donors conference held in New York in June as well as the amount earmarked for former Koevoet and SWATF members. — Sapa.

Namibia may join money area

Sowetan 21/3/91

221A

DRAFT agreements to admit Namibia as the fourth member of the Common Monetary Area with South Africa, Swaziland and Lesotho, were being prepared, Mr Barend du Plessis said yesterday.

In his Budget review tabled in Parliament, he said a bilateral monetary agreement had been concluded last April between South Africa and Namibia to formalise the continuance of the monetary status quo after Namibia's independence.

The agreement provides that the South African rand be the only legal tender in Namibia until otherwise agreed.

It also provides that Namibia will continue to have access to the South African money and capital markets as well as the foreign exchange markets and that funds will flow freely between the two countries.

Namibia had since applied to be admitted as the fourth member of the Common Monetary Area.

The Common Monetary Area Commission, on which the governments of Lesotho, whereby the State itself, through the funds proposed for 1991/92, can give greater impetus to housing and property rights for the poor than under the existing interest-subsidy scheme.

Du Plessis said in his Budget Review Vote that over 1,6 million people in South Africa could be regarded as squatters while another 1,7 million lived in backyards.

"The pressing backlogs in housing in respect of particular populaiton groups are cause for very serious concern."

female educators in qualification category B and lower. Later in 1990 the Cabinet decided to eliminate all the remaining disparities in two phases. (a) Phase 1 will be implemented during the 1991/92 financial year and Phase 2 during the 1992/93 financial year.

With the implementation of Phase 1 the salary disparity which is at present two salary notches in respect of female educators in qualification categories A, B, C and D, will be reduced by one salary notch, while the remaining disparities will be eliminated in Phase 2. A press statement in this regard was issued on 4 October 1990. (b) The prevailing salary scales of male CS educators at the time of the implementation of the respective phases will be applied.

(2) Yes, as and when a decision is made regarding the date of implementation in respect of each of the two phases.

HOUSE OF ASSEMBLY

QUESTIONS

†Indicates translated version.

For written reply:

General Affairs:

Namibia: amount donated/budgeted

23. Dr W J BOTHA asked the Minister of Foreign Affairs:†

(1) What amount did the Government (a) donate and (b) budget for donation to Namibia in the 1990-91 financial year;

(2) whether he has been informed that the government of Namibia has donated money to the ANC; if so, what are the relevant details;

(3) whether the Government intends donating an amount of money to Namibia this year;

(4) whether the Government has donated money to other countries in Southern Africa during the current financial year; if so, what total amount has been donated to each of these countries? B67E

The MINISTER OF FOREIGN AFFAIRS:

(1) (a) and (b) Hansard 22/3/91

No amount was specifically budgeted for purposes of a donation to Namibia, but as declared repeatedly, an amount of R36 million was provided for demobilisation purposes for ex-servicemen.

(2) No, not officially. I am, however, aware of newspaper reports to the effect that an amount of R1 million has been donated by the Namibian Government to the ANC. I have no further details.

(3) No. 221A

(4) Money as such has not been donated, but milk powder to the value of R250 000 and cholera antidotes to the value of R61 503 have been donated respectively to two countries in Southern Africa.

Ciskei: involvement of SAP

27. Mr A E DE WET asked the Minister of Law and Order:

(1) Whether any members of the South African Police assisted the Ciskei Government in the search for persons involved in the alleged attempt to overthrow the military government in Ciskei on or about 27 January 1991; if so, (a) at what time were they given the order to assist in the search, (b) how many policemen were involved and (c) what was the nature of the assistance provided;

(2) whether any members of the South African Police operated within the borders of Ciskei on this occasion; if so, in what areas; Hansard 22/3/91

(3) whether any policemen accompanied or assisted the Ciskei forces that located Mr Charles Sebe in or near Gubevu near Stutterheim; if so, what were the circumstances surrounding the shooting of Mr Sebe;

(4) whether any members of the South African Police (a) fired any shots or (b) apprehended any suspects while assisting Ciskei; if so, (i) under what circumstances and (ii) with what result? B83E

The MINISTER OF LAW AND ORDER:

(1) Yes.

(a) On 27 January 1991 at 09:30.

(b) 16.

(c) Making available patrol dogs to help track down a fugitive who was presumed wounded. Due to the trampling of the area the dogmasters and patrol dogs were withdrawn after a short fruitless search.

(2) Yes, in the Izeli and Gubevu administrative areas.

(3) No.

(4) (a) No.

(b) No.

(i) and (ii) Fall away.

Viljoen hints at new regional govt set-up

Star 22/3/91

(221A)

By Peter Fabricius
Political Correspondent

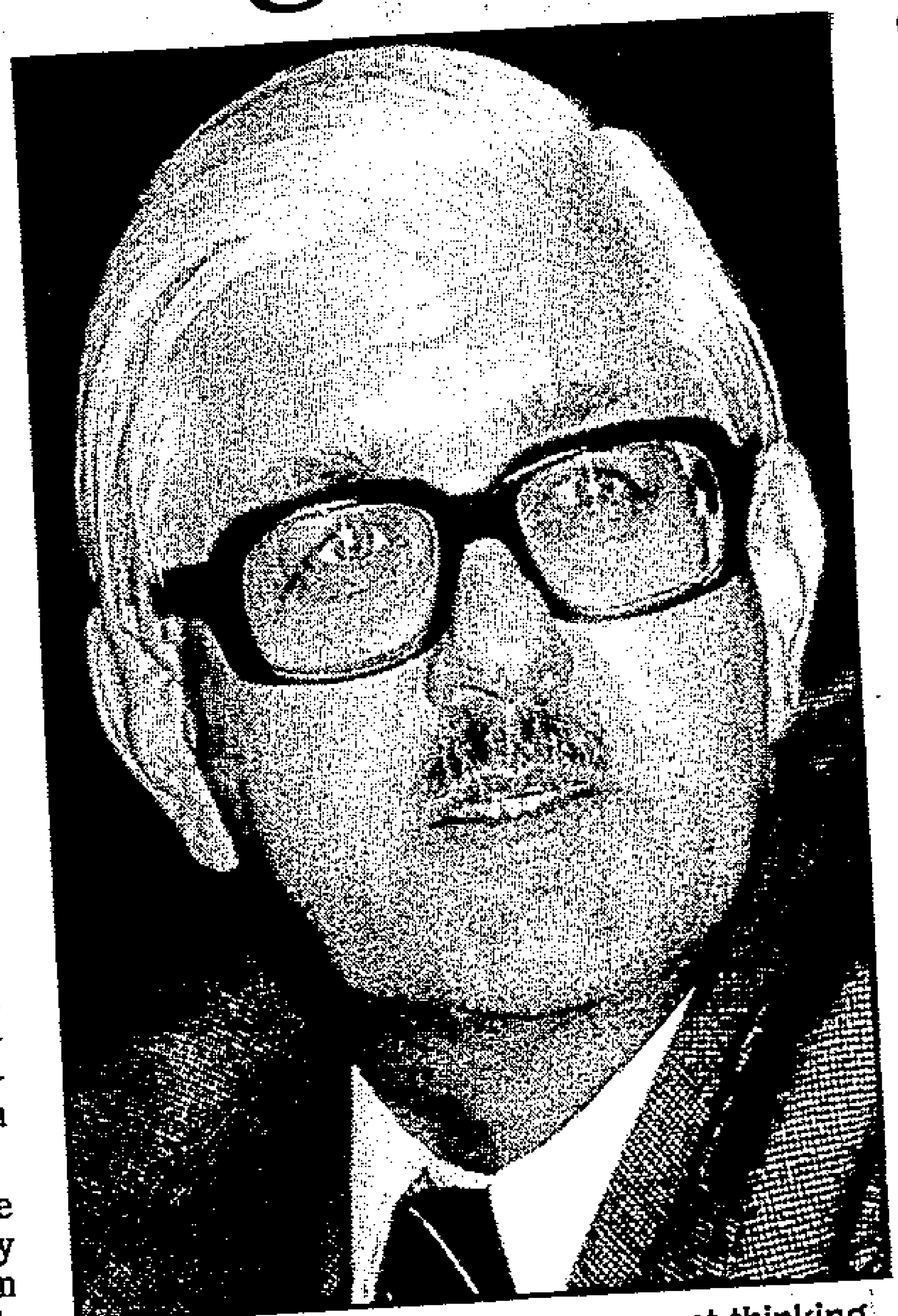
The provincial, self-governing and regional services council authorities should be scrapped and replaced with the present nine development regions as autonomous political entities, the Government has suggested.

Political power and administrative functions could be devolved to new structures in these regional units, Constitutional Development Minister Dr Gerrit Viljoen said at the annual meeting of the United Municipalities Executive in Cape Town yesterday.

This is the first time Dr Viljoen has publicly spelt out what is known to be the Government's thinking on regional government.

He said South Africa would have to choose an option somewhere between complete centralisation and a "classical federation".

"Whereas the transformation of an historical union of provinces into a classical federation would seem to be artificial, the centralisation of all real governmental power would diminish democratic values and open the way to those who pursue absolute power," he said.



Dr Viljoen . . . spelt out Government thinking.

Dr Viljoen said it was necessary to consider a system of autonomous regional government, in line with the Government's policy of effective devolution.

However, regional government structures should not be seen as a substitute for full political participation in central Government but rather as an important and necessary building block of the new constitution.

He did not wish to be too prescriptive about regional government as the debate had just begun.

But he listed several "points of departure":

- Nonracial, democratically elected and autonomous regional government would greatly enhance the viability of the overall constitution.
- Therefore the basic principles of regional government must be put in the constitution.
- The boundaries of new regional governments ought to be based on geographical features, historical communities, economic factors and existing regional differences.
- But the most important determinant was the will of the people.
- "I believe that the development regions can serve as a point of departure for defining new regional boundaries, replacing and rationalising the present diversity of overlapping regioinal territories: provincial, self-governing, development and RSC areas."
- Regional governments had to recognise and protect communities and cultural minorities.
- Regional governments would be effective only if endowed with effective functions and independent fiscal sources and powers.
- Not only administration but also political power should be devolved to the regional governments.
- The overall responsibility for local government should rest at regional level.
- However, regional authorities would not act as controllers of local government but would provide guidance and assistance.

THE WALVIS BAY ISSUE

OVER TO NELSON

221A

FM 22/3/91

Through a quirk of political fate, the decision on the handing over of Walvis Bay to newly independent Namibia will very largely rest in the hands of the ANC. Attached to that move — if it occurs — will be the nature of SA's future relations with the Swapo government of Sam Nujoma.

In a carefully calculated diplomatic move, Foreign Minister Pik Botha and his team of negotiators have shifted responsibility for the Walvis ownership issue to the NP's prospective partners in the constitutional negotiation process.

Senior government sources close to the talks on the enclave told the *FM* this week that the De Klerk government has, in principle, decided to hand over the harbour town to Windhoek.

That was the message which Botha gave to his Namibian counterpart, Theo-Ben Gurirab, when the two men and their negotiating teams met in Cape Town a week ago.

However, the South Africans made it clear to Gurirab that such a decision could not be taken by Pretoria alone — and that it would entail an amendment to the constitution. Walvis Bay's linkage to SA dates back to the colonial era and the Namibian claim rests on geographic and economic arguments; territorially it is part of SA. If SA agrees to cede authority, it would be internationally welcomed as a gesture of goodwill to a former enemy.

Botha emphasised that his government was not prepared to initiate any amendments to the constitution at this delicate stage of the pre-negotiating phase involving the ANC and other interested parties. Amendments — including any decision on the future of Walvis Bay — could, therefore, only be discussed, at the earliest, during the planned all-party conference due to take place later this year, Botha told the Namibian delegation.

As the NP had already agreed in principle to hand over Walvis Bay, a final decision on its future would rely on the other parties. The ANC would in all probability be the determining factor.

The *FM*'s sources say that Gurirab was visibly disappointed by the outcome of the talks. The Namibian government had never doubted that Pretoria would hand over the town.

Now it finds itself having, in effect, to negotiate the issue with the ANC. This could raise problems.

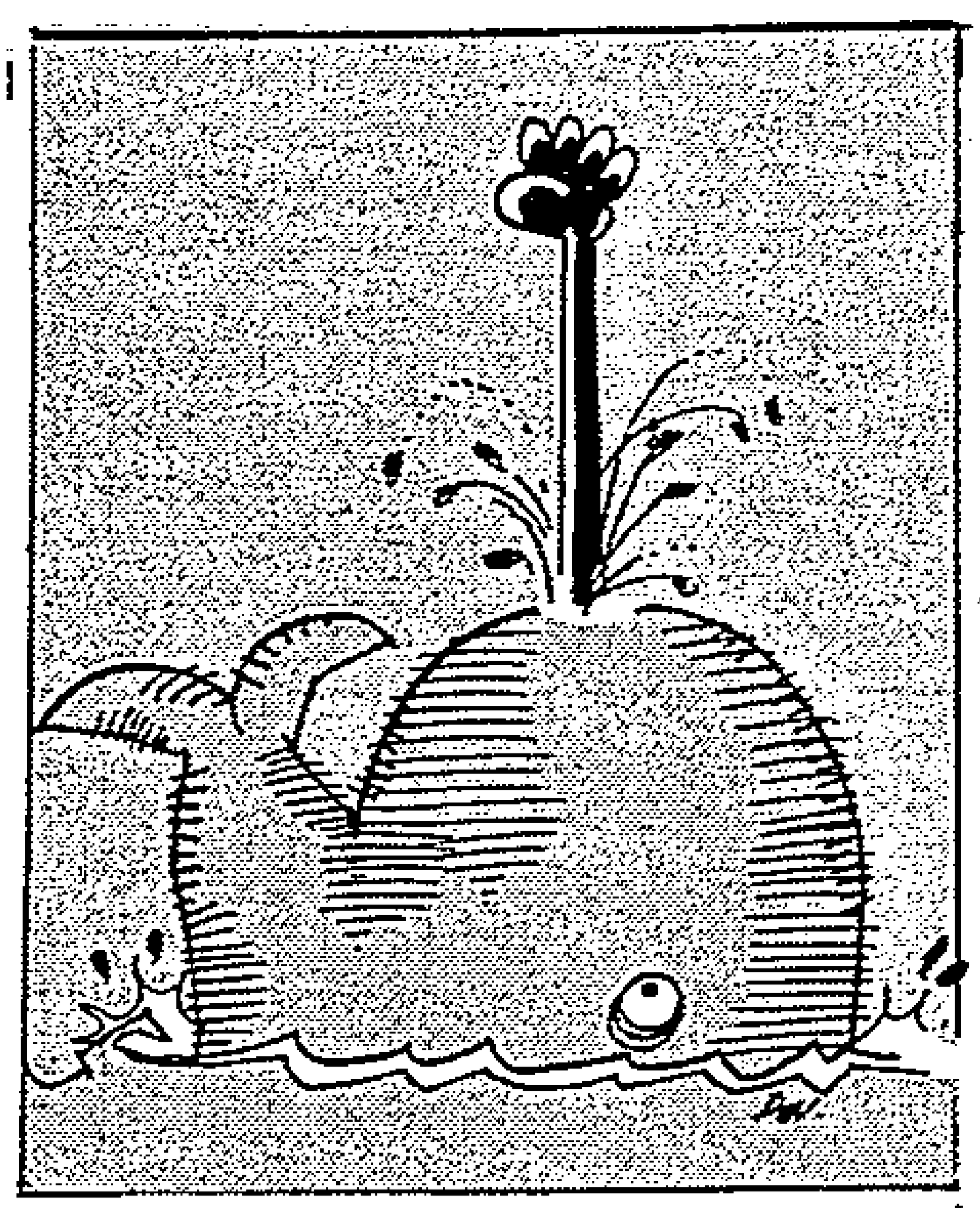
Would the ANC *want* to hand over Walvis Bay, for example?

At this stage, the ANC has not indicated what its position on Walvis Bay might be. A reluctance to agree to a handover would sour relations between themselves and Nujoma's Swapo — but the issue simply hasn't been adequately addressed within the ANC, along with many other issues.

Gossip

Diplomatic circles are buzzing with gossip about the relevance of the R1m donation by the Namibian government to the ANC recently, in the light of which, the ANC would presumably be hard pressed to deny Nujoma's claim to Walvis Bay, it is speculated.

There is also the obvious point that SA — whatever legal and historical claims it may have on the enclave — has a lot to gain internationally by handing over Walvis Bay. An obstinate position over the enclave could damage the diplomatic breakthroughs which began to manifest themselves after De Klerk started his reform initiatives. This week, the Johannesburg daily, *Beeld*, said all realistic South Africans accepted that SA should relinquish the town.



During the Cold War and the heyday of Soviet expansionism, it was to SA's advantage to have access to a strategic harbour close to Angola; but that has now lapsed, the newspaper argued. *Beeld* also questioned the financial benefits of Walvis Bay to SA. Compensation can be negotiated, it said, adding that instead of engaging in a futile battle for the retention of Walvis Bay, SA's energies should rather be directed at finding an acceptable solution for its own problems relating to land.

Botha told Gurirab that until such time as a decision had been taken by the all-party conference and the constitution had been amended, Pretoria would be amenable to the idea that Walvis Bay be jointly managed by the two governments during the interim period. Both Botha and Gurirab said they would report back to their respective governments.

No date has yet been set for another meeting.

Eddie Botha

THE CABINET

DEVICES AND DESIRES

FM 22/3/91

Deputy Finance Minister Org Marais is back in favour but Agriculture Minister Jacob de Villiers is on his way out. In simple terms that's the message of last week's Cabinet reshuffle.

Marais, the second most senior deputy minister after Roelf Meyer takes over from Trade & Industry and Tourism Minister Kent Durr who is ambassador-designate to London. Marais' post will be filled by Durr's deputy, Theo Alant, once a firm favourite for Durr's job.

Marais, a former head of Unisa's business school, seemed to have reached the pinnacle of his political career as a deputy minister and was seldom tipped to go any further. He is regarded as a government workhorse, having chaired various commissions and investigations into technical aspects of financial and economic policy and has a suitable background for Trade & Industry.

Jacob de Villiers was brought into President F W de Klerk's first Cabinet as a specialist. He is indirectly elected by the Nat caucus and has not fought an election. A former "Farmer of the Year," he was apparently regarded as the right man to stem growing hostility in the financially squeezed and politically nervous farming community and to try to put agriculture back on to an economic footing.

However, it is understood that his autocratic management style severely undermined his standing among farmers and organisations marketing farm products. His replacement has been widely welcomed in the farming community. Though De Villiers retains his Development Aid portfolio, and has been given the added responsibility of Public Works & Land Affairs (previously with George Bartlett), it seems that his days in Cabinet are numbered.

Kraai van Niekerk, now "own affairs" Agriculture Minister, takes De Villiers' job. Though a Cape MP he is regarded as tough enough to handle the powerful rightwing farming lobby in the Transvaal.

His deputy will be Tobie Meyer, elder brother of Roelf Meyer — and also a former "Farmer of the Year." Meyer, the MP for Cradock, is regarded as a new-generation Nat keen to push on rapidly with reform.

The other new deputy minister is David Graaff, son of former United Party leader

continued →

Continue →

Illegal Spanish trawlers still defy Namibians

221A

star 23/3/91.

DALE LAUTENBACH

WINDHOEK — The three Spanish trawlers caught fishing illegally off the Namibian coast were still refusing to co-operate with defence force members who boarded the vessels on Thursday.

Mr Calle Schlettwein, permament secretary in the Ministry of Fisheries and Marine Resources, confirmed late yesterday that the vessels were still at anchor about 100 sea miles from the coast just north of the South African border.

His department would do "everything within our power" to bring the boats to shore and the captains to court. He said the defence force members on the boats were authorised to use force.

The boat captains had refused orders from the Namibian soldiers and fisheries inspector who were dropped on to the decks by helicopter, to turn about and head for the port of Luderitz.

In what appears to be a sort of stand-off, the boats dropped anchor and a Fisheries Department vessel, Nautilus II, was sent to convince the captains to give in.

If the Nautilus is successful, the boats should reach Luderitz today from where the captains will be sent to Windhoek to face charges.

There is a R1 million penalty clause for illegal fishing in Namibia's recently established 200-mile Exclusive Economic Zone. The law also provides for seizure of the catch on board and of the boat itself.

SA helps as Namibians intercept Spanish ships

ARGUS 25/3/91 (2214)

From DALE LAUTENBACH
Argus Africa News Service

WINDHOEK. — South African coastal authorities came to Namibia's aid in the arrest of three Spanish trawlers allegedly fishing illegally in Namibia's 200-mile exclusive economic zone.

Mr Calle Schlettwein, permanent secretary in the Ministry of Fisheries and Marine Resources, told Namibian television last night that the help from the South Africans had been crucial in forcing the three boats to turn and head for Luderitz.

The boats were apprehended by members of the Namibian Defence Force (NDF) using hired helicopters on Thursday, the anniversary of Namibia's independence.

The captains had, however, refused to co-operate and change course for Luderitz as instructed. Instead they headed south to the border with South Africa and anchored there about 100 nautical miles from the coast.

Mr Schlettwein said they had been persuaded at the weekend to sail for Luderitz when it became obvious that there was no escape.

R1 MILLION FINE

He gave no further details of the help South Africa afforded and was unavailable for further comment as he was en route for Luderitz late yesterday with a delegation from his department for on-the-spot investigation when the vessels reach the port.

It was not clear from the television report when the boats were to arrive in the port. However, on arrival they will be seized and the captains arrested and taken to Windhoek to face charges.

Mr Schlettwein said last night that it was a matter of priority that Namibia establish permanent coastal surveillance as the country had to rely on "piecemeal" operations involving the hire of equipment from private companies.

In November the NDF swooped on five Spanish vessels using a helicopter hired in Cape Town. Last week's operation was described as similar to the November one.

The penalty clause for illegal fishing provides for a R1 million fine and the confiscation of the boat and its catch.

NEWS

SA helps to seize trawlers off Namibia

Star 25/3/91

221A

By Dale Lautenbach
Star Africa Service

WINDHOEK — South African coastal authorities came to Namibia's assistance in the arrest of three Spanish trawlers found fishing illegally in Namibia's 200-mile Exclusive Economic Zone.

Calle Schlettwein, permanent secretary in the Ministry of Fisheries and Marine Resources, told Namibian TV last night that the help from South Africa had been crucial in forcing the three boats to turn and head for Luderitz port.

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Mr Schlettwein said they had been persuaded over the course of the weekend to sail for Luderitz when it became obvious that there was no escape.

He gave no further details of the help South Africa afforded and was unavailable for further comment as he was en route to Luderitz.

When the Spanish boats arrive in the port, they will be seized and the captains arrested and taken to Windhoek to face charges of illegal fishing.

Mr Schlettwein said there was no doubt the trawlers had been fishing illegally.

In November the NDF swooped on five Spanish vessels using a helicopter hired from Court in Cape Town.

The penalty for illegal fishing provides for a R1-million fine and the confiscation of both the boat and its catch.

Navy hands over trawlers carrying Namibian officials

B Day 26/3/91

WINDHOEK — Two vessels of the SA Navy handed three Spanish trawlers back to Namibian officials off the port of Luderitz yesterday after escorting the trawlers from SA waters back to Namibian waters. (221A)

Foreign Minister Pik Botha said the Navy strike craft SAS Oswald Pirow and mine counter-measures vessel SAS Umkomaas were instructed to escort the vessels back following a request from the Namibian Ministry of Foreign Affairs on Saturday.

The trawlers had left the Namibian waters last week carrying Namibian fisheries inspectors and soldiers who had boarded them because they had been fishing illegally in Namibian waters.

Navy spokesman Capt Rohan Erleigh confirmed in Pretoria yesterday that the SA Navy had handed the trawlers — and the Namibians — back to Namibian officials aboard the Namibian vessel Oryx earlier in the day.

Botha said the Spanish government had been informed of the developments surrounding the trawlers.

"It is believed that the Spanish government is not aware of these illegal activities," Botha said.

The three trawlers were sighted on Thursday during Fisheries and Marine Resources Ministry surveillance operations using a helicopter and a spotter plane.

Five other Spanish trawler captains were arrested last November in a similar operation for fishing illegally inside Namibia's 200-mile economic exclusion zone.

They are due to be sentenced in the Windhoek High Court on April 10.

It was not clear yesterday whether the three trawler captains would be charged with kidnapping the Namibian officials. — Sapa.

221A Africa

Namibia: Spanish govt responsible

WINDHOEK. — The Namibian government holds the Spanish government directly responsible for the actions of three Spanish trawlers, apprehended for fishing illegally in Namibia's territorial waters last week, according to Namibian Foreign Affairs Minister Mr Theo-Ben Gurirab.

Mr Gurirab has summoned the Spanish ambassador, Mr Carlos Sanchez de Boada, to his office here over repeated violations of Namibia's territorial waters by Spanish nationals.

Meanwhile, Namibia's prosecutor-general Mr Hans Heyman said here yesterday that Namibian police had arrested 11 senior officers of the three trawlers.

They were due to have appeared in the Keetmanshoop Magistrate's Court. No charges have yet been formulated.

Mr Gurirbab said the Namibian government's authority was being challenged by the repeated violations by Spanish fishing boats.

If actions like those of the three trawlers were not stopped, they were likely to "spoil relations" between Namibia and the European Community (EC), he warned. — Sapa

Khumalo to present BC plan in Namibia

Sowetan 28/3/91 (2211)

Mr Phil Khumalo, executive director of Business Challenge (BC), has been invited by the Commercial Bank of Namibia to present his "winning" scheme to the independent state, writes ALI MPHAKI.

This is a feather in the cap for Khumalo, whose brainchild, BC, has helped create jobs for thousands in South Africa.

"The Commercial Bank would like to introduce the scheme in Namibia because it is better understood by the people and is also backed by training," Khumalo said.

He will be in Namibia on April 4 to April 7.

BC was formed in 1986 and has acquired large membership since.

Among other acquisitions, the organisation has bought a shopping complex in KwaThema. It is solely owned by BC shareholders.

Motto

"Our motto is to preach to the community to own the businesses they support," Khumalo said.

He also announced that BC will be opening a branch in London soon. This is in line with the organisation's objective to introduce import and export lines for their members.

"We feel the talent of our people can be improved. I will be visiting London to tap the opportunity," he said.

Namibia concerned at delay over Walvis Bay

Star 3/4/91 221A

By Dale Lautenbach
Star Africa Service

WINDHOEK — Namibia, which wants an urgent resolution of the Walvis Bay dispute, is concerned that Pretoria might be trying to delay the issue until the all-party conference scheduled for later this year.

The suggestion first appeared publicly in a report in a South African periodical which quoted "senior Government sources close to the talks" as saying that the Government alone could not decide on the future of Walvis Bay as it would entail an alteration in the country's borders, which would in turn require changing the South African Constitution.

The sources said that at this "delicate stage" of negotiations between parties in South Africa and just prior to an all-party conference, Pretoria was unwilling to initiate unilateral changes to the constitution. Instead, it would like to see its "prospective partners in the constitutional process", who include the ANC, shoulder some of the responsibility.

The journal also reported that Foreign Minister Pik Botha told his Namibian counterpart, Theo-Ben Gurirab, that the De Klerk Government had already decided "in principle" to hand over the harbour town.

The suggestion of holding the issue over to an all-party conference is not wide of similar reports from knowledgeable Namibian sources.

Motives

Whatever they might think about Pretoria's motives for wanting to postpone the handover, officials in Windhoek reject the argument that handing over the port would first involve a change in the South African Constitution.

They point out that at the talks in Cape Town on March 14 the Government agreed to shift its northern border with Namibia from the north bank of the Orange River to the centre of the stream in accordance with international practice. No change to the Constitution was considered necessary.

On the question of agreement in principle, Mr Gurirab has made it clear that Namibia wants a recognition in principle that Walvis Bay and the offshore islands are an integral part of Namibia. It is prepared only to negotiate the modalities of the handover.

As far as Namibia is concerned, although round one went well in terms of laying the groundwork and goodwill for future talks, that recognition of principle was not given.

It is not clear to the Namibians what the South African Government would want to achieve by involving the ANC and others in the dispute if it has already established the principle of the sovereignty of Walvis Bay, the very kernel of the Namibian demand.

ANC officials have already publicly recognised Walvis Bay as part and parcel of Namibia.

The next round of talks between the two governments on the Walvis Bay issue is expected to take place in Windhoek "within weeks".

Namibia still caught in US sanctions net

(221A)

S1 Times 7/4/91

By XAN SMILEY
Washington

THE American rallying cry of sanctions against apartheid is so fervent that many cities and states have failed to notice that Namibia has been independent for more than a year.

An indignant anti-apartheid activist in Washington, whose city investment office still penalises Namibia, has refused to accept State Department advice that the fledgling country should be exempt.

She argues that the two countries "are still closely allied".

Of the 85 American cities and 26 states which still refuse to award contracts to businesses with South African connections, nearly a third still treat Namibia as a part of South Africa.

A black legislator from New York state recently introduced a bill to tighten sanctions against South Africa and included Namibia.

He was finally persuaded to exempt the newly independent country after an American consultant for Namibian companies sent documentary evidence showing that Namibia no longer practised apartheid.

Last year Maryland state delegate Nathaniel Exum, who had sponsored a sanctions bill against South Africa-cum-Namibia, was angered when a fellow Democrat tried to exempt Namibia — because he was unaware of its changed status.

A leading black congressman, William Gray, has tried to spread the word that Namibia is no longer under South African rule.

"Is Namibia part of South Africa?" asked the head of a huge Texas pension fund which refuses to invest in Namibian-connected business.

Informed that Namibia was independent, another pension fund administrator retorted: "I don't know about that."

Earlier this year, some 28 cities and four states were still penalising Namibia.

Atlanta will soon exempt Namibia from sanctions.

But Washington, the city of Baltimore and the states of California, Oregon, Maine and West Virginia still punish Namibia.

The worst news for Namibia is that many companies "don't want to chance it" because big contracts may be withheld if complicity with apartheid is suspected as a result of a Namibian link.

US firm in uranium deal with Rossing

221A

WINDHOEK — Rossing Uranium has signed an agreement with a US company to supply uranium for the generation of electricity. b10am 8|4|91

In a statement on Friday, Rossing announced the contract with Gulf States Utilities of Beaumont, Texas — the first US deal it has obtained since sanctions were lifted in March 1990.

The uranium order is for delivery from 1991 to 1997.

Rossing MD Michael Bates welcomed the new contract, but said it represented sales on a very small scale.

"Unfortunately, the amounts involved are too small to make any significant difference to Rossing's business in the short term," he said.

The contract would not affect the company's decision to reduce production.

Rössing has cut back production from 4 100 short tons a year to 3 250 short tons since April 1, due to the effect of sanctions against SA, which also applied to Namibia until independence last March, and an oversupply of uranium on the world market since the opening up of the Eastern Bloc countries.— Sapa.

'Excellent' prospects for Namibian mines detailed

B Day 12/3/91 221A

WINDHOEK — Short-term prospects for Namibian mining were not good, as revenue was projected to decrease, but long-term prospects were excellent, outgoing Chamber of Mines president Mike Bates said in Windhoek.

"Much will depend on the aftermath of the Gulf war and how this affects the major economies," he said in his annual report.

"But most observers believe recessionary conditions will continue throughout 1991 and probably into 1992."

Mining remained the major contributor to Namibia's gross domestic product but there were indications that revenue for 1990 was "significantly" lower than for 1989, said Bates, who is also MD of Rossing Uranium.

Political events in the Gulf and Eastern Europe, recessions in the US, Canada and the UK as well as lower than expected growth in major industrialised countries affected metal and mineral prices.

"Sales of rough diamonds by the Central Selling Organisation, which markets over 85% of the world diamond production, including that of Consolidated Diamond Mines (CDM), showed a very small increase," Bates said, adding that strong demand during the first six months declined in the second half of the year.

"Production at CDM totalled 750 115 carats, a decrease of 17%."

Namibia's sole uranium producer, Rossing, had a poor year with production at about 20% below capacity.

Inquiries

Bates said uranium released from the Soviet Union and Eastern Bloc and the perception there were enormous quantities of the material available drove the price down to historically low levels.

"Consequently it is probable that production at Rossing will have to decrease even further during 1991."

The overall price of copper reflected a downward trend, as did lead after a price increase during the first half of the year. The tin price continued declining with the average at 20% lower than the previous year.

"Historically, the gold price has increased during periods of political and economic instability but this did not happen during 1990," Bates said.

Exploration activities in Namibia, however, were at a record high with Chamber members spending R67m in this area.

The Ministry of Mines and private companies received many inquiries from foreign companies interested in mineral investment in Namibia.

"Mining activity is directly proportional to investor confidence and the private sector investment conference in February (in Windhoek) did much to reassure companies that Namibia is a suitable place for investment," he said, adding that many prospective investors would hold off to see the final form of current draft legislation on mining.

Bates said statements at the investment conference by government officials of economic policies to be followed were most reassuring.

"The Chamber believes that the long term prospects for the mining industry are excellent," he added.

Tsumeb Corporation Limited GM Peter Kinver takes over from Bates as Chamber of Mines president for the next term. — Sapa.

US investors 'excited' about Namibia

WINDHOEK — American businessmen were "very excited" about investment prospects in Namibia and some had already begun negotiations with the government, Overseas Private Investment Corporation (Opic) vice-president Kevin Callwood said in Windhoek yesterday.

Opic is a self-funding US government agency aiming to promote economic growth in developing countries by encouraging private US investment. Callwood is leading a 10-company investment mission to Namibia.

He told a media briefing that potential investors had been surprised at the tremendous progress Namibia had made in the short time since independence on March 21 1990.

(221A)

Describing the enabling environment investors found, Callwood said the Namibian government had aggressively promoted free enterprise and competition and had shown a willingness to be flexible and progressive about the future.

The delegates were also impressed by the open and willing attitude of the government to listen to the needs of potential investors. B Day 25/4/91.

Among the companies on the mission are AST Research Inc, Bell Atlantic Corp, MBI International, Cargill Inc, Global Electro-Comm Inc, ITT Sheraton Corp, Singer sewing machine company, Stanley Computer Systems and the WBDC group.

Namibia buys M East fuel

Sowetan 26/4/9?. (22119)

Sowetan Africa News Service

WINDHOEK - Namibia is expected to take delivery this week of 14 900 tons of petroleum products from sources in the Middle East, the fourth consignment of fuels to come from sources other than South Africa.

Mobil in Namibia told Namibian Broadcasting Corporation's *Radio Today* that it had bought petroleum, diesel and aviation fuel in the Middle East in line with government policy to reduce dependency on South Africa.

Former consignments of petroleum products have come from Angola, Bahrain and the Netherlands Antilles.

Mobil also confirmed that it was studying seismic data for oil exploration in Namibia following the opening by government legislation of the first round of bidding for exploration concessions in the country's pursuit of hydrocarbons.

Nujoma calls for freeing of trade in Africa

S Day 29/4/91. (221A)

BULAWAYO — Namibia's President Sam Nujoma has called on African countries to remove trade barriers, customs duties and other levies to facilitate greater bilateral and regional trade.

Opening the Zimbabwe International Trade Fair in Bulawayo on Saturday, Nujoma said African countries must adopt progressive economic and trade policies to enable them to raise the standard of living of their people, the Ziana national news agency reported.

He said Namibia was committed to the OAU's programme of fighting to establish an African economic community.

His country had planned major road and transport projects to link Windhoek to Botswana, Zimbabwe and Zambia, allowing them access to Walvis Bay.

Nujoma said his government would be meeting SA soon in an effort to find a permanent solution to the disputed Walvis Bay issue. — Sapa.

Oil companies eye Namibia

(221A)

Biday 10/5/91

WINDHOEK — More than 100 international oil companies have registered to attend seminars in London and Houston promoting petroleum exploration in Namibia, Mines and Energy permanent secretary Leake Hangala said in Windhoek on Wednesday.

The Namibian government announced the opening of the first bidding round for oil exploration in the country in March.

Hangala said more than 20 companies wanted exploration licences. The London seminar is next week and the Houston one from May 21 to 24. — Sapa.

Namibia plans R280m desert oil refinery

BRENT VON MELVILLE 22.19

NAMIBIA is planning a R280m refinery capable of processing 10 000 barrels of oil a day. BDay 28/5/91

The refinery is to be built in South Korea under the guidance of London-based development group Enerkor.

On completion it will be transported to Usakos in central Namibia.

There are no details of other companies involved.

Yesterday Enerkor chairman Frank Atherstone said the refinery would be financed by public subscription.

Initially Enerkor expected to process crude oil from SA, though Atherstone could not confirm this as oil was "a strategic commodity".

There is no indication that Angolan oil will be refined.

Namibia itself has discovered comparatively large off-shore gas fields.

Bidding for the first on-shore oil exploration licences was recently initiated by Mines Minister Andimba Toivo ya Toivo.

Atherstone said the refinery would be built by the Sunk Jong group in conjunction with Yukon of South Korea and Montan Engineering of Germany.

A Sasol spokesman said the size of the refinery indicated it would be used for local purposes only.

He said the needs and size of the country prohibited the construction of a bigger complex.

Local oil companies do not disclose how much oil they refine.

However, the cost of Namibia's refinery was described as "minimal" when compared with the costs of SA refineries.

Engen recently announced a R1,5bn expansion of its Genref refinery.

Caltex is to spend about R250m upgrading and expanding its Milnerton refinery.

Total, BP and Shell have also confirmed plans for capacity expansions of a similar magnitude during the next few years.

NA' BIA FM 3/5/91 221A

EDGING INTO YEAR TWO

THE ECONOMIC BALANCING ACT IS WORKING WELL — SO FAR

Much of the fear that hovered over Namibia's independence a year ago has dissipated and, while life goes on as usual in some ways, *in others* it will never be the same.

The Swapo government, which has padded key posts in the public sector with the *party faithful*, is grappling with the problems and opportunities uncovered by independence. In the private sector this is reflected in commerce and industry's hope and guarded optimism that government will follow through on its strong commitment to democracy, the country's constitution and a free-market economy.

This commitment has been welcome and concerns that government would adopt a socialist stance have so far proved unfounded.

The optimism stems from the hard pragmatism that most public-sector representatives are demonstrating. Contrary to much of the political posturing *before the elections*, there seems to be a general recognition that adherence to Western democratic values is the only way the country will be able to realise its full potential and provide social upliftment.

Namibians are full of enthusiasm and praise for the way President Sam Nujoma is guiding the country's destiny. Nonetheless,

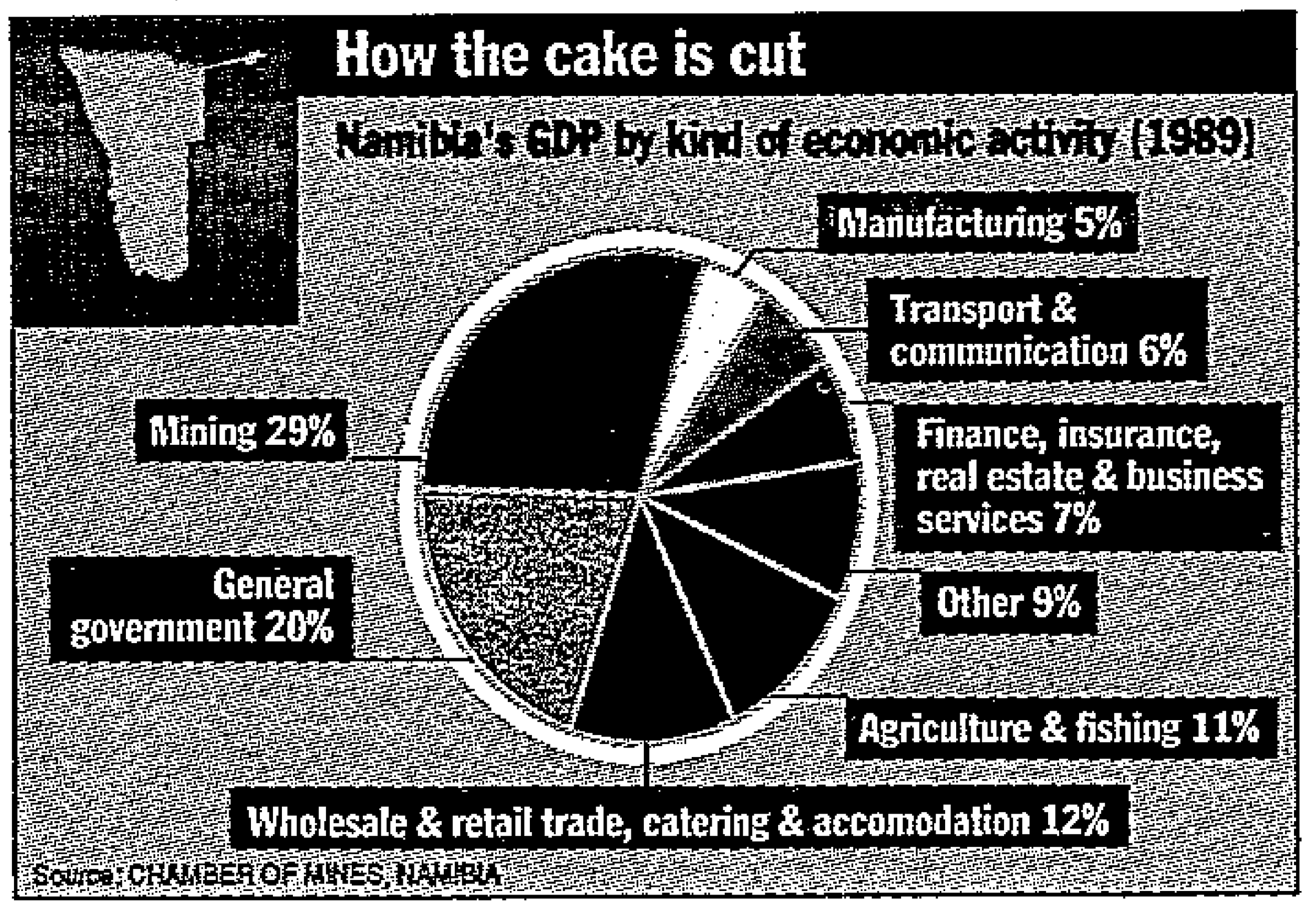
Continue

impractical pre-election promises have created a problem. Out of a population of 1,5m, apart from the country's urban First-World population of 150 000, about 70% of the balance lives in rural areas in a subsistence economy while a transitional component of about 15% lives in urban areas. The former are almost illiterate and most live according to tribal customs. The latter can be classified as semi-literate.

Especially among transitional urban dwellers, high expectations were built up by pre-election rhetoric. An unwelcome but understandable unrest is patent — and left-wing radicals are taking this opportunity to pressure the centrist-minded in government.

With this in mind, all eyes are now on Finance Minister Otto Herrigel who will soon present the new nation's second budget. It will be a good indicator of whether the private sector's optimism is well founded.

Apart from the normal provisions Herrigel must make, he has to cater for social uplift-ment — and expectations are high. There are weighty pressures on the economy caused by the withdrawal of SA's contribution to State coffers (R164m in 1989-1990) and the effects of recession in the West.



The mining of diamonds and uranium dominated the mineral sector, which contributed 76% of Namibia's R2,7bn export earnings in 1989. Agriculture's contribution was 11%, manufactured goods 5%, fish products 2,5% with other categories making up the balance.

According to the Chamber of Commerce & Industries, since the Seventies the price of uranium has fallen to US$9/lb from $40/lb. During 1990 production at the Rossing mine, Namibia's only uranium producer, was about 20% below capacity and matters have not improved so far this year. The problem remains because of the possibility of excess uranium entering the market from East Bloc countries, and because of an overhang of international sanctions against SA. Moreover, rough diamond production has dropped by 17% recently because of production problems at new mines. As a result, normal capital expenditure deductions will negatively effect Consolidated Diamond Mine's tax contribution this year.

Namibia inherited a weak fiscal and indistinct monetary structure. Besides now having to rectify that, it has to add to its budget certain portfolios such as Foreign Affairs, Land Resettlement & Rehabilitation, and Youth, Sport & Culture — together with all the trappings of a newly independent State.

There is thus a fear that the country may be facing a deficit of between R500 000 and R700 000. As Donald Russell, president of the Chamber of Commerce & Industries, says, such a deficit could be financed by loans, but that would be a bit like someone borrowing from the bank to go on holiday.

Yet the business community and the government are fostering a good relationship. Russell reports that Ministers, committed as they are to the constitution and to the Investment Code, are sound, sensible and accessi-

continue →

SA and Namibia agree on Walvis Bay

B Day 20/5/91.

(221A)

WINDHOEK — Namibia and SA agreed at talks in Windhoek on Friday to administer Walvis Bay jointly prior to settling the issue of the SA-ruled enclave's sovereignty.

Delegations headed by Namibian Foreign Minister Theo-Ben Gurirab and his SA counterpart Pik Botha also agreed the middle of the Orange River should form the border between their two countries and that a joint technical committee be established to demarcate the boundary.

Our Cape Town Correspondent reports that the agreement on joint administration probably amounts to agreement in principle on SA renouncing sovereignty over Walvis Bay and its 12 offshore islands.

Gurirab described Friday's meeting as "productive and successful".

Botha said "substantial progress" had been made and that the talks had been conducted in a relaxed manner.

"I am greatly encouraged because if this is the way we can resolve differences in Southern Africa, then the dream of the states of Southern Africa working closely together is not so far away," he said.

Walvis Bay, with its deep water harbour, has a population of 26 000 mainly engaged in port-related activities and the fishing industry.

Annexed by Britain in 1878, the enclave was transferred to the Cape colony in 1884 and later to the South West Africa administration under South Africa in 1922.

In 1977 Walvis Bay was transferred back to the Cape province. — Sapa.

SA anger at Citroen plan

S/Times (Bus Times) (221A)

12/5/91 By DON ROBERTSON

CITROEN plans to put up a R150-million plant in Gobabis, Namibia, to produce vehicles for SA, sub-Saharan Africa and other parts of the world.

Citroen representative Fanie Fourie is reluctant to disclose details, but he concedes that the French and SA governments are engaged in "sensitive" discussions on the project.

The Paris-based company has not officially announced the move, but is expected to make a "positive" statement in the next two months.

It is thought that Citroen will introduce its flagship, the V-6 multi-valve XM range. It could sell in SA for about R140 000 and would compete with the BMW Five Series. Citroen's intention has brought protests from SA motor manufacturers. They fear that any new models in a distressed market could threaten them.

They are using their muscle to lobby the Government to prevent the entry of newcomers.

Last year the vehicle market plunged to its lowest since 1981, only 334 777 cars and trucks being sold. Car sales last year were only 209 600, the equivalent of about two days' production by Toyota Japan.

Grace

Nissan Marketing managing director Stephanus Loubser says SA has seven manufacturers and he does not believe that any newcomer would be profitable.

"If they come in competitively, it could upset the market."

Chris Moerdyk, head of public affairs at BMW, says his company welcomes competition because it is good for the market.

"We cannot change our tune on this matter merely because the market is depressed."

The industry is also angered at Citroen's request to the SA Government to allow it up to eight years' grace before having to comply with the expensive local content requirements of the Phase Six Programme.

Namibia is part of the SA Customs Union and any vehicle plant established there would have to comply with the local content programme. It requires at least 65% by value of the vehicle be of local components.

Mr Fourie says that in terms of current legislation, it is possible for international companies investing in SA to apply for "release" from requirements such as Phase Six.

"Why should a new entrant to the market receive special dispensation when the rest of the industry has been put to the effort and expense of complying with local content regulations for the past 30 years?" asks a motor man who asks not to be named.

"Why induce a newcomer to invest when there is surplus manufacturing capacity in the motor industry?"

He says putting the Citroen factory in Gobabis will add hugely to its costs because it will be far from component suppliers near the main motor plants in the Transvaal and on the coast.

The project could become a political hot potato because the Government will be torn between protecting the interests of SA industry and promoting good relations with its neighbours.

Citroen could gain another advantage because Namibian, not SA, officials will be responsible for checking that it complies with the many regulations that govern the industry.

But Citroen is not the only foreign motor company that is relooking at Southern African. National Association of Automobile Manufacturers of SA (Naamsa) director Nico Vermeulen says at least three other West European manufacturers have asked their embassies to conduct feasibility studies here.

However, their returns on capital are unlikely to be acceptable and it would be costly for them to establish dealerships.

Volvo-Scania is believed to be carrying out a feasibility study of the SA market. It is thought to want to build a plant in Botswana.

Soviets

Investigations last year by Renault and Peugeot, both of which withdrew from SA for political reasons, showed that it was unlikely that a new manufacturer could succeed here.

It was reported in March that two Botswana entrepreneurs had joined a Soviet company in plans to set up a truck assembly line at Selebi Pikwe.

One of the businessmen, Robertson Lephole, says the investment would be about R7-million. The Soviet Kama River Heavy Duty Truck Production Association (KAMZ) will provide the technology and 53% of the workforce.

The plant's capacity will be about 400 trucks a year.

Namibia fields its energy potential

BDay 23/5/91. 2.2.1A

Namibia could be sitting on one of the 10 biggest natural gas fields in the world. The little drilling that has been done points to reserves which could outstrip those of Norway's Troll field. REINIE BOOYSEN reports on the Namibian government's efforts to seek foreign help. Namibian energy officials are in the US meeting oil companies.

LONDON — Namibia, which many in the oil industry believe possesses at least one major natural gas field, is inviting foreign energy companies to further explore its vast frontier territory.

Hardly a year after its independence from SA rule, Namibia is presenting a petroleum and gas development regime which it hopes will attract the interest of companies worldwide.

A government seminar on the topic held here last week attracted over 70 oil companies.

Limited drilling in the country so far indicates a field of as much as 55-trillion cubic feet (cf) of natural gas, making it one of the 10 largest in the world.

"There's big interest in Namibia, I think principally because it's a totally new and vast area," says Skerf Pottas, MD of the National Petroleum Corp of Namibia (Namcor).

Pottas is part of a delegation currently visiting Britain and the US to present Namibia's hydrocarbons potential.

Ken Gardiner, a geologist with London-based Ambrit Resources Ltd, says big companies are attracted to Namibia because very little exploration has been done in the country to date.

Ambrit is an oil exploration and production company with interests in the US and UK.

A UN moratorium in 1974 prevented foreign investment in Namibian exploration for years before its independence last year.

Now Namibian officials hope that, like with African countries to the north, Namibia's generous offshore continental shelf and even the interior will yield large oil and gas reserves.

Delegates who attended last week's oil seminar say there is great potential, bearing in mind the Kudu gas field below the southern continental shelf.

Companies represented included the Royal Dutch/Shell group, Amerada Hess Corp, Brazil's Petrobras, Mobil Corp, Repsol SA, and Societe Nationale Elf Aquitaine.

Namcor's Pottas says after the seminar, 30 foreign companies indicated their interest in making a bid for one or more Namibian exploration licence areas.

Gardiner said: "Judging by the number of people who attended the seminar, it seems as if there is a lot of interest."

Barred

He said Namibia's attraction to the oil companies was one "of being the first one there, unlike places like the North Sea, where the chances of finding a big new field are decreasing all the time".

Pottas says of the three offshore Namibian wells drilled near its southern border to date, two produced gas and one suggests the presence of a substantial gas field.

The very first offshore well was drilled in 1973 by Chevron Corp of the US, which had a 90% interest in the project. SA's state exploration company, Soekor, held the remainder.

The well struck gas, but very high gasflows prevented a safe production test and the well was abandoned.

Chevron dropped its interest in the venture after the UN barred further foreign investment in Namibian exploration. Soekor, however, drilled two more wells.

The second of these, in 1988, was successful.

A production test showed two main layers of reservoir sand, one of which flowed 10 million cubic feet a day (cf/d), and the second 38 million cf/d, through a one-inch choke.

Pottas says Namcor's exploration consultants, London-based Intera ECL Petroleum Technologies (ECL), have estimated the Kudu gas field reserves at between 5 and 55-trillion cf, after conducting detailed seismic surveys in the area.

ECL's Nigel Banks says about 60% of these reserves will be recoverable.

"The reserve estimate is very wide because we still haven't done enough work," says Pottas.

But he adds: "We are fairly certain that it will be a substantial gas field."

Proof that reserves are as high as 55-trillion cf would rank the Kudu field higher than the largest known North Sea field, Norway's Troll field, which has estimated recoverable reserves of 45,5-trillion cf.

Even at the reserve estimate of 5-trillion cf, production would be economic, industry sources say. It would far outstrip the reservoir of about 1-trillion cf which SA is developing at Mossel Bay, says Pottas.

ECL's Banks says the precise potential of the reservoir will depend upon its structure and the implications for actual development.

Banks says one possible problem is that the Kudu reservoir may be fragmented, which could affect the thickness and quality of the reserves.

A further problem, say oil industry sources, is the water depth, which ranges between 200 and 400 meters. This would make the cost of exploration and production more expensive in comparison to the UK sector of the North Sea, where depths are typically 100-200m.

The Kudu gasfield lies in a sedimentary basin near the mouth of the Orange River, which marks Namibia's southern border with SA.

A seismic survey by ECL of Namibia's entire 1 300km coast revealed three other, shallower sedimentary basins with oil and gas potential north of the Orange basin: the Luderitz, Walvis Bay and Namibe basins.

Oil industry sources say the prospect of finding oil, which characteristically occurs at shallower depths than gas, is greater in these basins than in the Kudu field, where the discoveries have been made at relatively deep levels of about 4 300m.

Geologists say Namibia is unknown territory in more ways than one: a geological formation known as the Walvis Ridge, which crosses the country near its northern border with Angola, separates Namibia geologically from its oil-rich neighbour.

Therefore, the oil finds in Angola don't necessarily suggest similar finds in Namibia.

"Namibia isn't less or more prospective. Just different — and I would stress that," says a geologist with a large oil company.

Namibian officials in London were keen to stress the security of tenure foreign oil companies will enjoy in Namibia under their policies.

Namibian Deputy Minister of Mines and Energy Jesaya Nyamu told the London seminar: "It isn't government policy to seek the expropriation of foreign investment assets in Namibia, and all prospective investors in our petroleum acreage can set their minds at rest on this matter."

Further exploration and the ultimate development of the reservoir is the subject of Namibia's current licensing offer.

Legislation

Bids for most exploration licenses on offer must be in by November 1.

Bids for areas where drilling has already taken place must be in by August 1. A total of 90 licence areas are on offer.

The bids will be made under a petroleum regime whose design reflects substantial input from the Norwegian Ministry of Petroleum and Energy; consultants Arthur D. Little Ltd; and the Technical Assistance Group of the Commonwealth Secretariat in London.

"We looked at the petroleum legislation of many countries, then from that we selected certain aspects. So it is really a unique tax and licensing regime," says Pottas.

Gardiner, of Ambrit Resources, says the new petroleum regime appears "quite straight-forward".

He adds: "It's what's to be expected from a country with virgin territory to be explored."

He says that while there are some potential problems with the new legislation, such as the exact role of state-owned Namcor, the regime seems to recognise the problems which many other countries have encountered in their legislation and benefited from studying them.

The legislation also does not discriminate against SA concerns.

SA's Gencor subsidiary Engen, Sasol, and Soekor all have expressed an interest in exploring in Namibia, says Pottas.

Namibian officials presented their data in Houston on Tuesday.

Should active exploration begin in Namibia, some oil industry sources are predicting a massive flow of money into the country as a result of the expected oil boom.

"If you're keen on making yourself a pile, you'd be well advised to invest in warehouse space in the Walvis Bay port area, because there's going to be a lot of demand for that kind of thing when the serious seismic work starts," comments one such official.

A number of industrial development possibilities will be examined in a feasibility study which has been put out to tender.

These include power generation, manufacturing aluminium, fertiliser and petrochemicals. — AP-DJ.

Advertisement

Owen Wiggins Trust

Advertisement

RA trims operations

Rossing wins US contract

221A

Star 5/4/91.

WINDHOEK — Namibian uranium company Rossing has signed an agreement with a US company to supply uranium for the generation of electricity.

Rossing announced at the weekend a contract with Gulf States Utilities of Beaumont, Texas — the first American deal it has obtained since sanctions were lifted in March 1990.

The uranium order is for delivery from 1991 to 1997.

Rossing managing director Dr Michael Bates welcomed the contract, but said it represented sales on a very small scale.

"Unfortunately, the amounts involved are too small to make any significant difference to Rossing's business in the short term," he said.

The contract would not affect the company's recent decision to reduce production, he said.

Rossing has cut back production from 4 100 tons a year to 3 250 tons since April 1 because of the effect of sanctions against South Africa, which also applied to Namibia until independence last March, and because of an oversupply of uranium on the world market since the opening up of the Eastern bloc countries.

About 200 personnel were offered alternative posts at the company's uranium mine, near Swakopmund. — Sapa.

- Sapa-AP.

Namibia fines Spanish fishermen

Star 11/4/91

By Dale Lautenbach
Star Africa Service 224A

WINDHOEK — Fines totalling R1,55 million and the forfeiture of ships worth an estimated R100 million and fish worth about R12 million was the Namibian High Court's punishment for five Spanish fishing captains caught fishing illegally in the country's waters in November.

In a timeous coincidence, which could help Namibia cast a wider spotlight on the illegal fishing issue about which it is so concerned, a delegation of European parliamentarians was in the capital yesterday when sentence was passed.

They expressed outrage at the Spanish plunder of Namibia's precious marine resources and promised a muscular debate on the issue at the European Parliament next month.

Ernest Glinne, Euro-MP and chairman of the European-MP group in the Association of West European Parliamentarians Against Apartheid (AWEPAA), distanced the 11 other member-states of the European Parliament from the "unacceptable" actions of Spanish business enterprises.

Namibian Minister of Foreign Affairs Theo-Ben Gurirab has rebuked the Spanish government and said Namibia held it responsible for the illegal actions of its fishing enterprises. He made this statement after a further three Spanish vessels were caught in Namibian waters last month.

Mr Glinne criticised the European Commission for dragging its feet in drawing up the body's fishing policy on Namibia.

When the EC-Namibia fishing policy is finalised it could, in an unprecedented move, contain penalty clauses for any future plundering, according to Mr Glinne.

He suggested, too, that by way of compensation to Namibia, Euro-MPs could push for a sum in the 1992 budget to contribute to the establishment of a coastguard for Namibia.

AWEPAA president J Scholten said there were fleets of between 30 and 40 ships fishing illegally in Namibian waters.

R1,5-m in fines for trawler captains

Argus 11/4/91

221 A

From DALE LAUTENBACH
Argus Africa News Service

WINDHOEK. — Five Spanish trawler captains caught fishing illegally in Namibian waters last November have been fined a total of R1,55-million and must forfeit ships together worth R100-million and fish catches valued at R12-million.

The captains, sentenced by Mr Justice Harold Levy in the High Court here yesterday, are Jose Martinez Curras of the trawler Friopesca Uno, Carlos Perez Redondo of the Freileiro, Francisco Branco Riall of the Friopesca Dos, Manuel Mendez Pineiro of the Puente Belissar and Manuel Magdelano Martinez of the Ila de Tambo.

EC

Curras was fined R400 000 or six years' jail, Redondo R250 000 or three-and-a-half years and the rest each R300 000 or four years.

The permanent secretary in the Ministry of Fisheries and Marine Resources, Mr Calle Schlettwein, said he was "happy" with the sentences.

The captains are to appeal.

● A delegation of European parliamentarians, in the capital yesterday when sentence was passed, said they were outraged by the Spanish plunder of the marine resource and promised a debate on the issue at the European Parliament next month.

Mr Ernest Glinne, Euro-MP and chairman of the Association of West European Parliamentarians Against Apartheid, distanced the 11 other member states of the European Parliament from the "unacceptable" actions of Spanish business enterprises.

"There is definitely something fishy about the way the EC is handling the issue, a vital one for Namibia as it does not have a coastguard to protect its waters."

Namibian Minister of Foreign Affairs Mr Theo-Ben Gurirab said last month that Namibia held the Spanish government responsible for the illegal operations of Spain's fishing industry.

GOLD FIELDS NAMIBIA

UNDER PRESSURE

221A

Activities: *Namibian mining house which controls the Tsumeb base metal producer and various exploration companies.*

Control: *GFSA 61%.* FM 12/4/91

Chairman: *C T Fenton.*

Capital structure: *16m ords. Market capitalisation: R83m.*

Share market: *Price: 515c. Yields: 5,8% on dividend; 10,3% on earnings; p:e ratio, 9,7; cover, 1,8. 12-month high, 925c; low, 515c. Trading volume last quarter, 45 880 shares.*

Year to Dec 31	'87	'88	'89	'90
Turnover (Rm)	—	363	391	338
Pre-tax profit (Rm)	—	89,4	59,2	9,0
Attrib profit (Rm)	—	59,7	40,2	6,6
Earnings (c)	—	243	178	36
Dividends (c)	—	120	120	35
Production:				
Ore mined (Mt)	1,45	1,80	1,67	1,61
Copper sales (000t)	37,2	39,0	33,3	30,0
Lead sales (000t)	41,5	42,5	44,6	35,6
Silver sales (t)	103	105	111	90

The share may be listed in the mining house sector, but to all intents and purposes GF Namib is a copper producer like Palamin. Unlike Palamin, (see separate story) the recent movements in the GF Namib share price are understandable in terms of the fundamentals of the copper market.

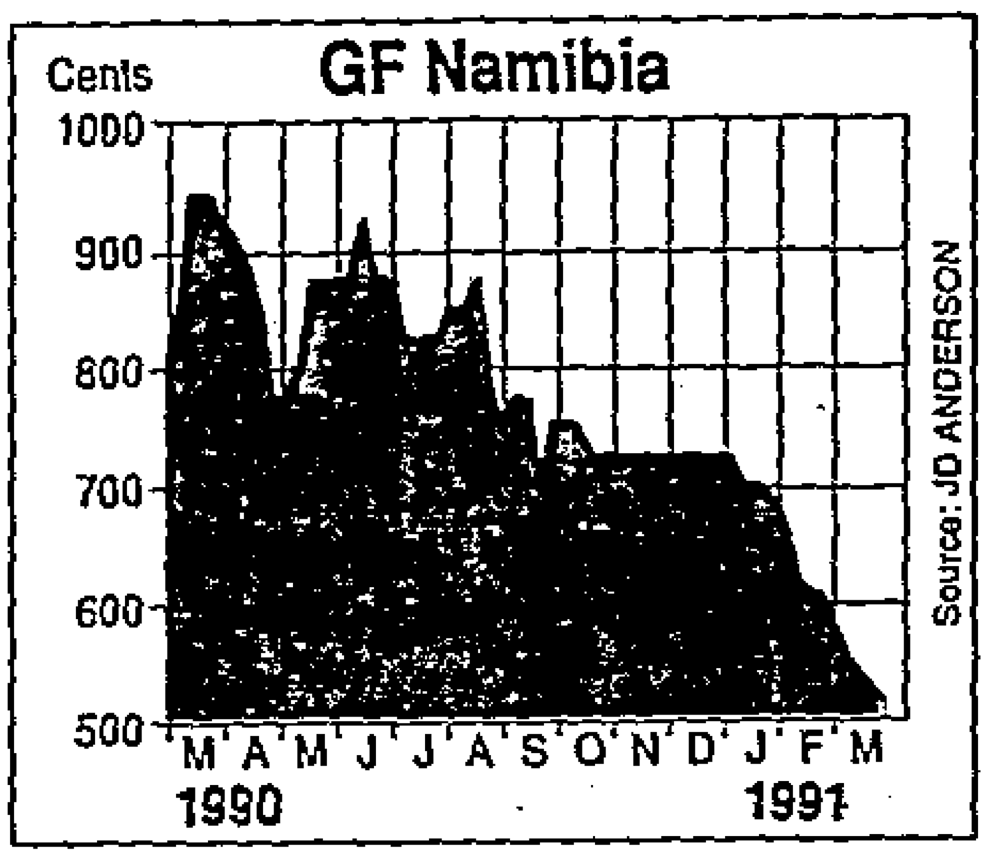
Simply put, the copper price has headed south and the GF Namib share price has followed, dropping to a 12-month low of 515c. The share could drop further in the wake of chairman Colin Fenton's hint that this year's dividend could be passed.

GF Namib wholly owns Namibia's largest base metal producer, Tsumeb, which produces blister copper and refined lead at three mines — Tsumeb, Kombat and Otjihase. The average price earned by GF Namib on copper sales last year was R6 900/t, compared with R7 500/t for 1989.

Fenton warns shareholders not to expect average revenue much above R6 000/t this year. He says: "In view of the uncertainty in respect of the copper price, it is inadvisable

Continue →

 FM 12/4/91 221A



to make any forecast of dividends in 1991."

This outlook is borne out by the March 1991 quarterly figures. Metal production declined, and the cost of sales rose faster than sales revenues. There was an after-tax loss of R2,7m compared with the December quarter's loss of R1,1m.

Effects of the lower copper and lead prices on GF Namib have been compounded by falling production levels at Tsumeb, though Fenton says copper production should increase this year. Higher output is expected from the Otjihase mine, where the backlog in development work needed to open-up the main orebody has finally been overcome.

Production of lead in concentrates fell to 13 300 t from 15 700 t in 1989 and Fenton says lead should now be considered a by-product of copper. In 1990, the value of lead in concentrates was just 13% of the value of the copper production.

Tsumeb buys in concentrates from international suppliers to keep the lead smelter running at economically efficient levels. The smelter produced 35 100 t of refined lead in 1990, of which 11 300 t was from Tsumeb's own mine production. Lead production in 1989 was 44 200 t.

Tsumeb's copper concentrate production was largely unchanged at 31 700 t and the smelter's production of blister copper dropped to 32 700 t (36 700 t) as it treated less material from outside sources.

It has been an exploration priority for several years to find replacement ore for Tsumeb, but these efforts have met with limited success. A nearby copper deposit at Tschudi has been located, but Fenton says preliminary results show it may not be economically viable. There are no reserve problems at the other two mines, where potential extensions have already been located.

GF Namib spent R6,5m on exploration last year, equivalent to 42% of the pre-tax profit from operations. Exploration spending can be expected to remain high because it is crucial for this embryo mining house to find viable projects to ensure long-term growth.

Brendan Ryan

Namibia threat to white fish export success

Cape Times 18/4/91

221A

By AUDREY D'ANGELO
Business Editor

SA's trawling companies must be export orientated, with Southern Europe their main market but rich opportunities are becoming available in Australia, Charles Atkins, group GM of Irvin & Johnson, said yesterday.

But they are handicapped by an ageing fleet, most of which will soon have to be replaced at horrific cost.

And Namibia, with larger hake resources and favoured access to Europe through the Lome Convention, "must constitute a significant threat to our export success".

Atkins was speaking at the National Maritime Conference at the Cape Sun.

He said that Namibia's badly depleted hake resource "could be twice as productive and considerably more robust than ours, and its latent possibilities could be realised within six to eight years.

"Having no domestic market to speak of, it can be expected that Namibia will vigorously attack our existing export and domestic markets."

The only meaningful way to counter this would be "to manufacture a wider range of value added sea frozen products, more innovation of final products (niche markets), premium quality and sophisticated promotional campaigns."

Atkins said that given the limited demand capacity of the local market — which preferred red meat and chicken to fish — "the trawling industry must remain a dedicated international player.

"In the light of the expected rate of landings and anticipated population and income growth, it is projected that by the year 2 000 the trawling arm of the white fish industry will have an exportable surplus of between 35% and 40% of output."

There were only two viable responses to increased international competition. One was to match and surpass ever higher quality standards. The other was to increase customer convenience.

This would be achieved mainly by introducing more complex and sophisticated inboard processing, freezing and handling systems.

"To be fully successful a substantial fleet upgrading will be necessary. If fleet replacement continues at the present negligible rate, the day may come when we will no longer be able to export profitably no matter how badly we may need foreign markets to offset the large surpluses anticipated on the domestic front," Atkins warned.

He blamed "a misguided and punitive ship building protection policy" followed by the government in recent years for the fact that the white fish industry's fleet was "simply overaged".

"The greater proportion of our ships are doomed by technical factors such as steeply rising operation and maintenance costs and the unavailability of spares."

LIVING IN LIMBO

Just settle the damn dispute say inhabitants of Walvis Bay

WALVIS BAY - While Namibian and South African politicians prepare for round two of negotiations over the disputed control of Namibia's only deep-water port, inhabitants of the town are caught in the limbo of uncertainty. Sowetan 23/4/91. (221A)

Across a broad political spectrum, the feeling, in summary, is settle the damn thing so we can get on with our lives.

SOWETAN AFRICA NEWS SERVICE

And surprisingly, the fulcrum of the argument is not in the main so much political or sentimental as it is pragmatic.

Business people assess their bread and butter and it's Namibia where the immediate markets lie; the fishing industry is dependent on concessions granted by the Namibian government; the workforce, whose national sense of identity is Namibian, has Namibian trade union representation but falls under South African labour law.

Eccentric

In neighbouring Swakopmund, an eccentric enclave, if only in spirit, of historical German sentiment, bar-room chat prepares one for the 30km drive south to the 1 124 square km South African patch.

Don't forget, Walvis is a hard town, says one man, you're not talking academics and political niceties, all these years you've had the fishing people and the army ... result: tough place.

Indeed, the immediate attractions of Walvis Bay are not obvious. It is flat and desolate, given space grudgingly by the Namib desert and abruptly arrested by the cold Atlantic.

Some Namibians joke irreverently that they wonder why all the fuss - who would want that dump?

The Namibian government argues, of course, that not only is South African occupation of Walvis Bay a violation of the principle of sovereignty, but that for economic reasons Namibia needs control of its only port.

If the port is what it all hinges on, Captain Jens-Dieter von der Fecht, port manager for the South African parastatal Portnet, sounds a warning: "Namibia can't afford the harbour in my opinion."

Right now he covers operational costs but no more. He shrugs off the political import of the dispute.

More important is that the port remains efficient - "doesn't become another African harbour" - he says cynically.

For Nathaniel Maxuilili, National Assembly member and the outspoken voice of Swapo in the community, Walvis Bay is the "door" to Namibia.

He has an optimistic view: open the door and many of Namibia's problems fall away.

In the dusty and uniformly flat township of Kuisebmond, he flies a Namibian flag over his house with a disdain for South African authority.

He has been in the town since 1941 and was a Swapo activist in the early days when the second Swapo office to be set up after Windhoek was the one in Walvis Bay.

Meetings

He describes whites in the town as "rightwing": "We're dealing with people who still think a white skin is better."

While trade union representative George Gavanga says there has been significantly less police harassment since independence, Maxuilili holds Swapo meetings in his house rather than request permission as required.

He clearly resents "the boere" with a devil-may-care attitude but his tales also reflect a pathetic confusion in the community.

He says South African employers pressured their workers to apply for South African passports.

"And the b..... fools went and got them, about 9 000 of them."

This is disputed by the white business people questioned but it illustrates the tensions of being black here.

A community caught haplessly between allegiances, jobs, political pressures and almost certain to drop their slice of bread jam-side down in the desert no matter which side they spread.

Whites who characterise themselves as liberals chuckle too at the fate of National Party supporters who must stick a finger in the wind each day to find out which way to navigate if they are to remain true to their mutable party.

As one attorney notes of the business community, irrespective of their politics, "they've been here all their lives, own property in Namibia, do work there as well as here. It would be suicide for them to oppose a handover".

He says the property market, one barometer of profound insecurity, has been very much business as usual.

Indeed some seem to be investing in a Namibian future. A Kenyan businessman stepped off the QE2 when it docked recently and paid R460 000 for a commercial property.

Mayor Nico Retief uses the old lingo of "groups", dividing up the town to assess the picture - "brown, black, fishing, public service and business".

With suprising pragmatism, he puts all groups but the public service in favour of accession to Namibia for either political or practical reasons.

But, "there are a great many who have doubts. We're going into a different way of life. New police, public service. We have it well under South Africa now".

Indeed the white part of town looks a lot better than the windswept black and coloured townships that lie further from the sea among the desert dunes.

There has been some fairly lavish domestic development in recent years, big houses on prime seafront plots, the land itself going for R100 000 now.

But if you count them, the really impressive new houses only total 20 or so on erven only made available since 1986.

And the money reflected in the development is no different to neighbouring Namibian Swakopmund where some seaside palaces have also sprung in that period.

Retief says the development represents the ordinary process of personal upliftment by long-term residents and not die-hards clinging to South Africa.

An attorney who fingers much of the town's pulse reads the mood: "We all know it's going to Namibia.

"The (SA) navy has left, the airforce has practically come to a standstill. In the army and police, many have left and in the security police, many have received their transfer papers."

It seems many of the "South Africans" here are prepared to swallow the medicine. Says Retief: "If Walvis Bay helps Namibia then we all win.

"But without assistance from South Africa we'd be very shaky. I don't think they would cut support. They like Walvis Bay and like looking after us.

"They won't just drop us."

An Arniston fishing village look-alike represents aggressive trendiness in Walvis Bay. It has everything from nets to an artfully placed boat. Missing, of course, is the fishing "volk". Instead, Porsches and Landcruisers are parked at these seafront holiday homes at weekends.

HOMES FOR SALE

BY JEFF MASHIGO ASSOCIATES
(Loans Available)

DIEPKLOOF EXTENSION 1 PRICE R85 000
Three bedrooms, one bathroom, open-plan kitchen, lounge, dining, one garage, brick and iron fence all round. This is a good investment in an excellent area.

DLAMINI EXTENSION 1 (MODERN DESIGN) PRICE R78 000
Three bedrooms all with built-in wardrobes, two bathrooms (main en-suite), complete kitchen in melamine, open-plan lounge/dining, fireplace.

DLAMINI EXTENSION 1 PRICE R70 000
Two large bedrooms, one bathroom/toilet, completely fitted large kitchen, large dining, large lounge. Garage and two rooms plus toilet. Concrete paving plus security iron door gates.

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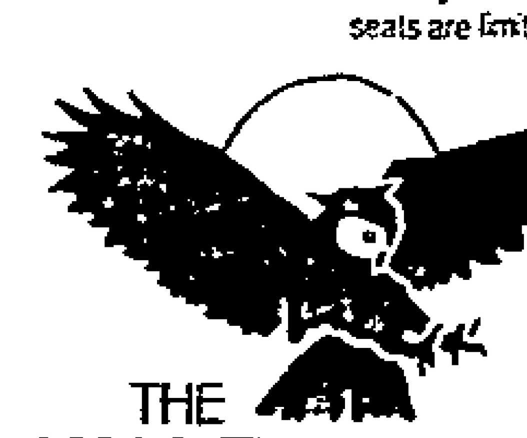

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221A

Make Walvis free port – Sole

Star 30/4/91

Donald Sole, former South African ambassador to the US, has come out in support of Walvis Bay being made a free port rather than being handed to Namibia.

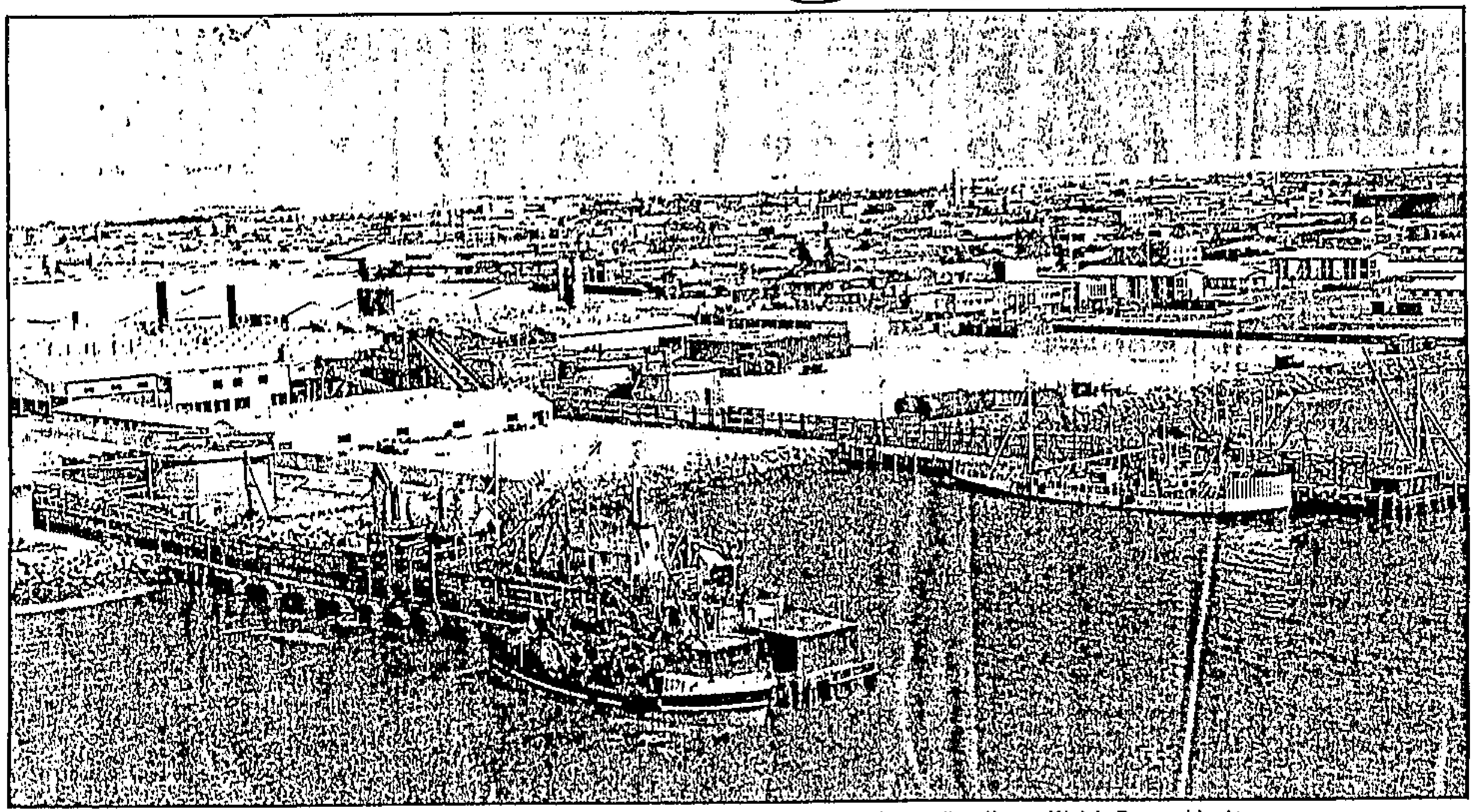
He argues that for the foreseeable future only the SA Harbours Administration has the manpower, expertise, administrative and technological infrastructure, and financial resources to run the port "as a politico-economically viable enterprise capable of meeting the damands likely to be made on it". — Star Africa Service.

Little bit of SA in state of limbo

Star 2/5/91

221A

Residents of the South African enclave of Walvis Bay, currently the subject of negotiation, have a surprisingly pragmatic attitude towards incorporation into Namibia, reports DALE LAUTENBACH in Walvis Bay.



Bay of discontent ... "Settle the damn thing so we can get on with our lives", say Walvis Bay residents.

WHILE NAMIBIAN and South African politicians square off over the disputed control of Namibia's only deep-water port and prepare for round two of negotiations, possibly this month, inhabitants of the town are caught in the limbo of uncertainty.

Across a broad political spectrum, the feeling, in summary, is: "Settle the damn thing so we can get on with our lives."

Suprisingly, attitudes in the port are shaped not so much by political or sentimental views as by pragmatism.

Business people look to their bread and butter and see that it is Namibia where the immediate markets lie. The fishing industry is dependent on concessions granted by the Namibian government.

The work force is composed mainly of Namibians or people who consider themselves Namibians, and has Namibian trade union representation even though it falls under South African labour law.

In neighbouring Swakopmund, itself an eccentric enclave, if only in the spirit of historical German sentiment, barroom chat prepares one for the 30 km drive south to the 1 124 sq km South African patch.

"Don't forget, Walvis is a hard town," says one man. "All these years you've had only the fishing people and the army."

Indeed, the immediate attractions of Walvis Bay are not obvious. It is flat and desolate, given space grudgingly by the Namib desert and abruptly arrested by the cold Atlantic.

Some Namibians joke irreverently that they wonder why all the fuss? Who would want that dump?

The Namibian government argues, of course, that not only is South African occupation of Walvis Bay a violation of the the principle of sovereignty, but that for economic reasons Namibia needs control of its only port.

If the port is what it all hinges on, Captain Jens-Dieter von der Fecht, port manager for the South African parastatal Portnet, sounds a warning: "Namibia can't afford the harbour, in my opinion."

Right now he covers operational costs but no more. He shrugs off the political import of the dispute. More important is that the port remains efficient and "doesn't become another African harbour".

For Nathaniel Maxuilili, National Assembly member and the outspoken voice of Swapo in the community, Walvis Bay is the "door" to Namibia. He has an optimistic view: open the door and many of Namibia's problems fall away.

In the dusty and uniformly flat township of Kuisebmond, he flies a Namibian flag over his house with a disdain for South African authority. He has been in the town since 1941 and was a Swapo activist in the early days when the second Swapo office to be set up, after one in Windhoek, was the one in Walvis Bay.

He describes whites in the town as right-wing: "We're dealing with people who still think a white skin is better."

While trade union representative George Gavanga says there has been significantly less police harassment since independence, Mr Maxuilili holds Swapo meetings in his house rather than request permission as required.

He clearly resents "the Boere" with a devil-may-care attitude, but his tales also reflect a pathetic confusion in the community. He says South African employers pressed their workers to apply for South African passports. "And the bloody fools went and got them, about 9 000 of them."

This is disputed by the white business people questioned, but it illustrates the tensions of being black here: a community caught haplessly between allegiances, jobs and political pressures.

Whites who characterise themselves as liberals chuckle too at the fate of National Party supporters who must stick a finger in the wind each day to find out which way to navigate if they are to remain true to their mutable party.

As one attorney says of the business community, irrespective of their politics, "they've been here all their lives, own property in Namibia, do work there as well as here: it would be suicide for them to oppose a handover".

He says the property market, one barometer of profound insecurity, has been very much business-as-usual. Indeed, some seem to be investing in a Namibian future: a Kenyan businessman stepped off the QE2 when it docked recently and paid R460 000 for a commercial property.

Mayor Nico Retief uses the old lingo of groups, dividing up the town to assess the picture: "Brown, black, fishing, public service and business."

With suprising pragmatism, he puts all groups but the public service in favour of accession to Namibia for either political or practical reasons.

But, "there are a great many who have doubts. We're going into a different way of life: new police, public service. We have it good under South Africa now."

Indeed the white part of town looks a lot better than the windswept black and coloured townships that lie further from the sea among the desert dunes. There has been some fairly lavish domestic development in recent years: big houses on prime seafront plots, the land itself going for R100 000 a stand now.

But if you count them, the really impressive new houses total only 20 or so on erven made available only since 1986. And the money reflected in the development is no different from neighbouring Namibian Swakopmund, where some seaside palaces have also sprung up in that period.

Mr Retief says the development represents the ordinary process of personal upliftment by long-term residents and not die-hards clinging to SA.

An attorney who fingers much of the town's pulse reads the mood: "We all know it's going to Namibia. The (SA) navy has left, the air force has practically come to a standstill. In the army and police, many have left and in the security police, many have received their transfer papers."

It seems many of the South Africans here are prepared to swallow the medicine. Says Mr Retief: "If Walvis Bay helps Namibia, then we all win. But without assistance from South Africa we'd be very shaky. I don't think they would cut support, they like Walvis Bay and like looking after us.

"They won't just drop us." □

Keep Walvis Bay a free port - Sole

221A

Mr Donald Sole, former South African ambassador to the United States, has come out in support of Walvis Bay being made a free port rather than being handed to Namibia.

He argues that for the foreseeable future only the South African Harbours Administration has the manpower, the expertise, the administrative and technological infrastructure and the financial resources to run the port "as a politico-econonically viable enterprise capable of meeting the damands likely to be made on it." Sowetan 2/5/91

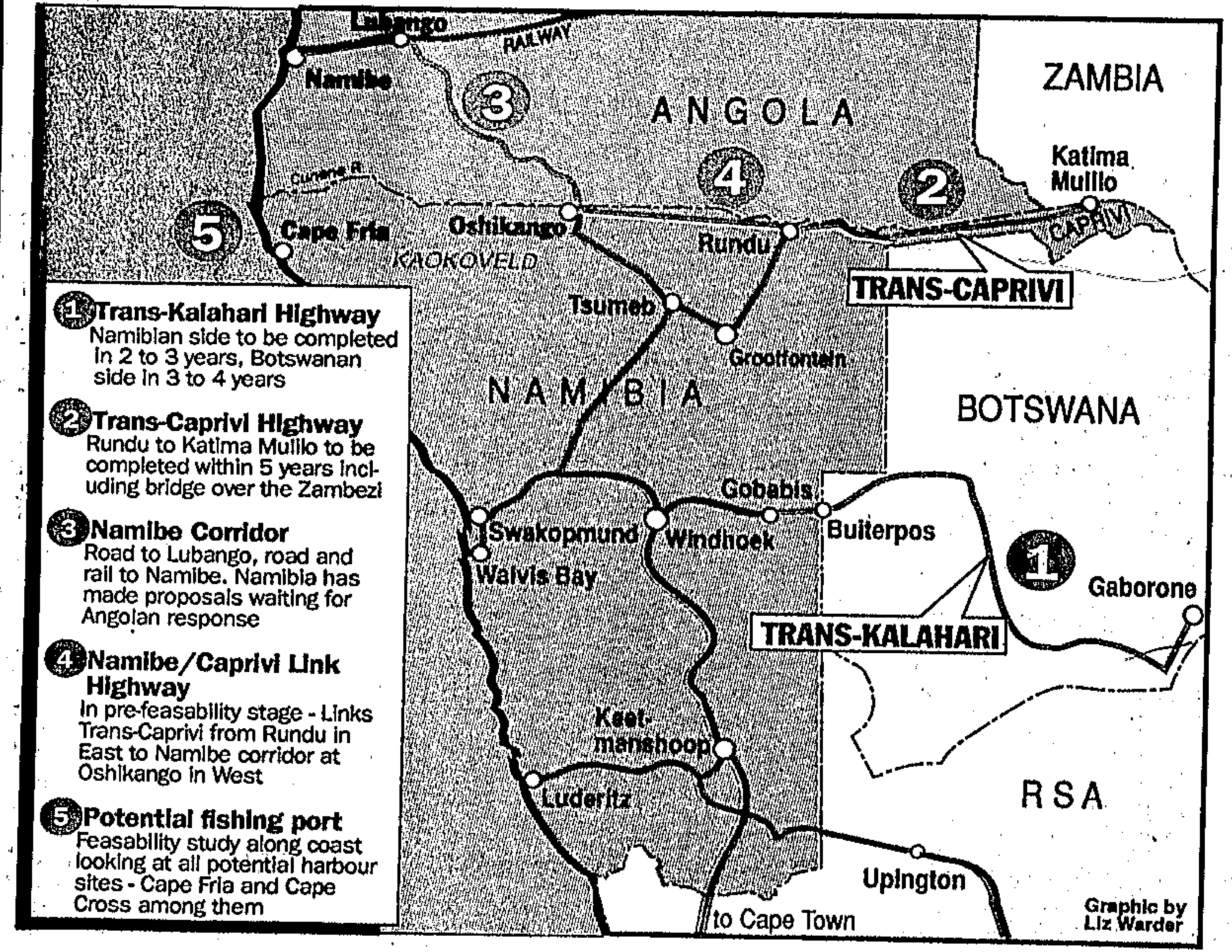
Rather than becoming part of Namibia, he says, the enclave should be made a free port under a joint Namibian-South African port authority, with sovereignty remaining with South Africa and primary responsibility for running the harbour installations "continuing to be vested where it is at present."

Sole makes his views known in a letter in the latest issue of *International Affairs Bulletin*, published by the South African Institute of International Affairs. - *Sowetan Correspondent*

Namibia seeking more gateways to outside world

Star 23/4/91

(221A)



Namibia is not looking only to acquiring Walvis Bay to end its almost total dependence on South Africa for its ground and sea links with the outside world. It is also planning new overland links through Angola and Zambia. DALE LAUTENBACH of The Star Africa Service in Windhoek reports.

THE Namibian government has begun a comprehensive feasibility study of the country's coastline to identify all potential harbour sites.

Deputy Minister of Transport, Works and Communications Klaus Dierks said the study, with the help of international consultants, was not primarily motivated by fears that the Walvis Bay dispute with SA would remain unsettled.

"We don't foresee any problems," he said. While there might be a "just-in-case" element to the study, it was important for Namibia to identify its coastline potential with a view to building a fishing port north of Walvis Bay.

Mr Dierks said Namibia's richest fishing waters lay to the north, and a fishing harbour at Cape Cross or Cape Fria could prove feasible in the long run. The present study would encompass physical, technical and economic feasibilty. The environmental impact any development might have was receiving particular stress.

The Namibian government was particularly concerned to safeguard the Kaokoveld, one of Africa's last stretches of relatively untouched wilderness, said Mr Dierks.

This was just one of the reasons he had expressed surprise at an SA newspaper report of a proposed east-west rail link from Cape Fria on the Namibian Skeleton Coast to Chinda on the Mozambican coast.

Dismissing the proposal as "another pipe dream", Mr Dierks said southern Africa was crisscrossed with similar "fantasy plans".

Surveys for a trans-Kaokoland transport link to tie into Namibia's rail infrastructure at Outjo were first begun exactly 100 years ago after a German geologist, one Dr Hartmann, had identified Cape Fria as an embayment which could be developed.

"Bismarck had dreams, Cecil John Rhodes had dreams and they all came to nothing," said Mr Dierks. The history of Namibia was littered with road and rail plans which came up only to die and come up again.

He said any rail scheme along the Caprivi to Cape Fria, as the report said was proposed, would necessarily have to be discussed with his ministry, and he had heard nothing.

He pointed out that Lüderitz and Walvis Bay were the only two natural harbours along the Namibian coast. The rest were all embayments which would involve much greater sums of money should any port development be considered. It was not just a question of building a harbour at Cape Fria as the report indicated, he said.

The logic of Namibia's present plans for the development of a transport network hinged on the Trans-Caprivi and Trans-Kalahari highway. Both were projects approved by the Southern African Development Co-ordination Conference for their regional logic, but the Namibian budget was solely responsible for the road construction within Namibia itself.

Mr Dierks said donor assistance was being sought but if this was not secured, Namibia would go it alone.

The Trans-Kalahari, for which Namibia's share is a 100 km stretch of road from just east of Gobabis to the Botswana border at Buitepos, should be completed within two to three years. The highway on the Botswana side linking to Gaborone, and more than 600 km-long, would take between three and four years, he expects.

The Trans-Caprivi highway from Rundu to Katima Mulilo would take at least five years, less if donor assistance could be negotiated. Work on the next stage of this road would begin in July. Still to be considered was a bridge over the Zambesi near Katima.

Mr Dierks said so far three potential bridge sites had been identified and a potential railway to run along the Caprivi with the road was in the pre-feasibility stage.

A far more realisable project than a trans-Kaoko... was the war-damage... Corridor. This woul... the reconstruction o... from Oshikango on th... Namibia border to L... Angola's Huila prov... west to the coast at N... deep natural harbo... there is already subst... frastructure.

The Namibian and ... governments have alr... mined this scheme a... bia has submitted ... Mr Dierks said he wa... for a reply.

In the longer term, ... logical development ... Namibe Corridor had ... habilitated would be ... mibe-Caprivi link ... This was already in the ... sibility planning sta... would link Rundu, the ... beginning point of the ... Caprivi as it travelled ... Oshikango in the west.

The completion of th... way, which would not b... next 10 to 15 years, wo... the port of Namibe to ... terland of central s... Africa.

"All other schemes at ... ment are fantasy," he sa...

Namibia and SA do deal on Walvis

Star 18/5/91

221A

WINDHOEK — Namibia and South Africa agreed at talks here yesterday to establish a joint administration over the SA port of Walvis Bay prior to settlement of the issue.

South African Foreign Affairs Minister Pik Botha said in Windhoek his delegation had come to Namibia to explore the complex issue of Walvis Bay and 12 islands.

Namibia has demanded that the enclave and the small islands be reintegrated into its territory.

Mr Botha said one of the issues already discussed between the two countries in Cape Town in March, that of the Orange River border, "was not a problem any longer". He did not elaborate.

Officials said South Africa considers the northern bank of the river, which separates the two countries, as the border, while Namibia says the border should be a middle line in the river.

Mr Botha said he believed peace in Angola and Mozambique was very close. — Sapa

Walvis Bay talks near settlement

C Press 19/5/91. 221A

THE Namibian and South African governments have made progress in their talks on the future of Walvis Bay and the offshore islands.

When representatives of the two governments met in Windhoek on Friday, they also discussed the possibility of joint administration of the enclave and islands pending an eventual settlement of the question.

The delegations, headed by Namibian Foreign Affairs Minister Theo-Ben Gurirab and South African Foreign Affairs Minister Pik Botha, will issue a joint statement after they have reported back to their governments on the talks.

The two governments also agreed that the middle of the Orange River should be the boundary between their two countries and that a joint technical committee be established to demarcate the boundary.

This was the second round of negotiations on the disputed South African port enclave of Walvis Bay, which is administered as part of the Cape province, and the 12 small islands.

The first talks took place in Cape Town in March.

Gurirab described the latest meeting as "productive and successful", saying that significant progress had been made and he was happy negotiators "were on the right track".

Namibia had re-dedicated itself to the negotiations and Gurirab said he strongly believed a settlement would be reached that was amicable and satisfactory to both parties.

Botha said "substantial progress" had been made in the talks which were conducted in a relaxed manner with everyone trying to understand the other man's point of view.

"I'm greatly encouraged because if this is the way we can proceed to resolve differences in southern Africa then the dream of the states of southern Africa working closely together is not such a faraway dream anymore," he said.

"Today was another step on that road towards realising there is a good future for us all if we can resolve our problems through negotiation, discussion and understanding," Botha said.

Walvis Bay, with its deep water harbour, has a population of about 26 000 people mainly engaged in port-related activities and the fishing industry.

Annexed by Britain in 1878, the enclave was transferred to the Cape colony of South Africa in 1884 and later transferred to the South West Africa administration under South Africa in 1922.

In 1977 Walvis Bay was transferred back to the Cape province which is still responsible for its administration.

In terms of United Nations Security Council Resolution 432 of 1978, the enclave and the 12 small islands are part of Namibia and must be reintegrated.

The reintegration was, however, not addressed in the UN Resolution 435 – concerning Namibia's independence from South Africa which took place in March 1990 – and was left to be negotiated at a later stage.

Friday's second round of negotiations were held at the Windhoek country club in the Namibian capital. – Sapa

Namibia still hit by sanctions

221A

Star 24/5/91.

By David Braun
Star Bureau

WASHINGTON — The Africa Sub-Committee of the US House of Representatives is considering introducing legislation which would force scores of American state and local governments to rescind their economic sanctions against Namibia.

A spokesman for the sub-committee said about half the American cities and state authorities which had legislated sanctions against Namibia in the days when the territory was administered by South Africa have so far taken the trouble to repeal these laws.

Research recently commissioned by the Namibian government found that the persistence of state and local sanctions against the country was the single biggest impediment to generating trade and business ties with the US.

US federal sanctions against Namibia were rescinded by executive order of President Bush on the day the country won its independence from South Africa more than a year ago.

The US State Department has since appointed a full-time official to try to persuade American state and city governments to roll back their sanctions against Namibia, but the process has been extremely slow.

The Washington-based Investor Responsibility Research Centre (IRRC) said only about half of the state and city governments which had imposed sanctions on Namibia, usually in legislation aimed mainly at South Africa, have so far rescinded their actions.

The IRRC believes the reticence on the part of local authorities to repeal their sanctions arises in part from ignorance or, in at least one case which it did not want to identify, outright disbelief that Namibia was truly free of South Africa.

The situation has been aggravated by the lack of interest in Namibia by the US media, so that very little is known about the country.

in the year, well above the average nominal 1990 price.

18 to 24 months' time.

WB Holdings' sale 'timeous'

B Day 28/5/91 (221A)

LIZ ROUSE

WB HOLDINGS' sale of its Namibian fishing interests in October 1990 proved to be timeous, says chairman Robert Silverman in his annual review.

The group is now thriving on Cape fruit.

Silverman says the uncertainty of an annual allocation of a viable pelagic fishing quota by Namibian authorities had long been a concern to the company. It therefore sold its entire investment in National Fisheries of Namibia (Natfish), a wholly owned subsidiary.

In selling its interest in Natfish the group disposed of its pelagic fishing interests, including its investment in Namibian Fishing Industries (formerly SWA Fishing Industries) and all its assets in Namibia.

The fruit farms thrived during the past year. Demand for Cape fruit was strong — thanks to frost damage to European crops — and particularly high prices were realised in export markets.

The easing of sanctions and efficient participation in world markets by the industry's selling organisation also contributed positively towards the handsome returns received for WB's product, says Silverman.

High export prices offset increasing costs for all machinery, materials and labour, resulting in WB's earnings increasing to 45,26c a share in the year to December 1990 from 1989's 36,38c. The dividend total is 21c.

The group has acquired Boskloof Farms with its apple crop for the current season. Boskloof will increase production by 40% and help offset a marginal drop in crops of the other farms.

Silverman says it is too early to assess final export prices for 1991, but doubts that the record realisations achieved in 1990 will be maintained. However, he expects WB will again enjoy good financial results this year.

Changes in scrap process

BRENT VON MELVILLE

MIDDELBURG Steel & Alloys (MS & A) Stainless has appointed Tillmor as its receiving depot, quality auditor and melting batch preparer for stainless steel scrap.

In tandem with its overseas counterparts, MS & A Stainless is making use of a specialist stainless scrap processor, to process the scrap into usable raw material for melting in its electric arc furnace.

Tillmor MD Paul King said in a statement yesterday that in order to provide the service required by MS & A, Tillmor had invested in additional plant and equipment and was now able to process in excess of 1 000 tons per month, representing 75% of Tillmor's total production.

With the use of modern Spectrographic equipment, Tillmor is able to produce "blends" of otherwise non-usable scrap in the production of stainless steel, enabling MS & A Stainless to use almost all grades of nickel bearing alloys as a raw material.

Germany's door ajar for Eskom

BRENT VON MELVILLE

ESKOM is on the verge of signing a formal management ...

ly and a direct ...

BUSINESS

(221A)

Pick 'n Pay's proposed entry into the Namibian retail market has elicited a storm of protest from an existing food retailer who objects to a possible about-turn by the Windhoek City Council on the rezoning of land in the central CBD for retail purposes. A divided city council facing the possibility of legal action and a retail price war involving top names in the SA retail sector are further ramifications of Pick 'n Pay's debut in the newly independent country. **LINDA ENSOR** reports from Cape Town.

BDay 30/5/91

Windhoek store row over zoning

BDay 30/5/91. (221A)

SA DEVELOPER Retail Property Projects (RPP), in which LTA has a stake, has applied to the Windhoek City Council for land in Tal Street zoned for offices to be rezoned for retailing purposes.

A centre is planned in which Pick 'n Pay would be the anchor, operating a supermarket covering 4 800m².

But Namibian conglomerate Olthaver & List, which this year opened the R54m Wernhil Park shopping complex, with a Model supermarket as its anchor, says its development was based on the premise that the adjacent land on Tal Street would be used for an office park which would direct about 2 000 office workers through the centre.

Model exercises the Woolworths franchise in Namibia.

Windhoek City council management committee chairman Gunther Kaschik says the committee decided this month to investigate the use of the land currently zoned for an office park to see if it should or could be used for business purposes and if so, in what way.

The report would probably be submitted at the end of the month for decision by the council, which Kaschik said was split 50-50 on the issue.

"The question is whether we should kill existing businesses or allow Pick 'n Pay to come in with its cheaper prices. My feeling is we should delay for a year or two years before changing the town planning scheme, in order to allow existing businesses to establish themselves.

"People are screaming for Pick 'n Pay and would love them to come to Windhoek, but the council has to take into account the fact that about R200m has been invested in a shopping mall.

"We face the danger of being taken to court for acting under false pretences if we allow a Pick 'n Pay store to open."

Kaschik said a good solution would be for Pick 'n Pay to buy other business-zoned properties in the CBD.

Pick 'n Pay property GM Colin Clarke said Windhoek represented a good trading opportunity for the group, which had planned to go into the country three years ago with an RMS Syfrets development. But the tender was lost to Olthaver & List in a competitive battle.

If the land was rezoned, RPP had applied to pay for it by private treaty rather than tender, Clarke said. For Pick 'n Pay it would mean an investment of about R4,5m in fixtures and stock. Only one store in Namibia was planned by the group, which is looking to expand into regions where it has no representation.

Clarke confirmed the group would come in with lower prices, saying that prices in Windhoek tended to be "exaggerated".

Any retail price war would pull in Pepkor's Shoprite, OK Bazaars and a German chain, Woermann Brock, which are also major retailers in Windhoek.

Overtraded

Alwyn Biermann, MD of Windhoek Universal, the holding company for the Model chain, said his objection was based on the fact that when Olthaver & List undertook the development of its centre on Tal Street it did so on the basis that the complex would form the anchor of the CBD development, and that the adjacent plot would be for office block development only.

He said Windhoek, which has been hit by recession, a diminishing population and no foreign capital inflows, was overtraded. There were not enough customers to justify an extra retailer.

Old Mutual, Sanlam and Southern Life have all undertaken property developments which together with Wernhil Park meant that about 40 000m² came on stream between August 1990 and January 1991.

Olthaver & List is one of the biggest industrial groups in Namibia. It owns four Model branches holding the Woolworths franchise, seven hotels under the Namib Sun banner, the Moluti Lodge at the entrance to the Etosha game reserve, a fish processing factory in Walvis Bay, Namibian Breweries (which produces Windhoek beer), Hansa Breweries, Rietfontein Dairies, a big farming division with 200 000ha of land, and a large property portfolio.

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NOTICE TO SHAREHOLDERS

6,5% Cumulative Preference Shares of R2 each

PREFERENCE DIVIDEND NO 11

NOTICE IS HEREBY GIVEN that Preference Dividend No 11 of 6.5 cents per share has been declared for the six months ending 30 June 1991 payable to preference shareholders on 28 June 1991, registered in the books of the company at the close of business on 14 June 1991.

Non-resident Shareholders' Tax at the rate of 15% will be deducted from dividends where applicable.

The preference share register will not be closed for the purpose of this dividend.

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J de Kock
Company Secretary

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30 May 1991

KW01156

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Notice to Preference Shareholders
6% Cumulative Preference Dividend

NOTICE IS HEREBY GIVEN that preference dividend No. 79 of 3% (three per cent) for the half year ending 30 June 1991 has been declared payable on 30 June 1991 to holders of 6% cumulative preference shares registered in the books of the company at the close of business on 14 June 1991.

The transfer books and register of members will be closed from 15 June 1991 to 23 June 1991, both days inclusive.

In terms of the South African Income Tax Act, 1962, non-resident shareholders' tax of 15% will be deducted from dividends

within the framework of democratic principles and not by way of . . .

Mr C W EGLIN: You are not addressing the issue!

The STATE PRESIDENT: No, I am absolutely addressing the issue, because the hon member for Wynberg has said that on the one side there was the system and on the other side the Blacks. [Interjections.] Hon members can read his Hansard. He said that. [Time expired.]

Mr R M BURROWS: Mr Speaker, the hon the State President has clearly, deliberately or otherwise, misunderstood what my hon colleague for Wynberg has been saying. The point is quite clear. Either this Government is committed to a broad central alliance that encompasses people of all races with common political views or it believes in people on the one side—those in the struggle—versus those who are at present "inside" on the other.

It is very important that we focus, not on an election in 1994 or whenever or even on a constituent Assembly, but on bringing people together. We have to emphasise the co-operative nature.

The point about the SA Communist Party that the hon the State President makes is as much a sideshow as the CP is. That is not the main issue. The main issue is to bring people together. It is not a matter of the NP continuing to use the good guy-bad guy policy. One day the hon the State President makes very nice pleasing statements, the next the hon the Minister of Defence makes attacking statements. This cannot continue.

What has to be emphasised, is that we have to move towards a non-polarised position in which everybody of this broad sector in the ANC, right through the middle and into the NP are coming together. The hon the State President has the possibility, as a statesman, to bring the people of South Africa together, not the parties.

Mr R V CARLISLE: Mr Speaker, let me say at once to the hon the State President, as we said to four of his predecessors, that he should not worry about the DP. We will stay together. [Interjections.] Here is the evidence!

We say further to the hon the State President that we form a bridge, and that bridge is open to him. I am disappointed in him, because I was saying to him that he above all South Africans has the power, the personality and the credibility to bring it together.

I accept that there are divisions. They are not always racial or ideological, but of all sorts. However, through the transition, through the first fragile years of the new South Africa we must look for co-operation, not competition. There will be competition, but the thrust must be co-operation. In that no one has a greater responsibility than the hon the State President.

*The STATE PRESIDENT: Mr Speaker, first of all I should like to react briefly to the hon member for Sasolburg. He contends that I do not consider Parliament to be important. I have never boycotted or walked out of Parliament. [Interjections.] It is precisely because that party realise that their message can be of no help that they are turning their backs on Parliament and resorting to extra-parliamentary action.

The hon members of the DP are mistaken if they are under the impression that I am not trying to involve all South Africans in a process. All those South Africans, however, will not be able to be part of a singe political movement.

*Mr R V CARLISLE: We are not asking for that!

*The STATE PRESIDENT: Then I am delighted. In that case we are in agreement and we are making progress. Therefore everyone will have to make choices. More than half the members of the executive of the ANC, according to all available information, are members of the SA Communist Party.

*Mr J CHIOLÉ: Twenty-six out of thirty-six!

*The STATE PRESIDENT: That does not make them a sideshow, particularly not in view of the value which that party attaches to the impact and the influence of the ANC. It plays an important role. Nobody denies that. We are trying to bring them all together in relation to the rules of the game. Once the rules have been drafted, however, we will still have political divisions. This party, of course, suggests that all important players should be present in the executive authority of the new South Africa.

They need not come and preach to us about co-operation. That is our policy. Our policy is one of power-sharing and we intend to give substance to that policy. We intend to cause power-sharing to work in a just way. I want to point out, however, that it is impossible to unite all people into a single, powerful political movement. The political movement of those seeking balanced solutions will be part of the team in which the NP finds itself. Those who want to usurp all power cannot be part of that team, and we will be political opponents on the road ahead. There is no obligation on us.

I am not trying to disorganise the ANC. Indeed I have helped them get out of many a tight spot in which they have cornered themselves. [Interjections.] The time has come for them to stop their little power games and to get their house in order. We are not placing any impediment in their way. [Interjections.]

We want them to become a decent, well-organised political party. That is our aim.

Debate concluded.

Walvis Bay/Penguin Islands: administration

*2. Adv T LANGLEY asked the Minister of Foreign Affairs: 221r

(1) Whether a South African delegation led by him discussed the possibility of a joint administration for Walvis Bay and the Penguin Islands with a Namibian delegation on or about 17 May 1991; if so, why;

(2) whether the Government agrees that the middle of the Orange River should be the border between South Africa and Namibia; if so, why?

B1171E.INT

*The MINISTER OF FOREIGN AFFAIRS: Mr Speaker, the reply to the first part of the interpellation is yes. The talks form part of the effort of the two governments to find a solution to the conflicting standpoints each government is adopting on the status of Walvis Bay and the coastal islands. Namibia's Constitution provides that Walvis Bay and the twelve coastal islands are part of the territory of Namibia and that the middle of the Orange River forms the southern boundary.

Internationally there are United Nations Resolutions which amount to Walvis Bay and the coastal islands being an integral part of Namibia and that re-integration of Walvis Bay shall be brought about by the two governments after Namibia has attained its independence.

The standpoint of the South African Government is that Walvis Bay and the coastal islands are RSA territory, but acknowledges that Namibia has an essential interest in a safe deep-sea harbour and furthermore that the change in the status of Walvis Bay has serious constitutional implications. Since we are on the eve of constitutional negotiations, the Government would prefer not to take a unilateral decision one way or another.

The first talks in Cape Town on 14 March ended in a stalemate, but it was decided to arrange follow-up talks. After the second meeting, which took place on 17 May in Windhoek, a joint Press release was issued in which it was stated that the possibility of joint administration had been discussed, but that there would first have to be a report back to both governments. This process has not yet been disposed of.

The reply to the second part of the interpellation is yes, because it is in accordance with the general rule of international law which applies in the case of a non-navigable international river.

Furthermore, the shifting of the boundary to the middle of the river, from a practical point of view, does not have any serious constitutional implication. One of the reasons for this is that Namibia, in terms of recognised principles of international water law, qualifies as a drainage basin state. For that reason Namibia has a claim to the right of use of water from the Orange River. Consequently when the river is empty, or not flowing too strongly, the northern bank is almost a theoretical boundary. In any event, the northern bank was never demarcated.

If private sector interests and rights were to be detrimentally affected by this relocation, protection of the interests and rights will receive attention in the agreement which will have to be concluded between the two countries.

*Mr T LANGLEY: Mr Speaker, South Africa's right to Walvis Bay, to the Penguin Islands and other islands, and to the northern bank as the boundary between South Africa and South West Africa and now Namibia, was indisputable and juridically and otherwise unassailable. This has always been the case. I would almost say that nowhere else in the world are there such clear and pure international law rights as these rights of South Africa. Now the hon the Minister and his Government come along and they are prepared to share power on an interstate basis in respect of Walvis Bay and the islands and, as far as the northern bank is concerned, to retire.

Mr Cyrus Vance wrote in his book *Hard Choices*, in respect of Walvis Bay, that his legal adviser, Herb Hansell, told him:

> Not endorsing South Africa's legal position was not juridically defensible.

In Mr Vorster's days the Western Contact Group was told:

> Any discussion of Walvis Bay would lead to the immediate termination of negotiations.

Not one of the arguments the hon the Minister mentioned here today was sound in international law. What this Government is allowing to happen is totally incomprehensible. Namibia, which is a complete nonentity, and which is fully dependent for every breath it takes on South Africa, in this case becomes the tail that wags the dog. 221A

This is absolutely unnecessary. The hon the Minister's reasons do not hold water. The only reason I can see for this is that he hates South Africa's history, that for the most part of his working life he never agreed with what he participated in prior to Resolution 435, and he wants to destroy it completely. Why else?

The hon the Minister must not come and tell us that he wants peace with the United Nations. He got that to an almost nauseating extent when he complied with Resolution 435. He must not come and tell us that Walvis Bay or the islands or the north bank of the Orange River make no difference and are of no consequence. As far as South Africa is concerned those are its territorial waters which are being determined in that way. Some of the richest diamond, oil, fish and strategic territories in the world are situated there. He simply wants to strip South Africa of these assets without any further ado.

He wants to make of this country the degenerate vagrant in the international marketplace without any remnants of self-respect or pride or inner strength. [Time expired.]

Mr C W EGLIN: Mr Speaker, I have no intention of making a legalistic issue of South Africa's claim to sovereignty. We have all along said we recognised South Africa's claim on the purely legalistic basis. We are dealing with a political situation and not a legalistic situation. The essence of the hon member's complaint is that South Africa is diluting or surrendering its sovereignty over parts of its territory.

I did not hear any howls of complaint when we did that in respect of the Transkei, the Ciskei or of Port St John's, which came to South Africa by exactly the same route that Walvis Bay came to South Africa. I did not hear any howls of dispute when we added on a big chunk of the old Transvaal Republic to Bophuthatswana and Venda. However, suddenly this is a matter of high principle.

However, it is not a matter of high principle, it is a matter of politics and common sense in international relationships. Whatever our sovereignty may be, it will be in our interests to find a resolution which recognises the critical importance of Walvis Bay to the people of Namibia. I believe it will be in our interests to be generous in this regard, to the extent that apparently there is already a dilution of sovereignty to the extent that it will be a joint administration.

Yes, if that is the way to see that Walvis Bay does not become a sore in the body of Southern African politics and that we can resolve this resolution, we say let it be. We believe that the interests of South Africa are paramount. However, the interests of South Africa are not only measured in its fishing interests, its property interests or its personal interests—which are valuable. They are also concerned with relationships between us and neighbouring states. In that context we have no doubt that South Africa should take the broad view of the problem. Yes, it should try to protect its specific interests in Walvis Bay and in the islands.

As far as the river is concerned, I want to say it was a freak situation in any case which perhaps should never have arisen. The boundary should have been down the centre of the Orange River. We urge that South Africa take a realistic view from the point of view of international relationships. [Time expired.]

The MINISTER OF FOREIGN AFFAIRS: Mr Speaker, I would like to thank the hon member for Sea Point for his contribution. To a large extent I find myself in full agreement with his remarks. [Interjections.]

*The problem with the CP is that they use such opportunities to make a little propaganda for

outside consumption. The hon member for Soutpansberg must tell us this afternoon what Walvis Bay's position will be if Namibia does not use it as a harbour. That hon member is compelled to reply to this today. If the Namibian government should develop another harbour north of Walvis Bay—which is a possibility . . .

*Mr J H VAN DER MERWE: Where? 221A

*The MINISTER OF FOREIGN AFFAIRS: That is not relevant. I am asking the question. [Interjections.]

What is relevant is the question of what the hon member's reply is going to be if Namibia no longer uses Walvis Bay as an import harbour.

There are thousands of squatters there. If one cannot obtain the co-operation of the Namibian government in dealing with that squatter problem, how do those hon members think they are going to deal with it? [Interjections.] The CP is living in the past and with their standpoint is heading for conflict, violence and strife. That is what the CP thrives on. [Interjections.] The CP thrives on conflict, violence, coercion and hatred. [Interjections.]

For centuries governments, states and peoples have tried to solve their disputes by means of wars. There is not a single example in recent history in which the situation after a war was better than it was before the war. [Interjections.] We are not talking about rights or title under international law here. In my opinion our legal title is unassailable. I stated this in my reply to hon members. That is not the issue here. The issue here is the settlement of a political problem.

Why did the hon member stop reading from Mr Cyrus Vance's book? Why did he not read a little bit further on and tell the House what Mr Vance decided? Why did he stop at that single sentence, or does he think that I have not read the book? [Interjections.] [Time expired.]

*Mr F J LE ROUX: Mr Speaker, just as dramatically and with just such a spate of words, the hon the Minister explained to us here on 15 March 1990 what the legal position was in respect of Walvis Bay and the islands. I am referring to Volume 17, col 2905 of Hansard.

That is our property. There is no doubt about that. Here I have a handful of documents in which it is stated what the treaties and the situation regarding Walvis Bay and the islands are. This is what the hon the Minister said on 15 March 1990, but then he said we must not turn the matter into a hot potato. That is typical of what the NP does. The one moment it is saying unequivocally that we are the owners of Walvis Bay, and that all the world should know this. The next minute they are sending a signal indicating that they are prepared to negotiate. On 15 March 1990 they sent a signal to Sam Nujoma indicating that they were prepared to negotiate. The third step is capitulation. That is typical of the NP. [Interjections.]

That hon Minister is a senior member of the Cabinet and a senior member of the negotiating team that has to negotiate with the ANC and the SACP. The people of this country are looking up to that hon Minister to try to protect the legal, established interests of our people and, as he said himself in that debate, to satisfy the aspirations of all our people. However, he is merely making concessions and abdicating.

Has he gone into the position regarding the mouth of the Orange, the islands, and the 200 km of territorial waters around those islands, which we are now relinquishing, to which my learned friend here referred? Has he gone into the situation regarding the Helsinki Rules? [Time expired.]

*Mr T LANGLEY: Mr Speaker, Cyrus Vance said that one should preferably follow Tanganyika's example when considering the historical, geographic and ethnic claim to Walvis Bay. Then, of course, one does not have a leg to stand on in terms of international law. Surely it is absurd to consider such claims. Now the hon the Minister comes along and tries to catch me out with that.

In terms of international law there was never such a strong argument on South Africa's side in respect of this matter as there can in fact be in this case. South Africa and the hon the Minister's friends know this, and the Western powers know it.

Why does he not for once say that he is taking a stand in terms of international law, and that his good friends in the West, who plunged him into all the predicaments in which South Africa finds itself at present, must now help him with this, be consistent and support him. [Interjections.]

In regard to Africa, too, this argument is surely on South Africa's side, because Africa said the boundaries of the colonial time must remain. [Time expired.]

2217

*The MINISTER OF FOREIGN AFFAIRS: Mr Speaker, there is nothing to which I really need to reply, because the hon member was then caught out with Cyrus Vance.

*An HON MEMBER: Give us a Pik show then!

*The MINISTER: They know just as well as we do that the political party in that area . . .

*Mr SPEAKER: Order! The hon the Minister must resume his seat. A few years ago I gave a ruling to the effect that hon members were not to call one another by their Christian names or nicknames or shout them out across the floor. I ask hon members to bear that ruling in mind and to apply it. The hon the Minister may proceed.

*The MINISTER: Mr Speaker, the simple fact is that this Government is taking the interests of the inhabitants of Walvis Bay fully into consideration. That party is not doing so. The party which is their counterpart in South West Africa agreed to that Namibian constitution. That party—their brothers—agreed that Walvis Bay should become part of Namibia. That is a simple fact. [Interjections.] That constitution was unanimously accepted. The CP is in fact in conflict with their counterparts and colleagues there in Namibia.

The fact of the matter is that this Government puts one question above all others, namely what is in the interests of the people of Walvis Bay. That is why the MP for Walvis Bay was included in the delegation and why we will not make any arrangements which will have a detrimental effect on those interests. [Time expired.]

Debate concluded.

QUESTIONS

†Indicates translated version.

For oral reply:

General Affairs:

306

Air pollution in Pretoria

*1. Mr J CHIOLÉ asked the Minister of National Health:†

(a) What is the highest (i) level of sulphur dioxide and (ii) smoke concentration measured in the city centre of Pretoria to date, (b) when was it measured and (c) how does it compare with internationally accepted safety norms?

B1101E

†The MINISTER OF NATIONAL HEALTH:

(a) (i) 99 microgram per cubic metre annual winter average and

(ii) 47 soiling index units per cubic metre, annual winter average

(b) the highest record sulphur dioxiode annual winter average was measured during 1959 and the highest annual winter average for smoke concentration during 1964 and 1965 and

(c) accepted international safe levels for annual winter averages are:

Sulphur dioxide: 80 micrograms per cubic metre.

Smoke: 25 soiling index units per cubic metre.

†Mr J CHIOLÉ: Mr Chairman, arising from the hon the Minister's reply, what has the Government done to reduce these exceptionally high levels?

†The MINISTER: Mr Speaker, the hon member's question astounds me. Had the hon member listened to what I said, he would realise that we take great pains to keep these levels within normal and internationally accepted standards. I can give the hon member the following additional information. Smoke and sulphur dioxide has been measured on Church Square since 1959 and as from 1975 there are also points in Pretoria West, Capital Park, Arcadia, Scientia North and Scientia South. Over the years the smoke and sulphur dioxide levels at these stations have shown a sustained decrease and the annual winter averages for 1990 are as follows: Sulphur dioxide measured in micrograms per cubic metre was 20 on Church Square; Pretoria West, 23; Capital Park, 17; Arcadia, 11; Scientia North, 18; and Scientia South, 17. The smoke concentrations, measured in pollution index units per cubic metre, were 12 on Church Square; Pretoria West, 15; Capital Park, 9; Arcadia, 10; Scientia North 6; and Scientia South, 4.

The hon member asked what we are doing to reduce these unacceptably high levels. He asked what the highest level was. The highest level was measured in 1959, namely 99 micrograms. At present it measures 20 and 23, and in his constituency 23. I do not think there is any problem.

Mr R J LORIMER: Mr Speaker, further arising out of the hon the Minister's reply, may I ask her what international standards she abides by, because there tend to be quite a number of them; I would also like to know whether we have established any standards ourselves above which we would regard the air pollution prevalent in our skies as being totally unreasonable.

The MINISTER: Mr Speaker, I would gladly provide the hon member with the details. The answer which I have available is that we use accepted international safety levels, but I will provide him with the details of which international standards we apply.

†Mr J CHIOLÉ: Mr Chairman, further arising from the hon the Minister's reply to my question, I would like to repeat the question. What is the Government doing to reduce the levels? [Interjections.]

†The MINISTER: Mr Speaker, I think it is clear from the reply which I gave to the hon member that the achievement we have attained is evident, but there is a sustained attempt and continuous monitoring of these pollution levels to ensure that there is a progressive decrease. I think the hon member will agree with me that the achievement which I referred to, is clear evidence of what the Government is doing to keep it under control.

†Dr J J VILONEL: Mr Speaker, further arising from the hon the Minister's reply, I would like to ask her whether she would agree with me that if the CP and the ANC were to burn fewer documents and objects, there would be less smoke. [Interjections.]

Release of prisoners: Govt/ANC agreement

*2. Adv J J S PRINSLOO asked the Minister of Correctional Services:†

(1) Whether the Government has concluded an agreement with the ANC on the release of certain prisoners; if so, (a) when and (b) what is the nature of this agreement;

(2) (a) how many prisoners were released in terms of this agreement before they had served the full term of imprisonment imposed upon them and (b) in respect of what date is this information furnished?

B1102E

†The MINISTER OF CORRECTIONAL SERVICES:

(1) (a) and (b)

During the State President's speech on 2 February 1990 the unbanning of previously prohibited organisations was announced and this led the way to discussions between the Government and the ANC. These discussions led to the Groote Schuur Minute of 4 May 1990 and the Pretoria Minute of 6 August 1990 and the contents of both these documents were made known publically. Arising from this, norms and mechanisms were established in terms of which the release of security and security- related prisoners would be dealt with as well as the guidelines for the defining of political offences in the South African context. The basis for the authority for release is founded in the Constitutional Act and the Prisons Act. No new authorities were added.

Various categories of offences for which indemnity has been granted were announced in the *Government Gazette* in course of time and every prisoner (irrespective of his political alliance) who is of the opinion that the motive for his offence(s) could be regarded as being political and who has committed himself to peaceful solution is given the opportunity to apply for release. This process is still ongoing and many applications are still being received. This mechanism is only available in those cases where the offences were committed before 8 October 1990.

(2) (a) and (b)

As a result of the aforementioned up to and including 11 June 1991, 1 036 sentenced security and security/unrest-related prisoners on various sides of the political spectrum were released in terms of the various categories and in consequence of applications.

Bid to sideline CSO in Namibia report

221A

KIN BENTLEY and ROBERT LAING

LONDON — Moves are afoot to end the exclusive sales agreement that the Central Selling Organisation (CSO) has with Namibian diamond producer Consolidated Diamond Mines (CDM), the journal Africa Confidential claims.

Both the CSO and CDM are owned by De Beers. However, CSO's Bill Lear said from London yesterday the report was "pure speculation".

The agreement will be renegotiated this year, and among those involved in intense lobbying over CDM'a future diamond marketing arrangements is New York dealer Maurice Tempelsman, the journal says.

Quoting Windhoek sources, Africa Confidential said Tempelsman was pressing for a contract to buy part of CDM's output to replace $20m worth of gemstones he previously bought from Angola but lost when the state producer Endiama rejoined the CSO.

The report said his pitch for about 5% to 10% of CDM's output (worth $250m in 1990) was being "strenuously opposed" by De Beers.

It said: "Government ... officials have yet to be convinced such a deal would be in Namibia's long-term interests. CDM has just invested R16m in a new 75 000 carats per year mine at Chameis, while a further 250 000ct/year will come on stream by mid-1991 at Elizabeth Bay, which should more than offset falling recovery from mined-out areas."

erated about R1bn a year in two-way trade, in spite of an official sanctions policy by the OAU.

"With the removal of official sanctions now very much in the offing, trade can be expected to increase

number of foreign tourists to SA had dropped by 17% in the January-February season, compared with the same period last year. The drop was attributed largely to unrest and violence in SA. — Sapa.

Walvis Bay to have joint administration, says report

2214

BID ay 18/6/91.

KIN BENTLEY

LONDON — Details of an interim joint Namibian-SA administration of Walvis Bay which could lead to its eventual reintegration into Namibia, are expected to be announced by August, Africa Confidential reports in its latest issue.

The report says SA is expected to be granted special fishing rights in Namibian waters in terms of the deal, which will also involve the Namibian takeover of the enclave's 12 tiny islands.

It also says SA has agreed that Namibia's southern border can move from the north bank to the middle of the Orange River.

The planned joint administration follows two rounds of inter-governmental talks earlier this year and comes despite reservations from some Swapo supporters, it says.

It says Namibian Foreign Minister Theo-Ben Gurirab "seems to have engineered the breakthrough".

"Although Pretoria cannot admit as much, joint rule will enable Windhoek to pursue the enclave's 'reintegration' as prescribed by its constitution and United Nations resolution 432 of 1978".

Africa Confidential says Swapo has "accepted SA Foreign Minister Pik Botha's case that Pretoria cannot give up the port without time to soften up white opinion".

The report says the far-right among the enclave's 12 000 whites seem to have "got the message", with Aksie Vrye Volk leader Daan Mostert having "packed his bags". Most business people have also accepted Namibia's takeover.

Two key issues remain: Pretoria's 5 000-6 000 troops and a naval and air base; and the enclave's 12 islands.

It says that with the end to Angola's war, Pretoria's main strategic reason to stay has gone.

The report says if the islands remain South African, there could be oil exploration disputes. "Namibia's first oil-licensing bids are due by November and Windhoek has guaranteed companies that their exploration rights will not be affected by territorial issues."

South 20/6-26/6/91.

(221A)

Industry sets sights off shore

AS Namibia's diamond mines approach the end of their economic life, prospectors are looking offshore to bolster a once thriving industry.

Three years of test mining off the Atlantic coast will determine whether deep-sea mining can replace opencast diamond extraction.

"Mining from the ocean bed has never been done anywhere," says Consolidated Diamond Mining (CDM) corporate communications manager Clive Cowley.

"It involves high technology to account for sea currents and winds."

CDM has adapted two mining ships and an exploration vessel to small-scale mining activities.

The company plans to increase its fleet to five mining ships and a support boat in the near future.

"This should result in deep-sea mining proving not only to be a substitute for the gradually declining mining on land, but also the ultimate replacement for land mining," says Cowley.

Since 1920 diamonds have been mined exclusively by CDM in the Namib desert. The second largest employer after the government, CDM is a wholly owned subsidiary of Anglo-American De Beers.

During the 1970s boom Namibia's fields were callously exploited to meet a rapidly rising world demand for quality gems. Output rose from around R1,5 million carats in 1974 to a peak of R2 million in 1977.

Thereafter productivity declined and in 1990 CDM produced only 750 000 carats of diamonds to rank eighth on the world table of producers.

Yet despite declining production and an international diamond market damaged by the Gulf war and the United States recession, diamonds are still Namibia's best-paying friend.

Namibia depends heavily on the primary sector to provide an economic vehicle for development. Manufacturing is virtually nonexistent, contributing only 4,5 percent of GDP.

Mining, including uranium and base metals, generates more than two-thirds of total export earnings, contributing 30 percent of GDP. Diamonds alone account for almost one-third of total export earnings, fetching R837,24 million in 1989. But despite being the major money spinner, mining employs only five percent of waged workers.

Unlike mining on land, which is both capital and labour intensive, deep-sea diamond mining mainly requires heavy capital investment. With unemployment in Namibia conservatively estimated at 30 percent, any contraction of jobs in land mines and peripheral industries is a potential source of worry for the government.

CDM officials admit that job losses are inevitable, but point to the recent expansion of mining to Auchas on the Orange River, where 300 mine workers were employed last year, and Elizabeth Bay further north, which is due to come into production this year, bringing CDM's total workforce to 6 500. — *AIA/IPS*

Walvis Bay issue should be resolved by present SA government — Tambo

2219

From DALE LAUTENBACH ARGUS 20/6/91.
Argus Africa News Service

WINDHOEK. — The government of President De Klerk was "totally unjustified" in trying to pass the unresolved issue of Walvis Bay and the Namibian off-shore islands on to a future democratic government in South Africa, said African National Congress president Mr Oliver Tambo.

On his feet for over 45 minutes, the ailing Mr Tambo addressed a crowded meeting in Katutura, outside Windhoek, last night. Namibians spilled out of the hall and hushed their chanting and toyi-toying to hear him speak in a quiet voice which seldom faltered.

He said the South African government's ploy to pass the Walvis Bay dispute to a future government was unacceptable as the minority regime alone was responsible for the colonisation of Namibia.

"We say to the Pretoria government: Let Walvis Bay go," said Mr Tambo to a cheering audience.

The ANC president, who is widely expected to step down at the movement's congress next month, hinted too at a possible resumption of the armed struggle, saying that in the face of government intransigence on violence and its "double agenda" on agreements negotiated by both parties, "we must continue the struggle on all fronts".

He said while the ANC had made progress "our path is still fraught with many difficulties". Crediting the fact that the government and the liberation movement were now "engaged in talks which must eventually lead to a unified, democratic, non-racial, non-sexist South Africa", Mr Tambo also criticised the government for reneging on agreements.

"We are constantly being reminded not to be too optimistic given the double agenda of our negotiating partners. The government has yet to implement the provisions of the Groote Schuur and Pretoria Minutes fully.

"What we have seen so far is a government which agrees to certain positions in negotiations and proceeds to act contrary to the spirit and letter of agreement."

Mr Tambo referred specifically to political prisoners still to be released and exiles still to receive indemnity and assurances before they returned home safely. While crediting the repeal by the government of "some legislation", the Internal Security Act and "related oppressive legislation remains on the statute book and no intention to amend these substantially has been given".

NAMSEA/NAMFISH FM 21/6/91

GROUND FLOOR?

NAMSEA (221A)

Activities: *Pelagic and rock lobster fishing and processing in Namibia.*
Control: *Arun Holdings 73% — ultimate holding co: Namnor As.*
Chairman: *L A Eloy.*
Capital structure: *4,2m ords. Market capitalisation: R14m.*
Share market: *Price: 325c. Yields: nil% on dividend; 20% on earnings; p:e ratio, 4,9; cover, n/a. 12-month high, 550c; low, 425c. Trading volume last quarter, nil shares.*

Year to Dec	'87	'88	'89	†'90
ST debt (Rm)	—	3,4	0,9	—
LT debt (Rm)	—	2,3	—	0,3
Debt:equity ratio	n/a	n/a	n/a	n/a
Shareholders' interest	0,67	0,55	0,68	0,79
Int & leasing cover .	n/a	n/a	n/a	n/a
Return on cap (%) ..	31	50	49	34
Turnover (Rm)	20	14	8	17
Pre-int profit (Rm) ...	10,3	13,6	8,9	4,2
Pre-int margin (%) ..	43,8	96	154	21
Earnings (c)	172	230	164	67
Dividends (c)	150	200	155*	—
Net worth (c)	408	333	267	205

† 1990 trading period 15 months — year end changed from September 30.
* Excludes special dividend of 55c (1988: 20c).

When the Norwegian consortium led by Peter Kuttel bought control of Namibian Sea Products (Namsea) from Oceana last year, nobody was under any illusions about the difficulties it would face in the short term. The appeal lay in the long-term prospects of fishing the once abundantly rich Namibian waters.

Namsea's 1990 results are poor and unlikely to improve through 1991. For similar reasons, the same applies to Namibian Fishing Industries (Namfish), which the consortium also controls.

The consortium bought into Namibian fishing following the disenchantment and insecurity suffered by the three major fishing groups that withdrew from Namibian pelagic and rock lobster fisheries. Fedfood-controlled Marine Products sold its Walvis

Continue →

 FM 21/6/91 (221A)

NAMFISH

Activities: *Pelagic and rock lobster fishing and processing in Namibia.*
Control: *Arun Holdings through Namsea (26,4%) and Natfish (16%).*
Chairman: *L A Eldoy.*
Capital structure: *3,15m ords. Market capitalisation: R12,6m.*
Share market: *Price: 400c. Yields: 5% on dividend; 17,9% on earnings; p:e ratio, 5,6; cover, 3,6. 12-month high, 650c; low, 375c. Trading volume last quarter, 39 000 shares.*

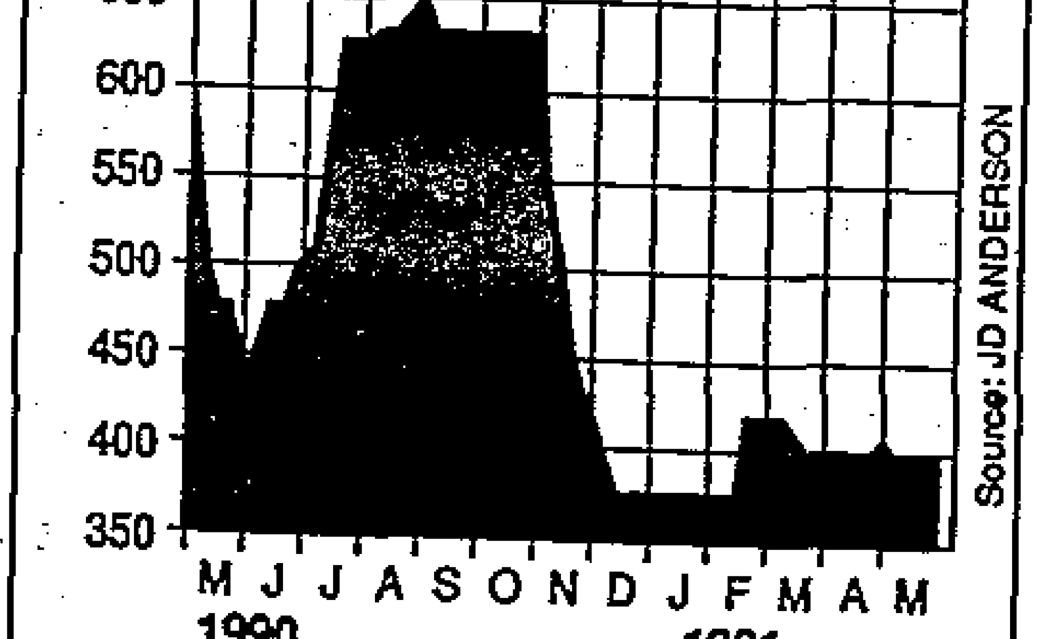
Year to Dec	'87	'88	'89	'90
ST debt (Rm)	3,6	—	—	—
LT debt (Rm)	1,6	0,6	0,5	0,4
Debt:equity ratio	n/a	n/a	n/a	n/a
Shareholders' interest	0,6	0,4	0,6	0,8
Int & leasing cover .	n/a	n/a	n/a	n/a
Return on cap (%) ..	38	29	23	23
Turnover (Rm)	36	21	11	12
Pre-int profit (Rm) ...	13,6	7,0	3,0	2,5
Pre-int margin (%) ..	38	34	28	22
Earnings (c)	231	266	130	71,5
Dividends (c)	200	915	125	20
Net worth (c)	633	273	259	289

Bay investment to Namib Fisheries Holdings; Kuttel and the Norwegian consortium jointly bought 100% of unlisted National Fisheries of Namibia (Natfish — formerly Willem Barendz) from the Silverman family for R8,75m; and the Norwegian consortium bought 54% of Namsea from Oceana (holding company Barlows) for R13,7m. Namsea and Natfish hold 26,4% and 16% of Namfish respectively.

Namsea and Namfish each owns 23,06% of United Fishing Enterprises (UFE), which processes pelagic fish into canned fish, fish meal and fish oil at Walvis Bay. Each also owns 35% of Seaflower Lobster Corp in Luderitz, which processes rock lobster.

Namibia's Department of Sea Fisheries, under Jan Jurgens, wants to restore the industry, but with greater controls than when the territory was administered by SA. Namibia's independence has enabled international recognition of its 200-mile limit, which can now be policed.

Pilchard quotas remain about the same as last year. UFE earnings should thus be about the same, or slightly better for 1991, because the large carry-over of stock from 1990 has been disposed of. Quotas for rock lobster have been reduced but what is more alarming is the toll that environmental changes appear to have taken on the lobster population. Catches remain disappointing. Should this continue, Seaflower projects a consider-



Namibian fishing *... long-term commitment is needed*

able operating loss for this year.

When allocating quotas, the Namibian authorities will, according to Jurgens, look favourably on Namibia-registered companies showing intentions of looking after their Namibian employees.

Namsea and Namfish chairman Lars Eldoy says the group is "extremely concerned" about the position of Seaflower in Luderitz. He notes that the lobster operation, in its traditional form, has become uneconomic, owing to poor catches since February 1989. This could effect just over 700 employees at Seaflower alone, and possibly about 1 100 in this Luderitz-based industry; most of these are breadwinners.

The consortium has applied for concessions and quotas to enter other activities in the Namibian fisheries. These operations would be based at Luderitz, so that other work can be found for employees who may soon find themselves without jobs. A hake and tuna concession and quotas are being sought; if received, fishing could begin in early July.

Namsea and Namfish would then be participating in a wider spread of fishing activities. But this involves diversification and considerable capital expenditure. Shareholders should not expect much in the way of dividends for some time.

The biomass is well on its way to recovery, so both Namibia and the Namsea/Namfish shareholders should benefit. In the short term, conditions for the lobster industry will, one hopes, not deteriorate much further and quotas may increase.

Kuttel and his consortium have made a considerable, long-term commitment. Considering that the pelagic and demersal biomasses should recover, and quotas should be increased to the benefit of participants who got in on the ground floor, a long-term investment in either of the companies' shares could prove rewarding.

Namfish is the better vehicle if tradeability is important. An eventual merger of the two companies is possible.

Gerald Hirshon

500 will share their ideas on Namibian land reform

WINDHOEK — More than 500 delegates representing every sector of Namibian society will gather in Windhoek today to share their ideas on the question of land reform. S Day 25/6/91

A national conference, called by Prime Minister Hage Geingob, seeks to obtain the views of as wide a section of the community as possible to gain consensus and assist the government in formulating a land reform policy.

The conference is being held from today to July 1.

"The land question in Namibia is one of the most burning issues facing the new nation," the organisers said in their briefing document. (221A)

Years of colonialism had resulted in the majority of the population having access to only a fragment of agricultural land.

According to official figures, nearly 60% of the land is in the hands of whites, who constitute just 5% of the population.

Representatives to the conference will include the bushmen of Nyae Nyae in eastern Bushmanland, dispossessed of most of their traditional land more than 20 years ago. — Sapa.

South 20/6-26/6/91.

221A

Industry sets sights off shore

AS Namibia's diamond mines approach the end of their economic life, prospectors are looking offshore to bolster a once thriving industry.

Three years of test mining off the Atlantic coast will determine whether deep-sea mining can replace opencast diamond extraction.

"Mining from the ocean bed has never been done anywhere," says Consolidated Diamond Mining (CDM) corporate communications manager Clive Cowley.

"It involves high technology to account for sea currents and winds."

CDM has adapted two mining ships and an exploration vessel to small-scale mining activities.

The company plans to increase its fleet to five mining ships and a support boat in the near future.

"This should result in deep-sea mining proving not only to be a substitute *for the gradually declining* mining on land, but also the ultimate replacement for land mining," says Cowley.

Since 1920 diamonds have been mined exclusively by CDM in the Namib desert. The second largest employer after the government, CDM is a wholly owned subsidiary of Anglo-American De Beers.

During the 1970s boom Namibia's *fields were callously* exploited to meet a rapidly rising world demand for quality gems. Output rose from around R1,5 million carats in 1974 to a peak of R2 million in 1977.

Thereafter productivity declined and in 1990 CDM produced only 750 000 carats of diamonds to rank eighth on the world table of producers.

Yet despite declining production and an international diamond market damaged by the *Gulf war and the* United States recession, diamonds are still Namibia's best-paying friend.

Namibia depends heavily on the primary sector to provide an economic vehicle for development. Manufacturing is virtually nonexistent, contributing only 4,5 percent of GDP.

Mining, including uranium and base metals, generates more than two-thirds of total export earnings, contributing 30 percent of GDP. Diamonds alone account for almost one-third of total export earnings, fetching R837,24 million in 1989. But despite being the major money spinner, mining employs *only five percent of waged workers.*

Unlike mining on land, which is both capital and labour intensive, deep-sea diamond mining mainly requires heavy capital investment. With unemployment in Namibia conservatively estimated at 30 percent, any contraction of jobs in land mines and peripheral industries is a potential source of worry for the government.

CDM officials admit that job losses are inevitable, but point to the recent expansion of mining to Auchas on the Orange River, where 300 mine workers were employed last year, and Elizabeth Bay further north, which is due to come into production this year, bringing CDM's total workforce to 6 500. — *AIA/IPS*

Namibia dry, at mercy of Eskom

Sowetan 26/6/91 (221A)

FOCUS

Namibia is in trouble. Drought in Angola has all but dried up the mighty Cunene River, which powers the Ruacana hydro-electric station. As a result, more than the usual amount of electricity will have to be bought from Eskom in South Africa and Eskom has just unexpectedly hiked its price to Namibia. DALE LAUTENBACH of Sowetan Africa News Service reports.

WINDHOEK - When the twin chimney stacks at the northern end of the capital belch dark smoke, any Windhoeker can read the signs: more than 800 km to the north on the Angolan border, the Cunene River is running dry.

But at this time of year there should be no smoke from the coal-fired Van Eck power station, which serves mostly as a mere back-up. In fact, Swawec, Namibia's electricity utility, normally sells power to Eskom in South Africa from the Ruacana hydro-electric station on the Cunene in the early winter months.

Power

Mr Pollo Brand, director of Swawec, produces a graph which shows the current Cunene flow at 50 percent less than the average flow for June measured over many previous years. It means too that drought in southern Angola must be very severe. "The rains came too late and too little," says Brand.

It is not unusual for Swawec to buy power from Eskom; it does so every year and by the month of August, deep into the dry season, it is quite normal for the Cunene to be running very low.

Exorbitant

Namibia needs a 240MW output at this time of year. Ruacana now is producing only 50 to 60MW and Van Eck, running full steam and at exorbitant cost because it is coal-fired, can only produce 120MW.

Eskom has to provide the shortfall and it has just offered a complex mixture of costs for the provision of power. Brand says the increase in the real price is difficult to quantify absolutely because of the mix for peak, standard and off-peak times but it is around 12 to 15 percent more than last month.

"We're still negotiating and we hope to do a better deal," says Brand. "The terms Eskom is offering now are too high; we can't afford them and we would have to pass about a 20 percent increase on to the consumer as an interim measure to see us over this.

"What they have offered will cost more than what we have been paying until now and we wonder why it is that this increase has hit us just at the time we are in a spot. Nothing in South Africa has changed that detrimentally for Eskom in respect of its incurred costs."

Cost

Brand says Swawec does not expect power at cost from Eskom and considers the South African utility a good friend which it does not intend alienating.

Moreover, there are exciting schemes to share in the future. Eskom is already publicising its vision of a regional power grid networking across the subcontinent. Namibia has a role to play in this with the construction - in what Brand hopes will be the next seven to eight years - of another hydro-power station on the Cunene, at Epupa.

But regional visions on that scale mean co-operation in the short and long term. What Namibia needs now is a little short-term co-operation to help it over the hump.

Brand expresses some regret that Namibia's own long-term vision back in the '70s when Ruacana was built had not been a little broader.

Crisis

"We should never have built Ruacana. We should have built Epupa."

With its projected output of 450MW and, more importantly given the seasonal flow of the Cunene, the planned 5 000 million cubic metre feeder dam behind it "in which we'll be able to store the whole Cunene flow", Namibia would not have been facing the crisis it is now.

Ruacana does have a feeder dam, Gove, in Angola. Gove has been emptied for reconstruction, though, both to fix damage done by Unita rebels during the Angolan war and - according to Angolan sources - to address the constructional "shortcuts" taken by the Portuguese when it was first built.

Project

But Epupa still remains Namibia's answer: "If Gove was full and regulated properly it might have improved the situation now but it wouldn't have seen us through the crisis," says Brand.

Epupa, which Eskom estimates will cost R900 million and Swawec R1 billion, has now just entered the pre-feasibility stage, which must consider things like where supplies will come from - cement and perhaps fuel could come from Angola - and how to get them to the remote Cunene considerably southwest of Ruacana.

Namibia has yet to find finance for the project and Brand does not expect Eskom will be willing to assist financially, although it would be interested in providing expertise for the scheme, he believes.

Benefit

"Because of its storage capacity, we will be able to use Epupa power as we need it, which could be of tremendous benefit to Eskom too. If the two utilities work together like neighbours should, we could take their excess power during the night and give them power in their peak times. If Eskom looks at the global picture they should, with Epupa, be able to optimise their own unit costs."

While environmentalists might fight the idea of a 200sq km dam in the wild Cunene River valley, Brand emphasises the tourist potential of such a dam and the fishing wealth.

War

"Sol (Kerzner) can come and build his casinos there and it's been worked out that it could produce 1 000 tons of fish annually which, for the protein-starved people of the immediate area and Ovambo, could be tremendous. But of course we have to do environmental studies."

Peace in Angola has made the project significantly more realistic. With all going well and money found, Epupa could be built within seven to eight years ... if, says Brand, "there's not another bloody war in the world."

Nujoma grapples with issue of land

(221A)

CT 26/6/91

WINDHOEK. — Namibia's land reform conference will have to discuss whether the country's colonial history can be taken as a starting point to redress past imbalances and injustices, President Sam Nujoma said yesterday.

Namibian Prime Minister Mr Hage Geingob cautioned land reform would fail unless it led to the productive use of land.

Opening the national conference here, Mr Nujoma said there were people present who had had personal experience of colonial exploitation.

"There are some people that argue that because the unequal distribution of land happened more than 100 years ago, it should be best relegated to history books," he said.

"Others have come to this conference to redress the situation by arguing for the restoration of their ancestral lands. One cannot and should not forget history," he said. He described the land question as one of "the most burning issues" facing the newly independent Namibia.

"About 90% of the population derives its livelihood from the land, either as peasants, private owners of commercial farm land or workers on such farms," he said.

Recent studies had shown that out of a total of about 6 292 farms owned in Namibia, 6 123 belonged to individual white farmers which represents 95% of the surface area of commercial farming districts.

In his address to the national conference, Mr Geingob said land reform in other countries had frequently failed to generate long-term benefits for the target population, who became unduly dependent on government subsidies.

"Our concern for the restitution of land rights, justice and equity in the allocation of land resources should not divert us from the need to ensure the long-term economic viability of our land reform programme," he said. — Sapa

Rossing considering cutting production

2214

WINDHOEK — Rossing Uranium is considering reducing its uranium production to bring supply levels in line with depressed sales internationally.

Rossing's managing director, Jonathan Leslie, has told workers that the company has made intense marketing efforts but had been unable to secure sales required to maintain current production current production at 3 250 short tons a year.

"The main reason is that clients can buy uranium at prices related to the spot price of \$9 a pound (about R11,50 a kg), which is below Rossing's production costs.

"Notwithstanding recent substantial cutbacks by uranium producers world wide, the prospect of additional supplies from the Soviet Union and China continues to depress the market."

Rossing had to prepare itself for the possibility of low prices continuing for some years — Sapa.

Let Walvis Bay go — Tambo

221A

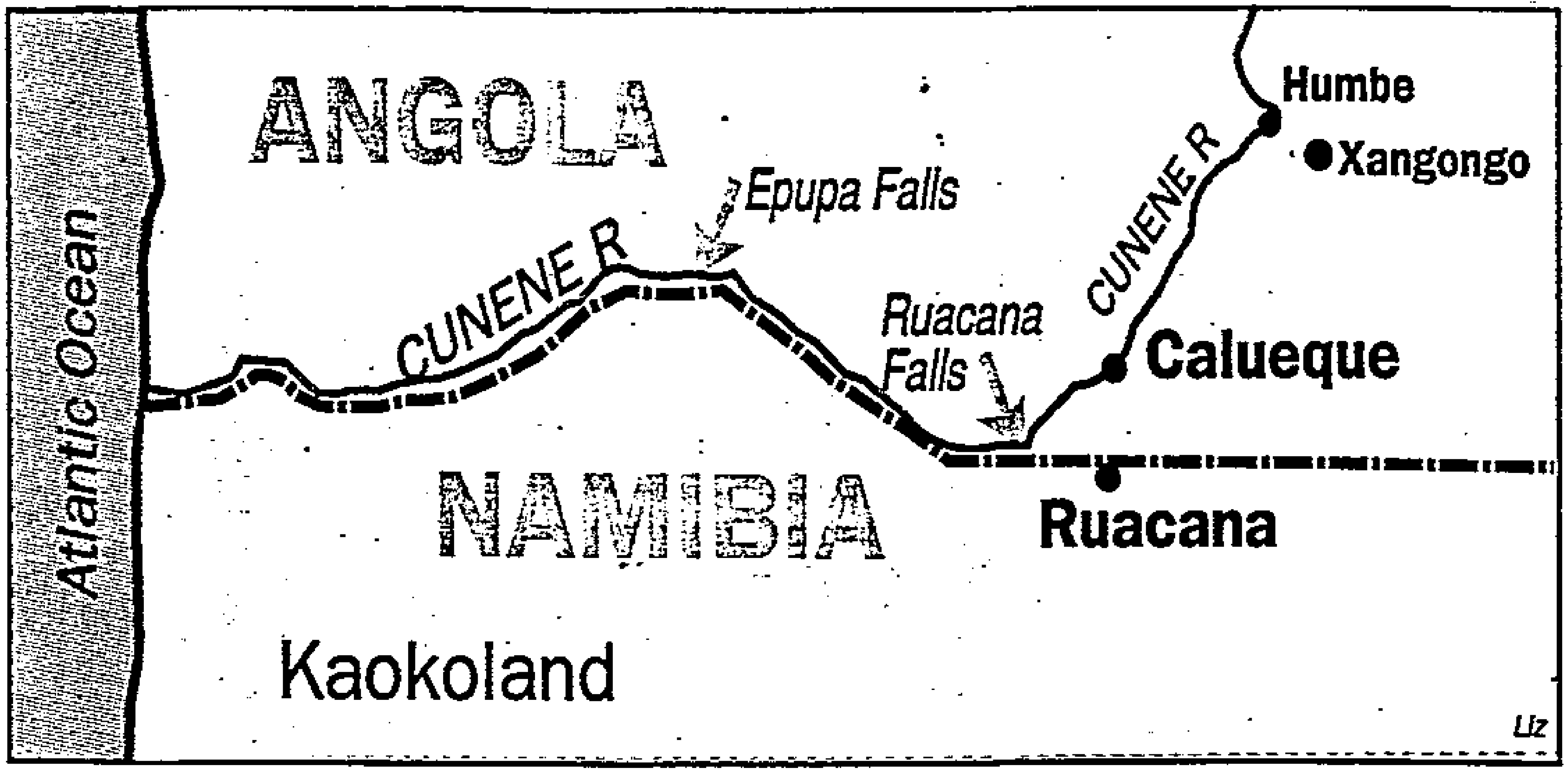
T 29/6/91

WINDHOEK. — ANC president Mr Oliver Tambo yesterday called on the South African government to hand over Walvis Bay and the offshore islands to Namibia "without delay".

Addressing an enthusiastic crowd at an indoor meeting in Katutura, near here, Mr Tambo said South Africa's "illegal" occupation of Walvis Bay and the islands was hampering Namibia's economic reconstruction.

The De Klerk government was "totally unjustified in trying to pass this issue on to the new government (still to come in South Africa)", he said to roars of approval.

Mr Tambo said that while Namibia's resilience and determination had been translated into a momentous victory with independence, the country's economic struggle had just begun. — Sapa



Hydro-electric solution to Namibia's dry crisis

(221A) Star 3/7/91

Drought in Angola has left Namibia with a serious power shortage and dependent for alternative supplies on Eskom, which has suddenly raised its prices. But a big new hydro-electric scheme on the Cunene River could bring a welcome end to this situation. DALE LAUTENBACH of The Star Africa Service reports.

WHEN THE twin chimney stacks at the northern end of the Namibian capital belch dark smoke, any Windhoeker can read the signs.

It means that more than 800 km to the north on the Angolan border, the Cunene River is running dry.

But at this time of year there should be no smoke from the coal-fired Van Eck power station, which serves mostly as a back-up.

In fact, Swawec, Namibia's electricity utility, normally sells power to Eskom in South Africa from the Ruacana hydro-electric station on the Cunene in the early winter months.

Swawec buys power from Eskom every year, but usually around August, when the Cunene normally runs low.

Pollo Brand, director of Swawec, says the Cunene flow is 50 percent less than the average flow for June.

"The rains in Angola were too late and too little," he says.

Namibia needs a 240 MW output at this time of year. Ruacana now is producing only 50 to 60 MW and Van Eck, running full steam and at exorbitant cost, can produce only 120 MW.

Eskom has to provide the shortfall, and it has just offered costs which work out between 12 and 15 percent more than last month.

"We can't afford Eskom's terms. We would have to pass about 20 percent on to the consumer as an interim measure. We're still negotiating," Mr Brand says.

"We wonder why it is that this increase has hit us just at the time we are in a spot. Nothing in South Africa has changed detrimentally for Eskom in respect of its incurred costs."

Mr Brand says, however, that Swawec considers Eskom a good friend which it does not intend alienating.

Moreover, there are major schemes to share in the future. Eskom is already publicising its vision of a regional power grid across the subcontinent. Namibia has a part to play in this, possibly in the next eight years, in the building of another hydro-power station on the Cunene, at Epupa.

Mr Brand believes Namibia was short-sighted when Ruacana was built in the Seventies.

"We should never have built Ruacana, we should have built Epupa," he says.

With Epupa's projected output of 450 MW and a 5 000 million cubic metre feeder dam capable of storing "the whole Cunene flow", Namibia would not be in the crisis it is in now.

Ruacana does have a feeder dam, Gove, in Angola, but it has been emptied for repairs to damage done by Unita rebels during the Angolan war and, according to Angolan sources, constructional short cuts taken by the Portuguese when it was first built.

But even if Gove had been full, it would not have seen Namibia through the present crisis.

Epupa, which Eskom estimates will cost R900 million and Swawec R1 billion, has just entered the pre-feasibility stage.

Namibia has yet to find finance for the project and Mr Brand does not expect that Eskom will be willing to assist financially, although it would be interested in providing expertise for the scheme.

"Because of its storage capacity, we will be able to use Epupa power as we need it, which could be of tremendous benefit to Eskom. If the two utilities work together like neighbours should, we could take their excess power during the night and give them power in their peak times.

"If Eskom looks at the global picture they should, with Epupa, be able to optimise their own unit costs."

While environmentalists might fight the idea of a 200 sq km dam in the wild Cunene River valley, Mr Brand points out that it would have tourist and fishing potential.

"Sol (Kerzner) can come and build his casinos and it's been worked out that it could produce 1 000 tons of fish annually, which could be tremendous for the protein-starved people of Owambo.

"But, of course, we have to do environmental studies." □

NAMIBIA FM 5/7/91

TALKING IT THROUGH

Land reform has been hotly debated by 500 delegates at a national conference in Windhoek when the limitations of large-scale redistribution seem to have been recognised. Pragmatic policies based on consensus are expected. (221A)

Land was a central issue in the independence struggle. Now the Swapo-led government seems to want to resolve differences by talking. Land owners and the land-hungry of all political parties, tribes, colours and interests aired their grievances.

The conference aimed at creating a national consensus document. It was prepared by the Namibia Economic & Policy Research Unit helped by experts from Ethiopia, Zimbabwe, Malawi and Botswana (who punctured any idealism with accounts of their own experiences). The views expressed during three days of debate last month were turned into 23 consensus recommendations. These will be fed through the Cabinet to help shape laws to be made by the multiparty National Assembly.

Nearly everyone seemed satisfied that at

(221A)

least their voices had been heard. The chance to address the nation under the watchful eye of the chairman, Prime Minister Hage Geingob, was much appreciated by national groups who have been marginalised for years. Chiefs, old men, women, farmworkers and peasants were invited from every corner of the country.

Namibia's history was one of colonial dispossession. Today about 2% of the people own 57% of the agriculturally useable land and have enjoyed the best resources and considerable State subsidies. Two-thirds of the people live off the land in communal areas — roughly equivalent to SA's homelands — where farming is restricted and underdeveloped. One in three children in Ovamboland were, for example, recently found to be undernourished.

Namibia's Geingob ... *holding consensus over the land*

FM 5/7/91 (221A)

The final document, agreed on Monday, recognised past injustices but ruled that working out historic and ancestral land rights would be impractical. Geingob warned that the policy of national reconciliation seemed again to have gone the whites' way. Critics say whites interpret it to mean that black people should reconcile themselves to the status quo. Several speakers called for more moves towards restitution and justice — in particular, minimum pay and better working conditions (including no assaults) on both white- and black-owned land.

Other issues on which consensus was reached:

FM 5/7/91 (221A)

- Communal areas, the poor man's access to farmland, should be maintained;
- Traditional leaders' powers to allocate land should be defined and accounted for, and payment — if made — should go to government; and
- Foreigners will be able only to lease land and a commission will investigate unused farms, absentee landlords and people with many farms in order to reallocate to the landless.

Arguments that freehold farm ownership should be abolished were rejected after a string of speakers invoked the mixed-economy rules and rights of the Constitution. It was pointed out that any resettlement or redistribution would rely on increased production. Credit, training, markets and especially water are vital before land can be useful to the poor. One commercial farmer commented that the country's seven years' drought (18 years in some parts of the south)

FM 5/7/91 (221A)

would soon quench the thirst for land.

Summing up the conference, Geingob said a national meeting at which Namibians could speak together on such an emotive issue was a vital step in building a nation out of division. ■

Swords into ploughshares

Ct news 7/1/91 (22JA)

CUBAN instructors are being drawn into Namibia's resettlement programme for former exiles and soldiers.

More than 10 Cuban experts will initially head the development brigades, launched this month with the aim of training Namibia's 90 000 former exiles and fighters in agriculture and construction.

The brigades will initially take in 4 000 to 5 000 trainees, using 11 former SADF military bases as training centres. The training will last between two and three years.

When the brigades are fully developed, there are hopes that the intake will increase to between 40 000 and 50 000 people.

A similar training structure has been operating in neighbouring Botswana for 15 years and is now part of the national educational system there.

In the short term, Namibians will understudy the Cuban experts to take over the development of the brigades, said resettlement director E Kanyemba.

The government has earmarked about R6-million for the programme. The brigades will also receive assistance from India, Sweden and the Rome-based Food and Agriculture Organisation (FAO).

The government faces the challenge of resettling and re-training more than 40 000 Namibians repatriated by the United Nations High Commissioner for Refugees (UNHCR) during 1989.

About 80 percent of the returnees went back to their homes in Northern Namibia and, according to the UNHCR, only 10 percent of these returnees are employed.

Besides resettling the returnees, the government has to resettle, rehabilitate and train about 25 000 former combatants of the People's Liberation Army of Namibia (Plan), Swapo's armed wing; over 30 000 former members of the South West African Territorial Force (SWATF) and more than 6 000 members of the disbanded counter-insurgency police unit, Koevoet.

The task is worsened by a 30 percent unemployment rate. Almost all of the unemployed are young black Namibians.

The Cuban design for the programme calls for the development of 30 000 hectares of land and the employment of 60 000 people.

A typical example of an initiative to resettle returnees is at Oshivelo, a former South African military base in Northern Namibia that is now home to more than 300 people.

Previously known as "Base 61", Oshivelo was donated to Swapo by the chief of the area, King Kauluma. According to Carolyn Hughes of the Centre for Resources and Transformation (Ceret), Oshivelo will ultimately resettle 1 000 people.

Ceret runs Oshivelo, where a semi-intensive broiler chicken production farm is being set up "to improve the welfare of the project participants and the population in general".

But in other areas complications are arising. In the north-eastern Caprivi region conflicting government directives have caused competition for land between 1 800 Bushmen who had been in the South African military forces and 750 members of a new development brigade.

Both groups were told they could settle around a former South African base called Omega where they would receive plots of land.

The Bushmen ex-soldiers are still smarting from a government decision not to integrate them into the new national army. Now they are taking matters into their own hands, moving away from the base to create separate communities.

The Lutheran World Federation is running a project to help the Bushmen. They report that resources like food aid are now stretched to the limit and the area cannot bear many more new settlers. – AIA

Citroen set to start up in Namibia

(221A)

(Bus Times) SI Times 7/7/91

By DON ROBERTSON

AN INTERNATIONAL consortium is "inking in the contracts" with Citroen and SA component manufacturers ahead of building an assembly plant in Namibia.

The first luxury car for the SA market is expected to come off the production line in 1993. Output will rise to 6 000 units a year within the next five years. Production in the first year will be about 1 000 units.

The flagship model, voted best car in Europe last year, will be become available in an over-traded SA market, a possibility that has put fear into manufacturers.

Citroen's plans were disclosed in May. SA manufacturers reacted immediately, saying there was no place for a newcomer, especially one which does not have to comply with local content programmes.

A spokesman for Citroen in SA says the Namibian Government has asked the SA Government for concessions in terms of Article 9 (2) of the SA Customs Union Agreement. It provides for member countries to request relief of excise duty on imported goods to an industry which is considered of vital importance.

If the request is granted, Citroen will be exempt from meeting Phase Six local content requirements for several years.

Islands

The spokesman says the Department of Trade and Industry has reacted "cordially" to the application and it should be considered in the next few months.

A decision could be made by September.

The National Association of Automobile Manufacturers of SA (Naamsa) will oppose any move by Citroen for relief.

When in full production, the top of the range Citroen model will be sold in SA, subequatorial Africa, Indian Ocean islands and possibly other parts of the world.

The plant, with a start-up cost of about R150-million, will be operated by an unnamed consortium consisting of Namibian interests, a multinational group and Citroen.

Citroen will have full control of technology, training and quality. Within the next few months, 280 workers from the plant will visit France for training. Plant operators are expected to increase from about 500 to 1 000 when in full production.

Meetings with SA component manufacturers have taken place, but it could take at least two years before operations are established and products tested. Contracts are expected to be signed before the end of the year.

In the initial stages, it is planned to open 14 dealerships in SA and Namibia.

The plan is to begin operations on a small scale at Gobabis. When production rises to 6 000 units a year, capital expenditure could increase to R300-million.

Local content will be gradually increased. Initially, completely knocked down (CKD) kits will be imported from France, but items like glass, batteries, plastics and rubbers will come from SA.

The V-6 multi-valve XM Citroen produces 123kW, has a top speed of 220km/h and goes from standtsill to 100km/h in 9,9 seconds.

The Citroen spokesman says the trans-Kalahari road link from Namibia to Gaborone, sponsored by European interests, will make Citroen's Gobabis plant closer to the Pretoria-Witwatersrand-Vereeniging area than, for instance, the Mercedes-Benz factory in East London or Volkswagen's at Uitenhage.

About 100km of the road has been built and the link is expected to be completed by 1994.

Gobabis is in eastern Namibia on a route between Windhoek and Gaborone. Labour for the plant will probably come from Botswana.

The Citroen spokesman is to leave for France on Wednesday to discuss developments with ECIA, a component manufacturer and the third-largest subsidiary in Peugeot Socciate Annoniem (PSA), holding company of Peugeot and Citroen.

Brazil-Atlas deal likely

By ROGER MAKINGS

ATLAS AIRCRAFT may take up a risk-sharing partnership in the construction of a South American-designed twin-jet aircraft.

Brazilian aircraft company Embraer is seeking partners for its EMB-145 regional jet and is reported to have held talks with Atlas.

If Atlas, which until recently was chiefly involved in the design and manufacture of military aircraft, accepts, it will be given authority to design and procure or supply systems for the EMB-145.

They will be shipped to Brazil where the aircraft will be assembled and tested.

Development of the jet is expected to cost \$300-million, of which Embraer will put up \$100-million.

The company's chief executive officer, Jaoa Rodrigues da Cunha Neto was quoted in a British aviation magazine as saying: "There will be an announcement in maybe 50 or 60 days. By that time all arrangements will be completed and we will be ready to announce the new partners."

The 45-seater aircraft should be ready for flight trials within 18 months with certification a year later. At today's prices it will sell for about R35-million.

An Atlas spokesman would neither confirm or deny the Embraer approach.

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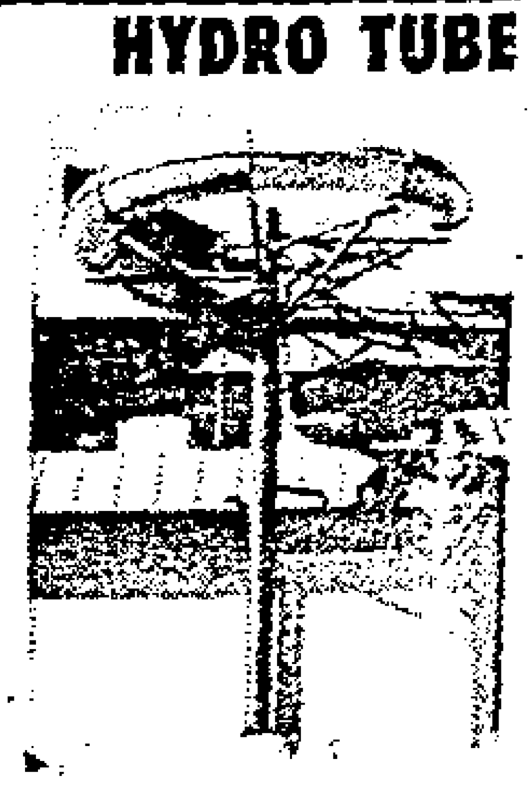
HYDRO TUBE



All year round ride, comple
or, inflatable boats, pump
PHO

Soviets set business sights south

(221A)

Star 10/7/91

By Dale Lautenbach
Star Africa Service

WINDHOEK — One of the Soviet Union's "perestroika companies" — a private consortium established in 1988 — is registering in Namibia with an eye on export-import business and the possible assembly of computers and communications equipment.

A source at the Soviet Embassy in Windhoek said Yunona Enterprises had stated it was the first private Soviet venture to seek a presence in Namibia.

The group hoped to begin business by next month or September.

"They are prudent people, so the fact that they have decided to come and invest in Namibia is a sign of their confidence and optimism for the country's future," said the source.

Asked whether he would characterise Yunona as a "perestroika company" or a product of the economic restructuring which has been possible in the Soviet Union under President Mikhail Gorbachev, the diplomat said "Yes, surely".

He added that many Soviet private companies and parastatals were interested in southern Africa.

Asked whether Soviet companies positioning themselves in southern Africa now were doing so with an eye on the South African market, the diplomat said that if one looked for common interests between South Africa and the Soviet Union, "you'll find something". When the lifting of sanctions was approved there would be much interest.

"In the strategic planning of any company looking at this region, South Africa must be on the agenda. It's logical they should be looking down south."

Tourism increases in Namibia

Argus Africa News Service

221A

WINDHOEK. — South Africans are obviously feeling safer about visiting Namibia. May figures for tourism from the south are up 16,3 percent over the same month last year.

And in general, tourism in Namibia is looking brighter with an increase of 35,8 percent more foreign tourists visiting Namibian resorts and reserves.

In addition to the increase in numbers of visitors, May figures showed a significant increase in revenue from restaurants, accommodation, entrance fees, filling stations and trading activities. Revenue to state coffers from these sources rose 19,8 percent to R1 615 million.

Namibian hotelier in racial row

2217

Argus 18/7/91

DALE LAUTENBACH
Argus Africa News Service

WINDHOEK. — Incidents of racism have not altogether disappeared in independent Namibia but the latest could meet with a greater challenge than usual as it was a deputy Cabinet minister who was denied access to a hotel.

Mr Ben Ulenga, deputy Minister of Nature Conservation, Wildlife and Tourism, told Namibian television he and his driver had stopped at the Hotel Onduri in Otavi north of Windhoek for a meal.

Hotel manager and director Mr Friederich Meyer threw the two men out invoking the right of admission sign. He has refused to comment to either the printed press or television.

Mr Ulenga said that on arrival at the hotel he and his driver had asked a waiter for directions to the toilet. Mr Meyer intervened and in the following altercation reportedly said "I have a hotel and not a shithouse".

Another deputy Minister, Mr Klaus Dierks, of the Works, Transport and Telecommunications ministry, was a guest at the hotel and tried to intervene. When Mr Meyer apparently refused to budge from his decision not to admit Mr Ulenga, Mr Dierks and his party booked out of the hotel.

Mr Meyer also reportedly called the police who, having arrived and found nothing but a verbal altercation, did not pursue the complaint.

Mr Ulenga said he would take up the matter in both his private and official capacity. As his portfolio includes tourism, the incident falls directly within the ambit of his official concerns. The Hotel Association of Namibia, of which the hotel in question is a member, will also investigate the incident, according to a spokesman for the organisation. One of its punitive options is suspension of membership.

The incident could be a test case for just how far the law can go in arresting this sort of occurence in independent Namibia. The country's supreme law, the Constitution, expressly forbids any form of discrimination of the grounds of "race, sex, colour, ethnic origin, religion, creed or social or economic status". Further it enshrines the right of respect for human dignity and provides all Namibians with freedom of movement and residence throughout the country.

The incident received the attention of the number-one slot on television news last night and an interview with Mr Ulenga was featured as the lead news item.

Hotel racism condemned

CT 18/7/91

221A

WINDHOEK. — A Namibian hotel was condemned by the government and had its membership of the Hotel Association of Namibia terminated yesterday, following a racial incident.

A former trade union leader and Deputy Minister of Wildlife, Conservation and Tourism, Mr Ben Ulenga, and his driver were refused admission to the Onduri Hotel at Outjo last week.

At a media briefing yesterday, Information Secretary Mr Bob Kandetu expressed the government's "deep disgust" at the incident.

According to a media report, Mr Ulenga and his driver, Mr Joel Kalomo, were refused service and threatened with police action when they tried to enter the hotel's private bar.

The cabinet said the incident, "in which sheer racism, racial arrogance and prejudice guided the ill-conceived actions of the owner", was in flagrant violation of Namibia's constitution, and instructed the Attorney-General, Mr Hartmut Ruppel, to "take immediate and appropriate action to rectify the situation".

After an extraordinary meeting yesterday, the Hotel Association announced the termination of the Onduri Hotel's membership. — Sapa

Rossing: in and of Namibia

BDay 19/7/91 (22 IA)

ROBERT CORZINE explains how a uranium producer prepared for Namibian independence under a Swapo government.

FEW managers of multinational companies operating in Africa welcome a summons to the presidential palace. The pleasure would be doubly dubious if your company had been a recent target for nationalisation, was on the point of a profits collapse that would leave the government without one of its main tax sources and was planning to reduce sharply one of the country's largest workforces.

But when Mike Bates, the outgoing CE of Rossing Uranium in Namibia, dutifully arrived at President Sam Nujoma's Windhoek residence one night in April, he was greeted with the bouquets of a formal farewell reception rather than the verbal brickbats normally directed at what was one of the world's most vilified companies in the 1980s.

For Rossing and its UK parent, the RTZ mining group, it was vindication of a long-term strategy to prepare the company and its culture for Namibian independence last year under a Swapo government.

The task was formidable. Swapo's election manifesto specifically called for Rossing's early nationalisation. And many Swapo officials had worked for years to isolate the company from its markets through UN sanctions and an international public relations campaign.

Extensive

"Throughout much of the 1980s, the range of comment about Rossing was extraordinary and mostly a pack of lies," says corporate affairs manager Clive Algar. But he concedes the campaign was at times effective.

Rossing's managers had met representatives from various Namibian political parties since the early 1980s, including Swapo officials in exile.

In 1989, however, it decided more extensive considerations would be needed if Swapo's perceptions of the company were to be changed, and Algar says they found Swapo willing to listen to their message.

Bates was one of the first Namibian businessmen to meet Nujoma when he returned and Nujoma made a point of visiting the remote mine, which in 1989 accounted for 26% of Namibian exports and 10,7% of GDP.

That visit and subsequent talks with Rossing managers convinced Nujoma that the company had indeed planned carefully for its post-independence role and that it was serious about forging a partnership with the government.

The formal element of that partnership can be traced to the mid-1980s when RTZ set up the Capricorn Trust, into which it placed a number of Rossing "A" shares for the future benefit of the first UN-recognised government of Namibia. The shares represented 3,5% of the company's equity but carried voting rights at the AGM equivalent to more than 50% of the total. The government was also guaranteed a seat on the board.

Intangible factors also played a part in influencing the politicians. Zedekia "Doctor Zed" Ngavirue, Nujoma's economic adviser, says he was "amazed" at the attitude of senior managers when he first joined the company as director of personnel and training.

Ngavirue says the politicians were also impressed by the company's philosophy that recognised the need to give a good return to shareholders but which acknowledged the need for corporations to plough back something into the country in a practical way.

The company has spent £6,8m over the past 12 years on the Rossing Foundation, through which 15 000 Namibians (out of a population of about 1,5-million) have completed courses ranging from farming skills to hair-braiding. David Godfrey, the Foundation's director, acknowledges that Rossing's decision to "spend some money in Namibia because we made it in Namibia has bought it a hell of a lot of kudos, credit and brownie points".

But the company's success in managing the political and social transition in Namibia has not been rewarded by the market place. "Commercial prospects looked pretty good until last September," says Algar. But the optimism generated by the lifting of UN sanctions dissipated when it became clear the Soviet Union might dump uranium on world markets.

"The threat has depressed spot prices to a point where they are uneconomic for all producers, including the Soviets," adds Algar.

Rossing's response was a 25% cut in production as of April 1 and 250 redundancies through natural wastage out of a total of 2 200 jobs. Production is likely to be cut further later this year and more jobs will be shed over the next few years as profits fall.

In 1990, net attributable profit to RTZ from Rossing was £9m compared with £16m in 1989. But officials concede there is little likelihood of profits this year and the government can expect little tax revenue.

And even the Rossing Foundation, whose income was based on a percentage of the mine's profits, is seeking commercial opportunities to underpin its finances.

"It could be 1993, 1996 or 1998 before the market turns," says Kesler. — Financial Times.

Namibians warned after racist incident at hotel

WINDHOEK — Namibian Prime Minister Hage Geingob has warned whites in his country that "the slightest hint of racism" would invoke the harshest punishment.

He was commenting on an incident at the Onduri Hotel at Outjo last week during which Deputy Wildlife, Conservation and Tourism Minister Ben Ulenga and his driver, Ben Kalomo, were refused admission for racial reasons.

B Day 19/7/91

"We shall not allow the pathology of apartheid to remain," said Geingob on Wednesday.

Concerning the Onduri Hotel incident, Geingob said cabinet had withdrawn the hotel's licence with immediate effect and was reviewing the status of the proprietor's residence permit.

221A

The man involved in the incident, B Friedrichsmeyer, reportedly came to Namibia in the mid-1950s, but had not taken Namibian citizenship.

The government was aware of discrimination in other hotels and restaurants. "These people should take this as a warning that the slightest hint of racism will invoke the harshest punishment. We shall never tolerate such people in our society," Geingob said.

Neither the Hotel Association of Namibia, which terminated Friedrichsmeyer's membership earlier on Wednesday, nor members of the media have been able to obtain his comment on the issue. — Sapa.

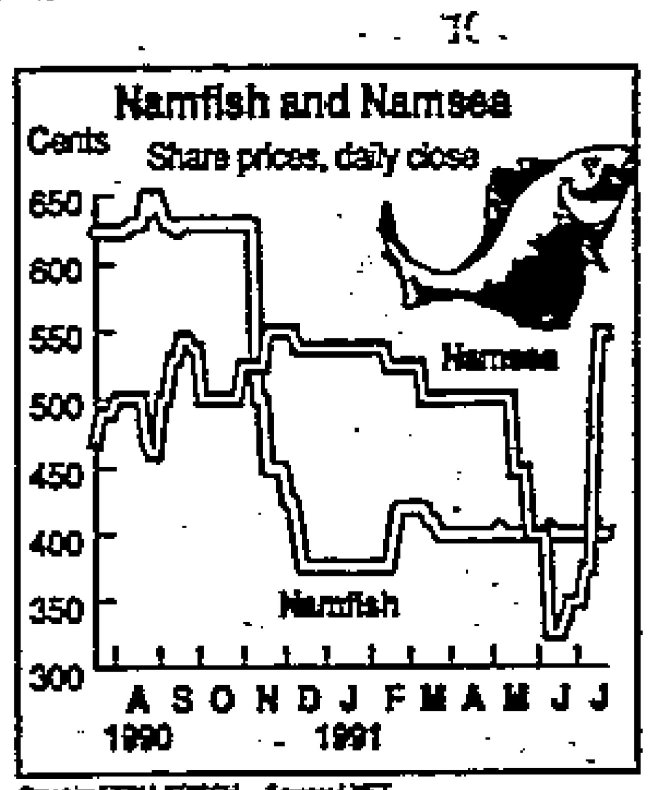
Namsea seeks stake in processing plant

B/Day 19/7/91 (221A)

LINDA ENSOR

CAPE TOWN — Namibian Sea Products (Namsea) is negotiating the acquisition of Sarusas Development Corporation's stake in a fish processing operation, United Fishing, in a deal estimated to be worth about R50m.

Namsea and Namibian Fishing Industries (Namfish), with mutual crossholdings, today issued cautionary announcements relating to the acquisition talks.



Graphic: FIONA KRISCH Source: I-NET

Prior to recent acquisitions made by Namsea, Sarusas had a stake of about 50% in United Fishing in which Namsea holds an existing share.

The negotiations arise out of a battle being waged in the Windhoek High Court. At the heart of the litigation is the dissatisfaction of Sarusas over the recent acquisition by Namsea of fishing rights from Namibian concessionaires.

Sarusas believes that the terms of its United Fishing shareholders' agreement with Namsea obliged Namsea to offer Sarusas the opportunity to take up the deal with the concessionaires.

It has brought an application to the High Court requesting the winding up of United Fishing on the grounds that Namsea's failure to offer it this opportunity has led to such distrust and unhappiness that it can no longer continue with the relationship.

Namsea is resisting the application which has been postponed to Monday next week on the grounds, inter alia, that it owed Sarusas no duty as alleged.

Namsea recently obtained the right to use the quotas of four Namibian concessionairesfor 1 800 tons of pilchards each.

Sarusas is also dissatisfied that the fish caught in terms of these quotas is being processed by United Fishing.

Another shareholder in United Fishing, National Fishing, has also entered a similar deal with a concessionaire, Mukorob, which is another source of conflict.

Sarusas' application has been brought against United Fishing, Namsea, the other United Fishing shareholders, the concessionaires and the Minister of Fishing.

Impala unfazed by cleaner fuels

MATTHEW CURTIN

B/Day 19/7/91

MARKET concern that the introduction of clean motor fuels would cut demand for platinum group metals was unfounded, Impala Platinum MD Mike McMahon said yesterday.

He was commenting on the latest of a series of announcements which some analysts believe will see platinum and rhodium, the key components in catalytic converters, replaced by palladium.

US chemical company Atlantic Richfield (Arco) announced last week it had developed a reformulated petrol which could cut pollutants by more than 33%.

McMahon said Impala was no more worried about the Arco announcement than recent developmentsby Nissan and Isuzu, which briefly sent the price of platinum to the same level as gold and delivered a blow from which the metal still has to recover.

He said growing interest in palladium would increase demand for the metal and raise its price. Impala had already taken into account the effect of reformulated fuels on its long-term forecasts, which were optimistic about platinum's prospects.

Norway lands big catch in Namibia

S/Times (Bus Times) 28/7/91.

(22.1A)

By JULIE WALKER

NORWEGIAN-backed Namsea has gained full control of United Fishing Enterprises (UFE), the Namibian holding company of fish processors Breemond and Walvis Bay, and the fishing fleet of Atlantic Harvest. The deal is worth R27-million.

Norway's Namnor, through Arun Holdings, bought control of Namsea from Ocfish. It got Natfish through Namnor associate Peter Kuttel's other interests from Willem Barendsz in 1990.

There were always strong Norwegian-Swapo connections and Mr Kuttel's arrival in the Namibian fishing industry after the country's independence caused a stir.

Breakdown

Norwegians have researched the fishing resources off the Namibian coast and have supplied vessels and technical help. Their links to the new Namibian Government could benefit the other equity partners in UFE.

By equity, UFE has four equal shareholders — Natfish, Namfish, Namsea and Sarusas Development Corporation. The first trio are effectively under Norwegian control.

But on a breakdown of proportional quotas, the effective shares are Sarusas with 51% and Namsea and Namfish the balance. Natfish has none.

The new Namibian Government chose to allocate part of the 1991 fishing quotas not on historical lines but on other merits. Out of the small 1991 quota of 60 000 tons of pelagic fish, 9 000 was awarded equally among five small Namibian operators.

Being unable to process their catches, the five independents were vulnerable to a cartel-like approach by the big players. The best offer they could secure was R235 a ton for their catch.

Namsea's interests offered R385, which caused a row.

Sarusas brought about an application for the liquidation of UFE on the grounds that the partnership had irrevocably broken down and that the other partners had acted illegally.

Technically, it could have had a claim for 51% of UFE's assets of perhaps R120-million.

In the High Court of Namibia, Acting Judge Hannah dismissed the application with costs. Now, Sarusas shareholders have struck an agreement with Namsea which is buying an effective 45% shareholding in Sarusas.

It will pay R27-million to the sellers of Sarusas Visserye and Sarusas Beleggings — they jointly hold 45% of Sarusas. The sellers are Boesmanland Beleggings (BB) and Oranjerivier Visserye (OV).

The cost will be settled by the issue of 2,7-million Namsea shares of 500c and R13,5-million cash.

The other shareholders of Sarusas will be offered either cash of 500c plus a Namsea share, or two Namsea shares, for every Sarusas held.

OV and BB will renounce their ordinary shares in Namsea to Namsea's controlling shareholder, Namnor of Norway, at the same price.

Residents

Chris Niehaus of sponsoring stockbroker Simpson McKie says that government policy relating to the Namibian fishing industry is under review. A white paper has been released to interested parties as a precursor to discussions on the proposed new Fisheries Act.

It is clear that the government intends to develop its marine resources for the benefit of its people.

Companies with large Namibian asset bases and many shareholders there will benefit most. The pilchard quota is expected to be between 100 000 and 120 000 tons in 1992.

By issuing shares to the remaining shareholders of Sarusas Namsea will have a greater number of resident Namibian shareholders on its register.

Sarusas' other shareholders are 1 400 private investors, most of whom are Namibian.

Namsea wins UFE control in R27m deal

ROBERT GENTLE

NAMIBIAN Sea Products (Namsea), ultimately controlled by Norwegian shareholders, has acquired control of United Fishing Enterprises (UFE) in a R27m deal. 22|A

UFE is the holding company for Breemond Fishing Industries, Walvis Bay Fish Processors and Atlantic Harvesters of Namibia.

The intricate deal — the result of the interlocking shareholdings leading into UFE — sees Namsea take an effective 45% stake in Sarusas Development Corporation, one of the UFE shareholders.

An offer will also be made to the remaining shareholders of Sarusas.

Sarusas's application to the Namibian High Court for the liquidation of UFE — the result of a shareholder dispute — has been dismissed with costs.

The vendors in the Sarusas transaction are Boesmanland Beleggings Beperk (BBB) and Oranjerivier Visserye Beperk (OVB).

It will be settled through the issue of 2,7-million new Namsea shares at 500c each and the payment of R13,5m in cash — making a total of R27m.

At the end of the deal, there will be four equal shareholders in UFE: National Fisheries of Namibia, Namibian Fishing Industries, Namsea and Sarusas.

Norwegian-backed Namsea ends up with control due to its new stake in Sarusas.

As a result of the transaction, Namsea will have "considerably" increased its control over the assets of UFE.

FM 2/8/91

NAMSEA (221A)

Gaining quotas

Peter (Padda) Kuttel has knocked a hole in the Sarusas boat. In the process, he has captured a major share of the Namibian fishing industry.

Kuttel and his Norwegian partner, Namnor AS (*Companies* June 21), had little option but to contest the arrangement with Sarusas. At the root of the problem is United Fishing Enterprises (UFE) which, before the latest deal, was controlled by four equal partners, each holding a quarter of UFE's issued shares. These were Namsea, Namfish, Natfish and Sarusas.

Quotas changing

When the UFE agreement was struck in 1987, quota allocations changed little each season. It was agreed that all the assets of these four companies — boats and processing plants — would be pooled in UFE; moreover, participation rights would be created so that current fishing profits would be distributed according to the fish quotas received by each of the four. Sarusas, holding quotas exceeding 51% of UFE'S total in 1991, was the controlling participant.

Since then, with the advent of the independent department of Namibian Sea Fisheries, the proposed basis for quota allocations has changed radically. Had Kuttel and Namnor not acted, the quota allocation to Namsea and Namfish might have become insufficient to generate profits.

Namibian fishing authorities had recently given quota allocations to five new concessionaires. Kuttel bought one share in each of these; by agreement, this gave him board control as well as access to their quotas, which were allowed in terms of the UFE agreement. Namsea's UFE participation rose to 46,73% and, with that of Natfish (8,09%) and Namfish (14,38%), Kuttel and Namnor then controlled 69% of UFE's participation rights and 75% of its shares.

Sarusas then brought an application to have UFE liquidated, believing it could participate in the distribution of UFE's assets in proportion to profit participation rights it previously held, namely 51%. The High Court of Namibia dismissed the application with costs.

Kuttel, through Namsea, offered to buy Sarusas. Controlling shareholders of Sarusas, Boesmanland Beleggings and Oranjerivier Visserye, have agreed to sell 45,1% of Sarusas, for R26,9m.

Remaining shareholders of Sarusas may receive either a cash payment of 500c per Sarusas share and one new ordinary share in Namsea, or two new Namsea ords for each Sarusas share held.

What Namsea's profits will look like in the short term is anyone's guess. But Sarusas shareholders should accept the full share offer. Kuttel and Namnor are coming out better off, especially if pelagic quotas increase as expected next year. *Gerald Hirshon*

Theft of Namibian diamonds rising

A1272 ARG 3/8/91

DEREK TOMMEY
Weekend Argus Reporter

ORGANISED crime syndicates are stealing diamonds worth hundreds of millions of rands a year from mines in Namibia.

This has been revealed by the man who controls the bulk of the world's diamond production, Mr Julian Ogilvie Thompson, chairman of De Beers, De Beers Centenary and also Consolidated Diamonds Mines — the company which operates the Namibian diamond mines.

He made this statement at the opening yesterday by the President Sam Nujoma of the country's latest diamond operation, Elizabeth Bay Mine.

Usually the De Beers group keeps such information close to its chest. It does not like disclosing details of criminal actions as it believes this might encourage other people to try to steal from it.

But observers say Mr Ogilvie Thompson's frankness is an attempt to bring home to Mr Nujoma and the people of Namibia how much the country is losing as a result of criminal actions, and to get it to intensify police activity against the thieves.

It is known that theft of diamonds from the mines increased sharply in Namibia in the months leading to independence. However, rightly or wrongly, this was attributed to activity by Swapo supporters which would end once Namibia was independent.

But instead the thefts have continued and apparently increased.

Mr Olgilvie Thompson says Consolidated Diamond Mines surmises that diamonds worth tens of millions of rands might be finding their way into the pockets of organised crime.

"Put another way the value of stolen production could be equivalent to one, maybe two, perhaps even three mines the size of Elizabeth Bay. That surely puts the matter in stark perspective."

Elizabeth Bay costs R138 million and is expected to produce 250 000 carats of small gem quality diamonds a year. Mr Ogilvie Thompson added that about two-thirds of profits won by CDM accrue to the people of Namibia in the form of export duties, profits and other taxes.

"The result is that Namibia is 64c poorer for every rand stolen from CDM."

Officials in the diamond industry say that large criminal syndicates appear to be behind the theft of diamonds.

They draw this from the ease with which convicted diamond thieves are able to pay the heavy fines imposed on them by Namibian courts.

Nam diamonds: 'Millions stolen'

221A CT 3/8/91

JOHANNESBURG. — Organised crime may be creaming millions of dollars a year off Namibia's diamond industry, a leading diamond company executive said yesterday.

De Beers Centenary AG chairman Mr Julian Ogilvie Thompson said at the opening ceremony for Namibia's new Elizabeth Bay diamond mine that the implications for state coffers were serious.

"We surmise that many tens of millions of rands a year might be finding their way into the pocket of organised crime," he said.

"The value of stolen production could be equivalent to one, maybe two, perhaps even three mines the size of Elizabeth Bay," he said in a prepared address released in Johannesburg.

Elizabeth Bay, 25km south of Luderitz, is expected to produce 250 000 carats a year at full production, or 2,5 million carats over an expected 10-year lifespan.

The R138-million mine, the second diamond mine opened since Namibia won independence in March last year, would produce mainly gem stones and was expected to contribute significantly to export earnings, he said.

It is owned by CDM (Pty) Ltd, a subsidiary of the Swiss-based De Beers Centenary AG, which was set up last year to house the foreign interests of South Africa's De Beers Consolidated Mines Ltd.

Mr Ogilvie Thompson said that CDM, the government and the Mineworkers' Union of Namibia had formed a committee to propose ways of dealing with diamond theft.

"We don't pretend fully to understand how it is happening," he said, adding that he expected a report from the committee soon. — Sapa-Reuter

COMPANIES

Gem thieves 'rob Namibia'

MATTHEW CURTIN

A COMMITTEE representing management, the Mineworkers Union of Namibia and government had been set up to make "practical recommendations on theft and other matters" at the Oranjemund diamond mine, De Beers chairman Julian Ogilvie Thompson said on Friday.

He was speaking at the opening of Namibia's newest diamond mine at Elizabeth Bay near Luderitz.

Ogilvie Thompson said "a puzzling and alarming rate of theft" was compromising operations at Oranjemund, which was already facing problems caused by variable grade and technical difficulties.

As two thirds of profits won by De Beers' Namibia and Botswana-based company CDM accrued to the Namibian people in the form of export duties, profits and other taxes, for every rand stolen from the company, Namibia was "64 cents the poorer".

221A

Diamonds finding their way into the pocket of organised crime "could be equivalent to one, maybe two, or even three mines the size of Elizabeth Bay".

Ogilvie Thompson said CDM had invested more on prospecting and test mining on land and at sea than any other investor in Namibia.

Namibian president Sam Nujoma officially opened the new open-cast mine, which will treat 4,1-million tons of ore a year to yield 250 000 carats of diamonds at full production. The mine has a 10-year lifespan.

Ogilvie Thompson said the Elizabeth Bay and Auchab mines, and the Navachab gold operation of which CDM was a part owner, were the fruits of De Beers investment. The three mines represented a capital investment of R310m.

He said De Beers Marine's sea diamond operations off the Namibian coast would account for as much as 14% of total projected production in 1991/92 — "well-deserved reward for a research effort spanning 23 years and costing R220m".

□ The capital cost of starting production at Elizabeth Bay was R138m.

Namibian gem thefts costing millions

Star 5/8/91

By Derek Tommey 221A

Organised crime syndicates are stealing diamonds worth hundreds of millions of rands a year from mines in Namibia, says Julian Ogilvie Thompson, who controls the bulk of world production.

Mr Ogilvie Thompson is chairman of De Beers, De Beers Centenary and Consolidated Diamonds Mines (CDM), the company operating Namibia's diamond mines.

He was speaking at the opening by Namibian President Sam Nujoma of the country's latest diamond operation, Elizabeth Bay Mine.

Usually the De Beers group keeps such information close to its chest.

It does not like disclosing details of criminal actions because it believes the information might encourage other people to try to steal from it.

Observers say Mr Ogilvie Thompson's frankness looks like an attempt to bring home to Mr Numjoma and the people of Namibia how much the country is losing as a result of such criminal activity.

It is known that the theft of diamonds rose sharply in the months leading up to independence.

Rightly or wrongly, this was attributed to activity by Swapo.

Observers felt it would end once Namibia became independent.

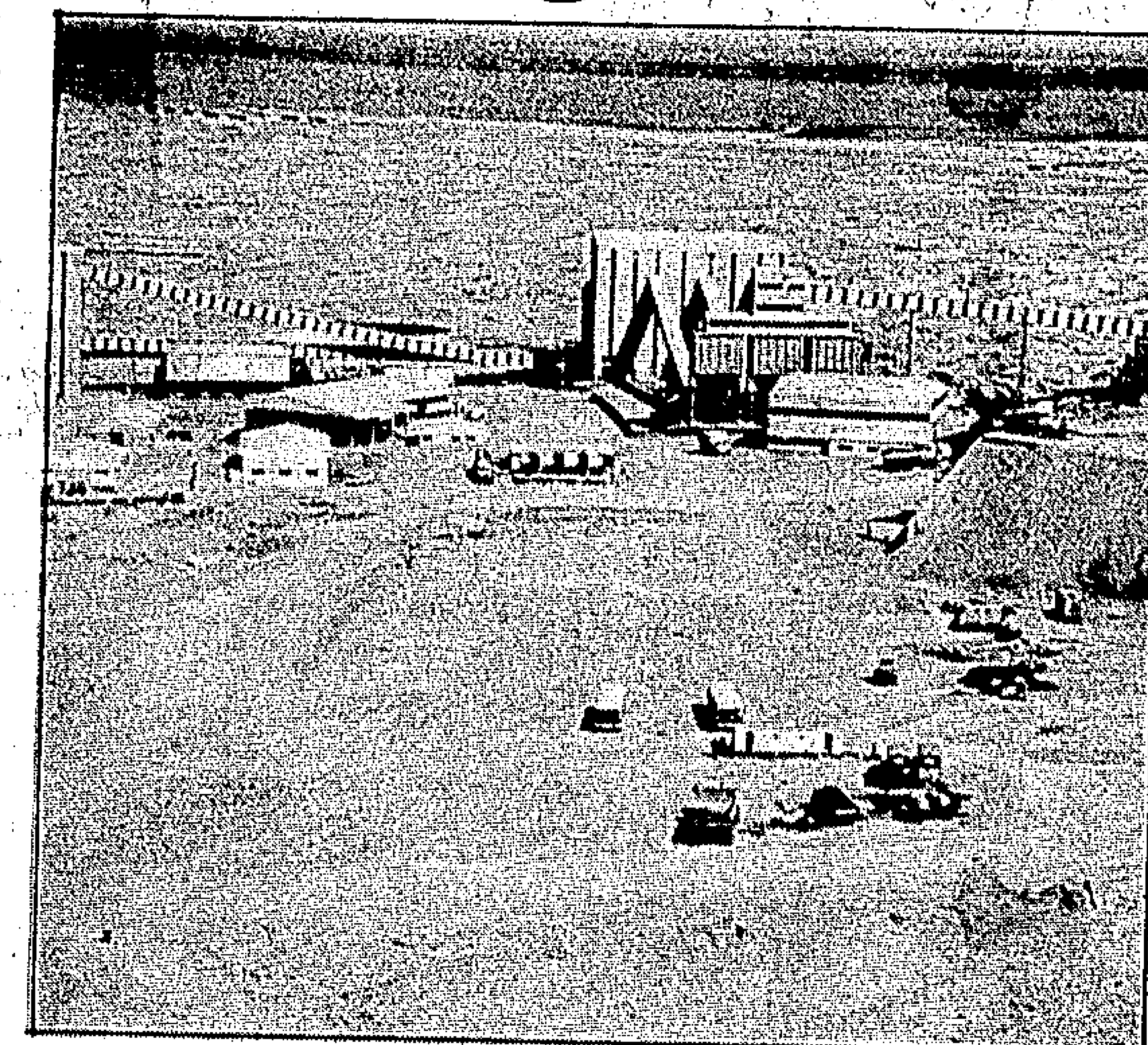
Instead, the thefts have continued and apparently increased.

Mr Olgilvie Thompson says Consolidated Diamond Mines surmises that diamonds worth tens of millions of rands might be finding their way into the coffers of organised crime.

"Put another way, the value of stolen production could be equivalent to one, maybe two, perhaps even three mines the size of Elizabeth Bay.

"That surely puts the matter in stark perspective."

Elizabeth Bay cost R138 million to develop and is expected to produce 250 000 carats of small gem-quality diamonds a year.



The recovery plant at CDM's mine at Elizabeth Bay, Namibia

ARG 6/8/91

Ton of uranium stolen from mine in Namibia

Argus Africa News Service (221A)

WINDHOEK. — More than a ton of mildly radioactive uranium oxide has been stolen from Rossing Uranium Mine.

Dr Steve Kesler, general manager of the mine in the Namib desert near Swakopmund, said the uranium, in three 370kg drums, was "mildly radioactive and not dangerous as long as it is handled according to the usual procedures".

There was however a health risk if the sealed drums were opened and the substance handled. Uranium oxide was also chemically toxic, he said.

Dr Kesler was at a loss as to why the substance had been stolen as there was no open market for uranium oxide.

It had to be treated, a process which was done overseas, before it could be used as nuclear fuel.

Engen in group bidding for Namibian oil rights

(221A)

B Day 7/8/91.

LINDA ENSOR

CAPE TOWN — Gencor's energy giant Engen is a member of an international consortium currently bidding for the rights to explore for oil in an area off the Namibian coast.

The step follows Engen's recent £24m purchase of 27% of Gencor's 8% interest in the oil and gas exploration project in the Alba and Kilda fields in the North Sea.

Engen MD Rob Angel also said the group was "aggressively" pursuing the possibilities for oil exploration in West Africa and was looking into the feasibility of participating in refineries elsewhere on the continent to supplement its export drive.

Angel said the existence of a large gas field off the Namibian coast had been confirmed but the exploration consortium's interest was not in gas but in oil exploration.

"We are keen to get in there and are quite optimistic about finding oil because it is probable that the geology of the area where oil has been found along the West African coast extends down to Namibia."

He said the absence of a large and close industrial and domestic market for gas made it unlikely that the gas field would be developed for some time. The cost of converting it into petrol or transporting it as liquefied natural gas would be prohibitive.

"We are primarily interested in oil which would serve as a back-up to Engen's refinery not necessarily by being transported there but in making oil swaps possible."

The outcome of the bid opened by the Namibian government is expected to be announced early in 1992.

Angel said the deal with Gencor, concluded on July 1, included the transfer to Engen of the management of all of Gencor's interests in the North Sea off the Scottish coast.

He was very excited about the deal because, apart from generating income for the group, it represented the first entry by Engen into the physical production of oil and brought credibility to the group as an international player in the petroleum industry.

Development of the Alba field, which has proven reserves of about 300-million barrels of oil, was moving ahead quickly and oil production should start at the end of 1993.

Gencor's and Engen's share of the oil produced would not come to SA because of the distance but would be traded out, Angel said.

Production of gas and gas condensate at the large Kilda field, physically located underneath Alba, had been fast-tracked because of additional reserves and condensate discovered. Whereas production had been scheduled for 1998/99, this had been brought forward to about 1996.

The cost of the project is expected to be about £650m.

Engen in bid for oil rights off Namibia

CT 7/8/91 (221A)

By LINDA ENSOR

GENCOR's energy giant Engen is a member of an international consortium currently bidding for the rights to explore for oil in an area off the Namibian coast.

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Production of gas and gas condensate at the large Kilda field, physically located underneath Alba, had been fast-tracked because of additional reserves and condensate discovered. Production has been brought forward to about 1996.

The cost of the project is expected to be about £650m.

Namibia: 3 Post-Independence

New Nation (Learning (N)) 9/8-15/8/91. 221A

INTERNATIONAL HISTORY

Last week we saw how Namibians elected their representatives to a constituent assembly, to draw up a constitution for an independent Namibia. We saw how at times the Namibian masses were involved in the negotiation process. We also saw how at other times the negotiation process took place far away from the struggles of ordinary people and how this created problems.

At the time of independence the expectations of people were high. In an interview with the Namibian Worker an unemployed comrade said

> **"Independence will bring peace, jobs and laws that will protect the people".**

More than 18 months have passed since independence. What has been achieved? What are some of the problems? How can we understand these problems? This week and next week we will try to answer these questions.

Achievements

In November 1989 the Namibian people chose a new government through a one-person-one-vote election. The election was administered by the South African Administrator General (AG) and supervised by the United Nations. SWAPO, which led the people in their struggle for independence and freedom from South Africa, received the majority vote. SWAPO now heads the new government.

The new constitution drawn up by the constituent assembly has been warmly received by both capitalist and so-called socialist governments. Namibia now has a **multi-party government,** and a constitution regarded as a model for democracy and human rights in Africa. All apartheid and other discriminatory laws based on race, tribe, sex or religion have been removed. The colonial system of maintaining 11 ethnically divided administrations has been abolished.

The war with South Africa has come to an end and the curfews which were a part of everyday life under the South African AG have gone. The SWAPO government has implemented a policy of promoting peace and national reconciliation. SWAPO's former enemy, the DTA, is the officially recognised opposition party in the National Assembly.

Reconciliation and the mixed economy

The people of Namibia won their independence through years of hard struggle. But it was not a victory where South African control and imperialist exploitation were overthrown. Independence was won through a negotiated agreement between the forces that had fought each other. The spirit of independence was one of reconciliation, of trying to build harmony between enemies.

Part of the policy of reconciliation is to build a mixed economy. In February 1991, the Namibian Minister of Trade and Industry outlined the new partnership between the peoples' government and capital,

> **"We invite business to be partners with us in a win, win relationship in which the private sector is the key to economic recovery and growth in Namibia."**

Dirk Mudge from the DTA said **"when it comes to the economy the new government has the official opposition's full support."** (Namibia Brief. March 1991)

In another document the Ministry of Labour explained how the new relationship of reconciliation should extend to labour relations in the form of a social contract,

> **"employers should not take advantage of the lack of a fair and equitable system of labour law in Namibia at this time. National reconciliation is a two way process and it is important that labour and management should regard each other as social partners engaged in building a strong economy that can provide for the needs of all."** (Proposed Labour Code)

Problems

But at a May Day rally in 1991 the president of the trade union federation, NUNW warned that

> **"if reconciliation is a ticket for the employers to re-exploit us to secure their profits while blacks are getting more unemployed and roaming the streets, then reconciliation will no longer be accepted by the workers."** (Namibian Worker June 1991).

He called on the Ministry of Labour to introduce a labour code. Calls for a fair and equitable labour code have been consistently made by NUNW and its affiliates since the beginning of 1990.

The proposed draft labour code is an improvement on the present colonial Conditions of Employment Act. But it only suggests small changes within the existing capitalist market economy system. For example it offers a reduction in working hours from **46 to 45** per week and a ban on work on Sundays for farm and domestic workers. For the trade unions it proposes to give stop order facilities and access to company plants for organising purposes. Workers will have the right to strike provided that strict dispute procedures are followed.

In spite of these important gains, real power is still in the hands of big business. The privatisation of most of the public transport, hospital, water, electric and broadcasting services is going ahead. The large mining companies, which control the most wealth and provide the most jobs in the private sector, are almost completely privately owned by foreign capital. For example Rossing is owned by British capital and Consolidated Diamond Mines is owned by South Africa.

To bring in new investment the government has offered attractive deals to foreign companies. But at the same time workers in the public and mining sectors go on strike to defend themselves against attacks from the bosses. Workers have staged protest action and wildcat strikes against

- threats of mass dismissals
- retrenchments caused by privatisation and production cuts in the coal and uranium mines
- the racist attitudes of some of their managers.

One-way reconciliation

There is a feeling among workers that reconciliation has not been forthcoming from employers. Wages and working conditions remain areas of dissatisfaction.

Dissatisfaction already exists in the new NDF (National Defence Force). Many of the ex PLAN (armed wing of SWAPO) comrades have been integrated with the old SWATF (South West Africa Territorial Force) and the police to form the new NDF and NAMPOL (Namibian Police). But hundreds of ex PLAN comrades remain unemployed. Those who were included in the NDF earn low wages. In October 1990 a group of soldiers staged a work stayaway around the issue of wages. In one letter to the editor of the *Namibian Worker*, a comrade complains that ex PLAN combatants are being discriminated against.

Inequalities remain

South Africa's withdrawal has left behind a relatively good infrastructure, but the majority of the Namibian people have not benefitted from it. Gross inequalities still exist in housing, land, education and health. For the majority, access to adequate housing, proper education and good health facilities remain a problem because of the low wages they earn. Unemployment stands between **35 and 45** percent. With control of the economy in the hands of big business and the government following a policy of privatisation, it is difficult to see how these inequalities can be addressed.

Today the economy shows no signs of growth. For the majority of the Namibian workers there has been very little change. Only a small section of the black middle class, who received a formal education above matric level, are today able to enjoy a higher standard of living. And the SWAPO Minister of Information said at a NANSO congress in 1989, any talk of nationalisation and socialism is out of the question for at least the next 15 to 20 years.

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HIGHWAY CONSTRUCTION (221A)

If you build it . . .

FM 9/8/91

SA may be letting its roads crumble, but Namibia and Botswana are pushing ahead with multimillion-rand highway projects to link the two countries through the Caprivi Strip and Kalahari Desert, which should be a boon for transport and tourism.

Construction of the 693 km Trans-Kalahari Highway between southern Botswana and Namibia has started on both sides of the border. When the road is completed early in the next century, the entire route between Gaborone and Windhoek will be tarred, saving SA truckers 400 km on the Johannesburg-Windhoek route.

The Namibian government is using its own plant and workers to build the 103 km Namibian segment and plans to have it finished by 1994. Concor Botswana has started work on the first Botswana section, a R23m, 72 km stretch in southern Botswana that it expects to complete in 18 months.

In another enormous road project, the Namibian government has awarded a R33,5m contract to Stocks & Stocks Namibia to build the second phase of the Trans-Caprivi Highway. Tenders for the third phase will be called for later this year. When that phase is completed, 200 km from Rundu east to Bagani will be tarred, with another 450 km to go before the project is completed through Katima Mulilo to Ngoma on the Botswana border.

Both roads will boost business by offering exporters and importers in SA, Botswana, Zimbabwe and Zambia a direct, quality link with Walvis Bay. Many of them will then have the choice of using the inefficient east African ports or under-used Walvis Bay. ■

(2214) ARG 13/8/91

Botswana to investigate setting up joint sugar industry with Namibia

DALE LAUTENBACH
Argus Africa News Service

WINDHOEK. — The Lonrho sugar project on which Namibia had had sweet hopes has not proven feasible for the young nation alone and now neighbouring Botswana has agreed to probe the setting up of a joint sugar industry.

This was announced yesterday by Minister of Agriculture, Water and Rural Development Mr Gert Hanekom.

On March 21 last year, amid the fanfare of Namibia's independence day, Lonrho chief executive Mr Tiny Rowland and Mr Hanekom signed an agreement in principle for the establishment of a sugar industry in northern Namibia.

A feasibility study by Lonrho Sugar Corporation has shown it would not be financially viable to develop a sugar industry for Namibia alone, which has sugar needs of only 45 000 tonnes a year, said Mr Hanekom. Further, with a weak international sugar price, it would be difficult to establish an export market.

The Lonrho study did disclose, however, that an area of land in Caprivi in northern Namibia would be suitable sugar country. An area of about 15 000 ha was extensively researched and it was planned that water for the project would come from the Zambezi River.

Now Namibia has turned to its eastern neighbour, Botswana, to investigate the possibility of a joint Namibia-Botswana venture for the establishment of a sugar industry.

Mr Hanekom met with his counterparts in Botswana last week and the two governments agreed to look at the creation of a sugar industry in the Caprivi-Chobe area. Further details have yet to be negotiated.

During the discussions Lonrho offered equity participation in the venture to the two governments, said Mr Hanekom. The offer would be evaluated.

Namibia to try new seal-culling methods

By Jacqueline Myburgh 22.18

Star 16/8/91

Namibian fishing authorities would experiment with alternative methods of killing seals during the current seal-culling season, permanent secretary of the Ministry of Fisheries and Marine Resources, Carl Schlettwein, said yesterday.

The SPCA National Council of Southern Africa has objected to the planned clubbing and shooting of 23 000 seals on the Namibian coast, describing the methods of killing as "cruel".

The culling season opened at the beginning of August, but none of the concessions granted had been taken up yet, Mr Schlettwein said.

Namibia was adhering to international requirements concerning culling, and the operation would be carefully monitored by "observers", he said.

"The permit-holders have to adhere to certain conditions such as the methods used to kill the seals, and the fact that the whole carcass of each animal culled must be used."

Mr Schlettwein rejected SPCA claims that the culling should be suspended on the grounds that they had no scientific basis on which to continue.

"All the conservation organisations who were interested met on August 1 and accepted the scientific data which necessitated the culling of the seals. We did agree at the meeting that the methods of killing had to be investigated."

Mr Schlettwein explained that Namibia had a population of 700 000 seals which consumed more fish than was taken out by the commercial fishing industry.

"Our seals have a much larger impact on the local fishing operations than, for example, in Canada," he said.

Time ripe for Namibia to beef up crop production

Star 17/8/91

(221A)

DALE LAUTENBACH
Africa News Service

WINDHOEK — Namibia needs a green revolution. Most people think of the country as a dry place where little grows; they associate its scrubby savannah with beef production.

Deputy Minister of Agriculture and Water and Rural Development Dr Kaire Mbuende challenged some of the myths underlying this stereotype in an article for the government newspaper, New Era.

He wrote that all the signs pointed to a need for increased crop production.

His article, warning against the monoculture of its agricultural sector, in which 80 percent of income was derived from livestock, was published timeously: the next day, a visiting European parliamentarian, while singing the praises of Namibia's democratic stability and enormous potential, cautioned against pinning hopes on beef production.

Professor Vasco Garcia noted that the EC had a beef stockpile of 500 000 tons and suggested a product with which Europe could not compete, such as ostrich meat.

There were also warning signs from neighbouring Botswana where experts believed the country's obsessive reliance on beef production was destroying the environment.

Dr Mbuende said the problem with Namibian agriculture was not only its monoculture, but that the livestock sector was dominated by the export of cattle on the hoof.

This imbalance was encouraged in the past (under South African administration) and agronomy was actively discouraged as Namibia was forced to be "a dumping ground for South African products".

Imbalances in the agricultural sector existed at all levels. The urbanisation rate in Namibia was 26 percent, and 70 percent of the population was directly or indirectly dependent on agriculture. This suggested an agrarian society, yet agriculture contributed only 12 percent to the gross domestic product.

Another imbalance was within the livestock sector. While all the cattle in Namibia suggested that the country should be self-sufficient in dairy products, it was not.

"The country meets its milk requirements but products such as cheese and butter are imported from South Africa," Dr Mbuende said.

"Some people claim that a green revolution is not possible because of the climatic and ecological factors. However, the low level of agronomic output has not been conditioned by ecological factors but by the policy of past administrations."

● James Clarke is on holiday. His Greenpiece column will resume next week.

NEWS IN BRIEF

B/Day 22/8/91 (221A)

Namibia looks for port

THE Namibian government was considering using the Angolan port of Namib as an alternative to Walvis Bay if the latter was not handed over by SA "sooner rather than later", Swapo Foreign Affairs Department head Pau Ilonga said in Durban yesterday.

Speaking at an Idasa lunch, Ilonga said Namibia was considering developing a road between Namibia and Namib and, if there was any further delay about SA's continued administration of Walvis Bay, the country would develop an alternative port. He said Namibia's survival did not depend on the SA economy.

Retrenchment haunts a mining giant in Namibia

Star 28/8/91 (221A)

Rössing Uranium has been one of the bulwarks of the Namibian economy — but hundreds of its workers are facing retrenchment. DALE LAUTENBACH of The Star Africa Service reports from Swakopmund.

At weekends, the attractive bar, restaurant and club complex in Arandis, the town created exclusively for Rössing mine workers, is usually alive with off-duty employees and their families.

There was not a soul in the place on a recent visit at lunchtime on a Sunday.

The manager shook his head sadly.

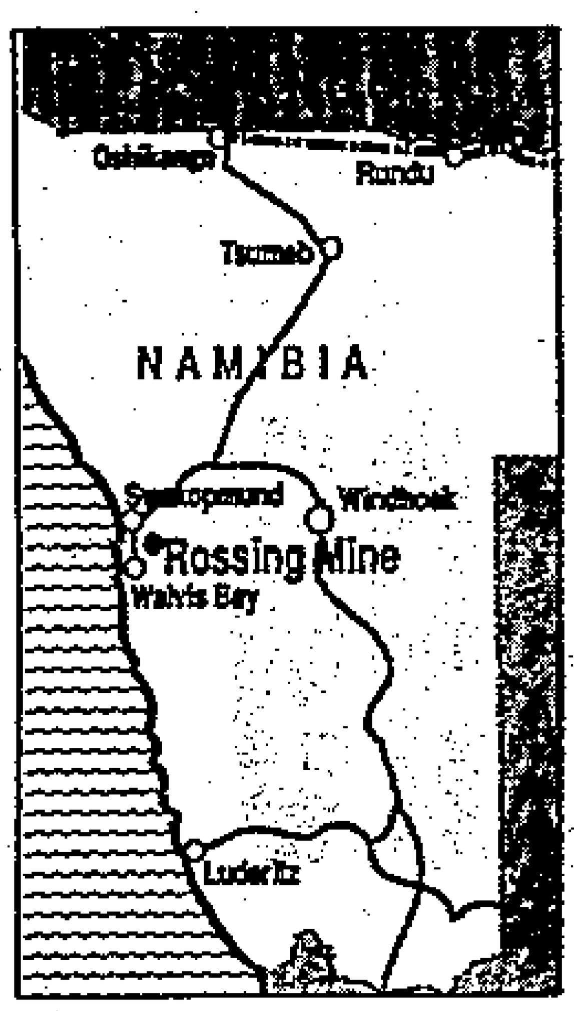
"It's been like this since they announced further cutbacks to come.

"People are not spending their money."

Rössing management has not yet made final announcements on the scale of the retrenchments, saying that first they must conclude negotiations with the union.

However, with a present total staff complement of a little more than 2 100, the figure being popularly bandied about is that between 700 and 900 workers will have to go.

In March this year, the first bleak sign came with an announcement of



a 21 percent cut in production from 4 100 short ton to 3 250.

The mine's maximum output, reached in 1980, was 5 000 short tons.

The March reduction was explained as necessary to keep Rössing profitable and in business following the downturn in the international uranium market due to oversupply. The situation had been dramatically exacerbated by an enormous uranium stockpile from the Soviet Union and East Bloc countries flooding the market.

Rössing management also acknowledged at the time that Namibia's coffers would feel the pinch and Minister of Finance Dr Otto Herrigel anticipated a R60 million drop in the mine's contribution to government earnings.

In the past, Rössing was one of the largest contributors to the Namibian economy, providing 13 percent of the GDP and about R100 million annually in taxes.

The company also sought to explain its crisis in March as a product of sanctions.

Before independence, Namibia was treated as part of South Africa and it was difficult to secure clients on the international market.

Rössing hoped independence would change all that and that a certain amount of international goodwill towards the newborn nation would work to its advantage once the sanctions barrier lifted.

Those hopes did not pan out.

Rössing managing director Jonathan Leslie said that most analysts believed at the time that the market had bottomed-out.

"We got it wrong, but so did everyone else," he said.

Now a further cutback of about 750 short tons has become necessary and with it retrenchments.

Some senior people have already been told that they are not part of the plan being drawn up to save Rössing. Mr Leslie refused to acknowledge, however, that these were retrenchments.

Hardest hit, though, could be the semi-skilled and unskilled workers who do not have the mobility of their seniors. They are also all inevitably Namibian at this level of skill and losing their jobs will mean joining the already swollen unemployment figures in the country.

Attitude

One fairly senior Rössing employee pointed that the company's paternalistic attitude towards its employees meant that many of them did not have the skills to compete in the job market.

Without dramatic change and restructuring now, Rössing's very survival would be in question, Mr Leslie said.

"With restructuring, Rössing's longer-term future in Namibia is assured."

In the short and medium term though, Namibia will suffer.

There are no figures yet for what the country will lose beyond the R60 million in government revenue.

However, the town of Swakopmund, where most Rössing workers spend their money, anticipates an annual loss of R40 million.

Dr Steve Kesler, the mine's outgoing general manager, reportedly said the new cuts would mean Rossing would spend R90 million less a year.

Some employees are pointing accusing fingers at the company, others are more philosophical and appreciate Rössing's dilemma.

As one put it: "There's no such thing as handling retrenchment well. It hurts."

Namibian foes join forces

A (bay) 20/8/91

WINDHOEK — "I expected it to be more difficult. It's been easier than I imagined." That is how former People's Liberation Army of Namibia (Plan) training officer Augustus Abisai, now a captain in the new Namibian Defence Force, experienced the blending of bush war foes into a national army.

The 7 000-strong NDF draws its members from Plan and the South West Africa Territory Force, demobilised in April 1989.

The NDF began with the formation of the presidential guard of honour, of equal numbers of Plan and SWATF members, in February 1990 to take part in the March independence celebrations.

Women constitute 7% to 10% of the new army and work in medical, signals and administration units.

Despite serious financial constraints, initial disciplinary problems and a poor image in the local media, the NDF has combined former foes into a committed professional force.

The shortage of funds "is seriously affecting the NDF and the morale of the troops as well", army chief of staff Gen Charles Namoloh told journalists.

While the defence budget has increased by 10% in real terms, manpower has increased by 50%. Personnel accounts for 70% of military spending and equipment less than 5%.

But what the NDF may lack in resources, it appears to be making up for in determination.

Col Seef Oosthuizen considers the military school at Okahandja "the most professional and most disciplined unit" in the NDF from which well trained instructors will spread out to other bases.

22B

He acknowledges that there were problems to start with when he joined in October last year.

221A

"We are different people ... trained differently. And there was also a problem with reconciliation.

"But as soon as we started with parades and proper training courses it kept on getting better." — Sapa.

Uranium stolen by 'clandestine ring'

2219

South 5/91 – 11/9/91

THE RECENT theft of a large quantity of uranium from a mine in Namibia has fueled speculation that an illegal smuggling operation is trading nuclear products across the continent.

During the weekend of August 4, three drums of uranium oxide, each weighing 370kg, were stolen from the Rossing Uranium Mine near Windhoek.

According to a statement from Rössing, a warehouse was broken into by thieves and the drums were removed on a light pick-up vehicle which was also stolen from the mine. Locks on gates in the mine perimeter fence were found to have been cut and the vehicle was later found abandoned outside Windhoek.

Uranium oxide is mildly radioactive but chemically toxic, according to Dr Steve Kesler, general manager of Rössing Mine. He said that the substance had to go through various processes overseas before it could be used as nuclear fuel.

"It has no use in its present state and is therefore of no value to the thief," he added.

However, the professional nature of the burglary has added weight to rumours that this theft of uranium oxide was not an isolated case.

The event is viewed by environmentalists as part of a well-planned attempt to smuggle uranium to the black market in Maputo, Mozambique.

"It's obviously part of a clandestine weapons production ring. The question is where is it going? The chances are it's Pakistan or Iraq," said Mr Mike Kantey, an anti-nuclear activist for Earthlife Africa in Cape Town.

"Until weapons productions systems are closed down, the civilian and military aspects of uranium will be interlinked," Kantey continued.

A spokesperson for the Namibian police, Commissioner Siggi Einbeck, said that a reward of R20 000 was being offered for information leading to the arrest of the thieves.

"All leads are being followed up. But I wouldn't consider it a professional job — to our knowledge. What could they do with the uranium?" he said.

The commisioner confirmed that similar thefts had occurred in the past although not in as large a quanitity. The largest amount of uranium oxide stolen previously was 75kg, he said.

Strong fish demand helps Namsea reel in the profits

BDay 2/9/91. (221A)

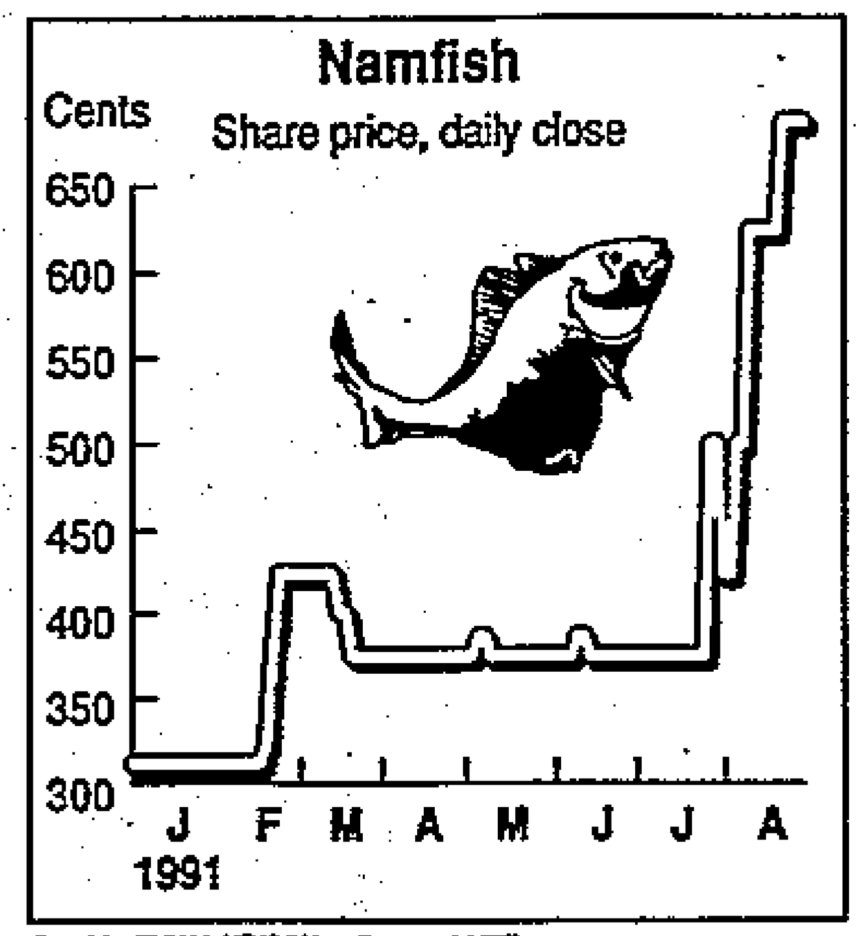
LINDA ENSOR

CAPE TOWN — Interim earnings of Namibian Sea Products (Namsea) to end-June increased 29% over the previous year's nine-month period to end-June 1990, bolstered by strong demand for fish products which saw turnover rise 54%.

The greater contribution from the pelagic division offset the reduced contribution from the lobster division. However, because of reduced quotas the pelagic division's contribution to profits was maintained.

While identical factors affected Namibian Fishing Industries (Namfish) — controlled by the same Norwegian consortium that bought out Namsea from Oceana last year — the company did not fare as well. Namfish suffered a 23% decline in pre-extraordinary item earnings in the six months to end-June over the previous six month period.

Chairman of both companies, Lars Eldoy says demand for fish products remains strong. "The entire fish meal production has been sold at improved prices. The movement of canned fish products has been highly satisfactory and the considerable stock carryover from the previous trading period has all been sold."



Graphic: FIONA KRISCH Source: I-NET

Namsea's turnover rose to R15m (R9,8m) and attributable income to R3,2m (R2,6m). Its reduced income from investments and interest was offset by substantially lower tax.

Despite Namsea's performance and the expectation that total earnings would show an improvement this year, no interim dividend has been paid. As announced in the annual report, the group has decided not to pay a dividend in order to strengthen its cash position and to allow for expansion.

Namfish maintained its dividend of 20c but expects lower total earnings due to the anticipated loss by the lobster division. Its turnover rose slightly to R4,8m (R4,3m).

Of the total pilchard quota of 60 000 tons, Namsea and Namfish were each allocated 3 200 tons (4 909,7 tons). Namsea increased its participation in United Fishing Enterprises (UFE) by securing four of the five new entrants' quotas.

This led to a court battle with Sarusas Development Corporation, one of the participants in UFE and the subsequent purchase of a controlling stake in the corporation by Namsea.

Of the rock lobster business, Eldoy says Seaflower Lobster Corporation, in which Namsea and Namfish each hold a 35% stake, was given a 704 ton (1 121 ton) quota of the total industry quota of 1 200 tons (1 800 tons).

"Landings for the six months were substantially lower at 181 tons (281 tons) and the earnings contribution from this division was reduced accordingly. Under the present circumstances, Seaflower is budgeting for a loss for the full year," Eldoy said.

Seaflower has been granted a 500 ton long-line hake quota for this year and is awaiting a reply to its application for concessions and quotas to enter other fishing sectors from a Luderitz base.

Arms factory set up at Keetmanshoop

WINDHOEK — Namibia's first arms and ammunition factory, Namib Arms and Ammunition, situated near Keetmanshoop in the south, is due to start production in October.

MD Andre van Wyk said yesterday the factory would produce commercial hunting and target shooting weapons and ammunition in the first phase. B|Day 6|9|91

The company planned to manufacture weapons for the Namibian Defence Force during the second phase.

Van Wyk said there had been a lot of foreign interest in investing in and buying from the factory. 221A

"There is considerable interest in the African market right now as East Bloc producers have completely stopped making military weapons and ammunition," he said.

US arms manufacturer Winchester had arranged to visit the Namibian factory in the next few weeks, he said. — Sapa.

Namfish treads water as others confirm recession

S Times 8/9/91 (Buss) (221A)

By JULIE WALKER

COMPANY results released this week confirm the view that South Africa is still in recession.

Only seven out of 19 announcing annual figures were able to improve on their previous year's performance. Three outpaced inflation, but only three incurred losses.

The seven interim results look a little better, two companies coming out of the red and four showing handsome increases.

In the six months to June, Namibian Fishing Industries (Namfish) more or less trod water at the taxed income level.

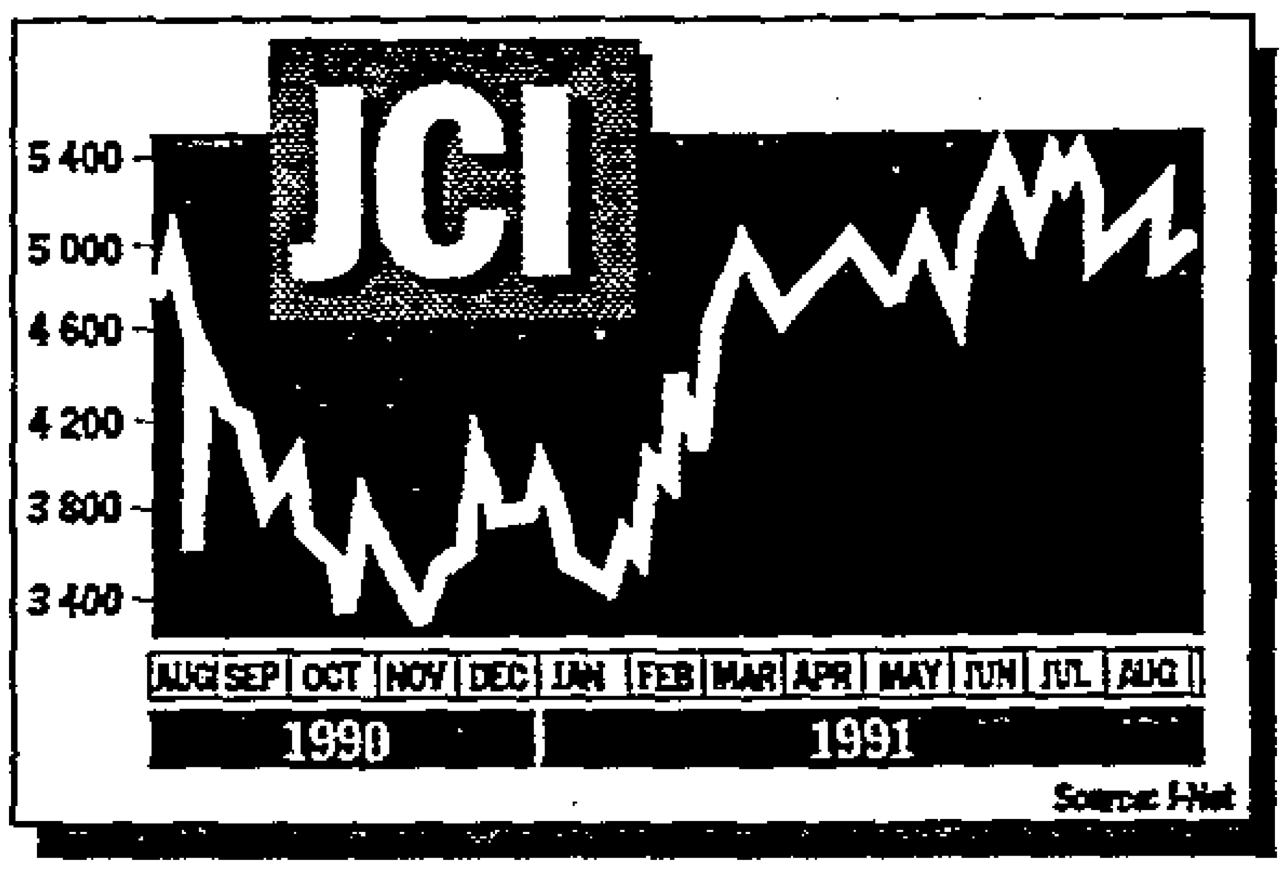
Shade

It earned a smaller share from associates, but did not have to pay an adjustment on participation rights which was reported previously as an extraordinary item.

Earnings a share of 48,7c were down 23%, but after extraordinary items the earnings were a shade higher. Pelagic fish did well, fishmeal, canned products and stock having been cleared at good prices.

Namfish's pelagic quota was reduced by a third to 3 200 megatons. But the company expects a similar profit contribution from pelagic fish as was earned last year.

The lobster allocation was lowered for the industry and a loss is expected from Seaflower Lobster, in which Namfish has a 35% stake. Seaflower's interim landings were down 100 megatons to



181 megatons out of its 704 megatons allocation for the year.

Seaflower has applied to the Namibian Ministry of Fisheries and Marine Resources to be granted concessions and quotas in other fishing sectors based at Luderitz. It has been granted 500 megatons of long-line hake.

The directors expect reduced earnings from Namfish.

Namibian Sea Products (Namsea), which owns 26% of Namfish, earned R3,2-million in the six months to June compared with R2-million in nine months to June 1990. Its deal with Sarusas and arrangements with new pelagic quota holders should raise the year's earnings.

Masonite's manufacturing division ran at capacity in the six months to June. Cost management, returns from new capital projects and an excellent manufacturing performance resulted in improved margins.

Sales rose by 16% to top R60-million and operating income was 29% up at R8,2-million, while earnings a share rose 26% to 63c. A strong customer base and good service helped the group to retain export markets. The directors expect maintained sales in the second half of the year.

Acquisitions last year by clothing retailer Bergers lifted turnover by two-thirds to R71-million in the six months to June.

Without the acquisitions, sales grew by 23%. The group has three trading divisions with 262 stores, having opened 12 and closed eight in the first six months of 1991. It plans to open another 14 before the yearend.

Problems included deteriorating trading conditions, robberies and shoplifting.

Consumer boycotts were prevalent outside the Pretoria-Witwatersrand-Vereeniging area and hit Bergers' Jones chain, which is being refocused. The Capri chain has been sold and seven Jones shops will be opened.

Although the directors predict a tough second half, they are *confident of satisfactory* growth. They say that Vat *may have a negative effect on trading.*

Gypsum, Ilco, Sasfin and Lonrho Sugar also improved earnings.

Johannesburg Consolidated Investments (see graph) held up in the year to June. Its earnings were 3% down on the previous year.

Its share price of R49,75 is almost the same as a year ago. The 12-month low was R33 last November and its high R53,50 two months ago.

COMPANY ROUN

PRELIMS	Turnover (Rm)	% change	Profit before tax (Rm)	% change	Earni a sh
TEJ	35,9	−6	1,4	N/A	3[illegible]
Gypsum	180,1	+8	29,7	−5	19[illegible]
Metcash*	4064,3	+16	−46,4	N/A	−7[illegible]
Rextru	N/A	+5	N/A	—	17[illegible]
Af & Over	N/A	+4	N/A	—	18[illegible]
McM(Z$)	109,2	+16	−6,7	N/A	−3[illegible]
Siltek	822,4	+12	60,4	−2	6[illegible]
Ilco	N/A	+215	5,2	+100	1[illegible]
Lonsugar (E)	382,3	+12	108,7	+11	46[illegible]
Grinaker	2047,0	+6	114,6	−14	10[illegible]

SA got more than R600m aid in 1990

(22A) TIM COHEN

MORE than R600m in aid reached SA last year, excluding funding given to political parties, an article in the International Affairs Bulletin suggests.

The ANC and Swapo received R142m each in 1989 from the Swedish government alone. And the ANC would probably get that amount for several years, says the article, written by Alan Whiteside from Natal University's Economic Research Unit.

The largest individual bilateral donor listed in the article is the US, which provided R80m in 1986/87 for education, human rights and black private enterprise development.

Bilateral (or single country) donors gave some R229m in 1990, of which the European Development Fund, which is attached to the EC, provided R42m.

Multilateral aid (from agencies representing more than one country or group), which is currently comparatively small, will increase dramatically beginning next year and increase steadily until about 1997 peaking at about about R500m. B/Day 9/9/91.

Whiteside concludes that the flow of aid to SA is much greater than is generally realised.

In addition, the aid given to SA is very different from aid given to most countries as it has political rather than developmental goals.

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UITENHAGE

Reaching out .. US Vice-President Dan Quayle shakes hands with Mozambican refugees in southern Malawi this week. Picture: AP

Quayle due to meet Savimbi in Abidjan

Star 13/9/91

221A

By Dale Lautenbach
Star Africa Service

WINDHOEK — US Vice-President Dan Quayle is set to meet Unita leader Dr Jonas Savimbi tomorrow in Abidjan.

Asked to comment on the situation in Angola following Unita's suspension of its participation in the peace process, Mr Quayle said only that the "peace process is still on track".

He said an indication of this was the meeting scheduled to take place between President George Bush and President Jose Eduardo dos Santos of Angola in Washington on Monday.

Mr Quayle, who leaves Namibia today, will be meeting Dr Savimbi in the Ivory Coast, which is the final stop of his five-nation African tour.

Mr Quayle was asked to explain why the $60 million (R168 million) American aid package to Unita was covert, even though a peace accord had now been signed.

He was also asked why the US was choosing to be partisan in its Angolan aid during the run-up to next year's general election.

Mr Quayle did not respond. When asked for the second time, he answered: "I do not comment on covert aid."

He said he expected the peace process in Angola to move forward, but that after 16 years of civil war there were bound to be hurdles.

"We'll jump those hurdles," he said.

Asked why his Africa tour had not included South Africa and if he would visit that country, he said he hoped to in the future.

At present, with "sensitive negotiations" in South Africa, a visit by him would have been "inappropriate".

President Sam Nujoma of Namibia and Mr Quayle signed a memorandum of understanding on conservation protection and the US donated a further $2,7 million (R7,56 million) to Namibia in the form of a marine patrol boat to monitor the country's sea resources, and an aeroplane for game patrols.

Hugh Roberton of The Star's Washington Bureau reports that Mr dos Santos's visit to the US is seen as an attempt to win friends for the MPLA in a country which up to now has been solidly behind Unita.

Rossing to sack 700 as uranium slides

Star 16/9/91. 221A

By Neil Behrmann

LONDON — Rossing Uranium's production will tumble this year and the mine will be forced to lay off around 700 workers.

RTZ, the major shareholder of Rossing, disclosed recently that production, which had already slid to 3 250 tons in 1991 from 4100 tons in 1990, would fall to only 2 500 tons next year.

"The uranium market is sick," said RTZ chairman Sir Derek Birkin.

Rossing sells its uranium on contract at prices above the free market quote of $8,75 a pound.

Competitive

But the market is terribly competitive and prices in real inflation-adjusted terms are at their worst ever, said Robert Wilson, RTZ's chief executive.

RTZ holds 46,5 percent of the shares in Rossing Uranium.

Other major shareholders are Gencor, the IDC and the Namibian government.

The depressed uranium market and contraction of Rossing would have a severe impact on the Namibian economy, said the directors, who were clearly unhappy about coming redundancies.

In 1990 Rossing injected R350 million into the Namibian economy in salaries and taxes.

Income tax

In 1989 mine sales accounted for 26 percent of Namibia's merchandise exports and contributed 10,7 percent of total GDP.

RTZ economists estimate that in the past four years, Rossing paid 35 percent of all income tax collected from the business sector.

There are huge stockpiles of industrial minerals such as titanium and zircon, but employees at Richards Bay have better prospects.

Production of the development, in which RTZ has a 50 percent Stake, remains on target.

By 1992 Richards Bay, in which Gencor also has a stake, will be producing 1 million tons of slag a day, said Mr Wilson.

Meanwhile the global metals and minerals recession caused RTZ's pre-tax profits to slump by 40 percent to £286 million in the first half of this year.

Turnover

Compared with the same period last year, turnover dipped 14 percent to £2,3 billion, while net taxed profit fell 43 percent to £154 million.

Pre-tax profit in the year to December 1990 totalled £879 million, down from £1,1 billion in 1989.

"As the world's biggest biggest raw-materials producer, RTZ cannot excape the consequences, if its customers are in the throes of recession," said Mr Wilson.

"There is no point in wringing our hands about circumstances beyond our control.

"While we can do little to avoid declining sales volumes and falling prices, we have intensified efforts to contain costs and improve efficiency."

In the first half of this year the giant mining group, with interests in the US, Australia, Europe and South Africa laid off 7 000 workers, or 10 percent of its labour force.

There would be further cuts in the second half, Mr Wilson said.

North American operations, notably the US copper mine, experienced the worst fall.

Compared with the first half of 1990, lead prices are down by 29 percent, zinc by 26 percent, silver by 22 percent, copper and aluminium by 7 percent and gold by 5 percent.

"Precious metals are going nowhere," said Mr Wilson. "Just look at the market."

Base metals had better prospects.

"But it is unlikely that there will be any early recovery in prices.

Reached nadir

"The recession in North America and the UK may have reached its nadir."

However, while some indicators seem promising, there are as yet few signs of recovery in the group's businesses.

"Elsewhere, in Japan and Germany, the rate of economic growth could continue to ease," said Mr Wilson.

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Namibia's PM optimistic on deal with Citroen

221A

Afrz 2/10/91

Argus Africa News Service

WINDHOEK. — Nambia hopes to create "other concessions" to offset the high local-content requirements of the Southern African Customs Union which could chase potential investors away from the struggling fledgling economy.

In this context Prime Minister Mr Hage Geingob has confirmed that French car manufacturer Citroen was still interested in going ahead with a R150 million assembly plant at Gobabis in eastern Namibia. The plant would provide between 500 and 800 jobs.

Citroen and other interested parties were doing further market research, especially now that Angola was emerging as a potential market for these luxury cars.

On a recent visit to France Mr Geingob met the French car manufacturer to "iron out the problems relating to the Citroen project — a project we consider to be of extreme importance to Namibia".

"All I can say at this stage is that Citroen are taking the project very seriously and there will be some movement on the implementation of the project soon."

Mr Geingob said he hoped Citroen would see fit to invest more than 10 percent of the R150 million as its intentions on financial commitment stand at present.

With regard to SACU regulations, Mr Geingob said these seemed to be there "to benefit only one member at the expense of others".

"Who else manufactures cars in the union?" he said, adding that the local-content requirement protected South African interests. "The local-content requirements are too high but we'll make good on this by giving other concessions."

Star 2/10/91 (221A)

Namibia to get R220-m aid

By Dale Lautenbach
Star Africa Service

WINDHOEK — The German government has pledged a total of R220 million to Namibia since this country's independence in March last year and reasserted it is no fly-by-night friend to its former colony.

Michaela Geiger, Deputy Minister in the German Federal Ministry of Economic Co-operation, was in Windhoek last week to review development co-operation so far and to examine future projects.

Namibia will soon begin to see the fruits of the relationship between the two countries with work on a water supply scheme for Ongongo to Oshakati, in the north of the country.

This project is one of four on which the two governments have now agreed to go ahead. The others in the wings are low-cost housing schemes, rural and agricultural development, and geological and geophysical surveys.

Mrs Geiger said Namibia remained important to Germany and that despite challenges to that country's budget following unification last year, it did not want to be seen as a fly-by-night friend to Namibia.

About 75 percent of the R220 million is available to Namibia in the form of grants for development projects and R55 million is available in the form of soft loans.

The Namibian government has repeatedly expressed its intention to avoid loans as far as possible fearing it might be trapped as so many African countries have been in the vicious circle of loans and debt.

Mrs Geiger with Namibian Director General of the National Planning Commission Zed Ngavirue signed the minutes of the 1991 consultations between the two countries on development co-operation.

Dr Ngavirue is responsible for all foreign development aid negotiations which involve the minute scrutiny of each and every project and mutual agreement before work can begin.

Namibia plans giant hydro power scheme

221A ARG 4/10/91

DALE LAUTENBACH
Argus Africa News Service

WINDHOEK. — Construction of a hydro-electric power station that would create power self-sufficiency for Namibia plus a surplus for export to South Africa has been approved by the Namibian Cabinet.

A 400 to 450Mw installation at Epupa on the Cunene River downstream from the existing Ruacana hydro-electric station has long been the dream of Mr Pollo Brand, managing director of the Namibian electricity utility Swawek.

"I am considerably more optimistic now than I was a year ago," he said. However, Cabinet approval did not mean that construction would be under way soon.

Pre-feasibility studies for Epupa have just been concluded and it is estimated that, at current prices, the installation would cost between R1-billion and R1,2-billion.

The site is also in a remarkably remote part of Namibia on the north-western border with Angola and for building of the dam itself to begin a supporting infrastructure of roads, telecommunications, accommodation and health services would have to be put in place.

Mr Brand said negotiations with the Angolan government, whose approval is required as the scheme falls across the border, would also have to be concluded.

The Angolans were not supportive of the Epupa scheme until recently as they were hoping to export power to South Africa from their own enormous 520Mw installation now under construction at Capanda on the Kwanza River in central Angola.

Their approval in principle has now been won by the Namibians but final agreements have yet to be signed. Mr Brand hopes this might be concluded by the end of the year but Angolan sources have indicated that their country has other priorities at the moment.

All going well, Mr Brand hopes a feasibility study, including environment and social impact studies, can begin next year. Thereafter construction could begin towards the end of 1993 with 1998 as the target for completion.

Mr Brand said the South African utility Eskom would have to be involved in all stages of the project as its undertaking to buy the excess power from Epupa was the rationale behind the scheme.

"Eskom will definitely be involved," said Mr Brand. "Without their support Epupa is not feasible."

The major hurdle still to be overcome is the raising of finance. "Money is the big headache," said Mr Brand. He had few firm ideas where the amount might be raised but mentioned the World Bank, the IMF and various countries in the international community.

AFF

Bleak outlook for Namibia

B/Day 11/10/91. (221A)

ROBERT GENTLE

WITH falling mining tax revenues, disproportionately high government current expenditure, capital flight to SA and low labour productivity, the short- to medium-term outlook for the Namibian economy is bleak.

This emerges from remarks made by Commercial Bank of Namibia chairman Johann Albrecht Bruckner in his 1991 annual report.

"In the absence of substantial amounts of foreign investment funds, economic activity in Namibia is unlikely to show the growth expected over the next 12 to 18 months."

Mining tax revenue is down 75% on the previous year, while individual tax-payers (63 000 in total) amount to a mere 5% of the total population. The small tax base has left the government "with little alternative" but to increase GST and introduce a petrol tax.

On the fiscal side, Bruckner regards current expenditure, up 22%, as disproportionately high, especially when repayment of debt is included. For example, the civil service of 60 000 people — almost equal to the total number of individual taxpayers — means there is one civil servant for every 25 people in Namibia. Accelerating nominal wage increases and weaker labour productivity "bodes ominously" for Namibia.

Budgeted defence spending at R184m — 50% up on the previous year and more than 3% of GDP — is "unacceptably high for a country with no real need of a large defence force and no military threats".

The overall budget deficit of R314m, to be financed by loans, is 5,8% of GDP compared with IMF norms of 3%.

The shortage of available funds was also reflected in the total assets of commercial banks, which grew only 5% over 1989/90 compared with more than 30% the previous year.

"This slower rate is a reflection of weakening bank deposits, intense competition in a limited market and a significant outflow of capital and savings to the SA market," says Bruckner.

Bruckner calls for more commitment from government to attract foreign capital and suggests Namibia's foreign investment code is "probably not bold enough".

On the positive side, he notes that Namibia should receive "considerable benefits" from its IMF membership; more than 30 companies are interested in bidding for oil exploration licences; the fishing industry is expected to be worth R3bn within three years; and tourism and agriculture show "improved prospects".

Business 'must move on affirmative action'

BDay 16/10/91 (221A)

THEO RAWANA

SUN CITY — Namibia's move to establish an affirmative action framework was a lesson SA business could learn from, Shell SA public affairs GM Humphrey Khoza said yesterday.

Addressing the Black Management Forum (BMF) conference, Khoza said Namibia's Ministry of Labour and Manpower Development, in an effort to redress the inequalities caused by apartheid in that country, had proposed that through an act of parliament the framework of an obligatory affirmative action programme should be established.

Employers, their organisations, employees, trade unions and members of the public were invited to submit their comments.

The programme is to be administered by the independent Employment Equity Commission in conjunction with the ministry.

The commission's two main tasks were to investigate complaints of discriminatory practices in employment and to assist and advise employers who are required to develop and implement affirmative action programmes.

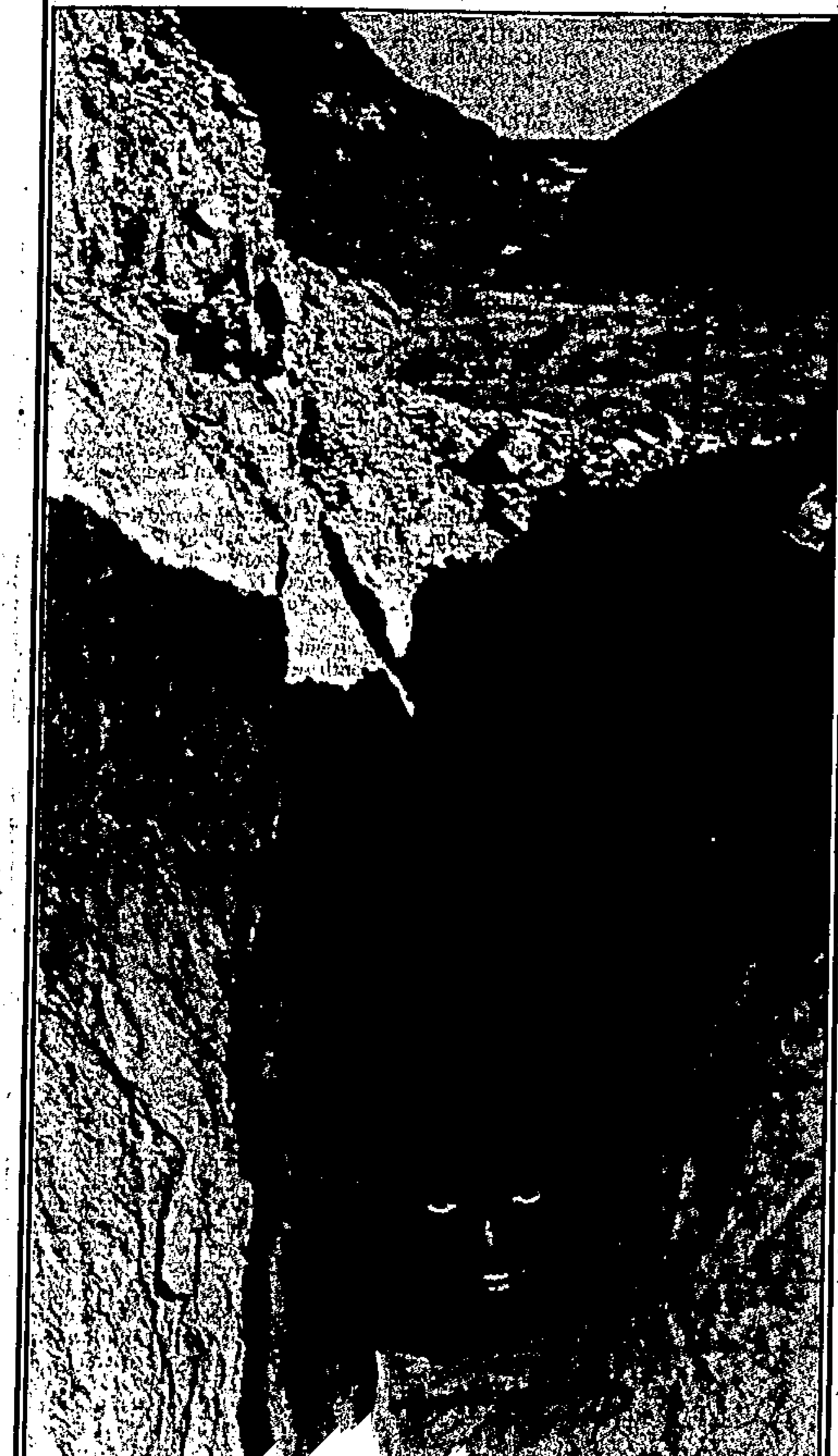
"The situation has a very loud and clear message for SA businesses," said Khoza. "It is always better and easier to take the initiative than to have government impose obligatory programmes with possible quotas and time frame."

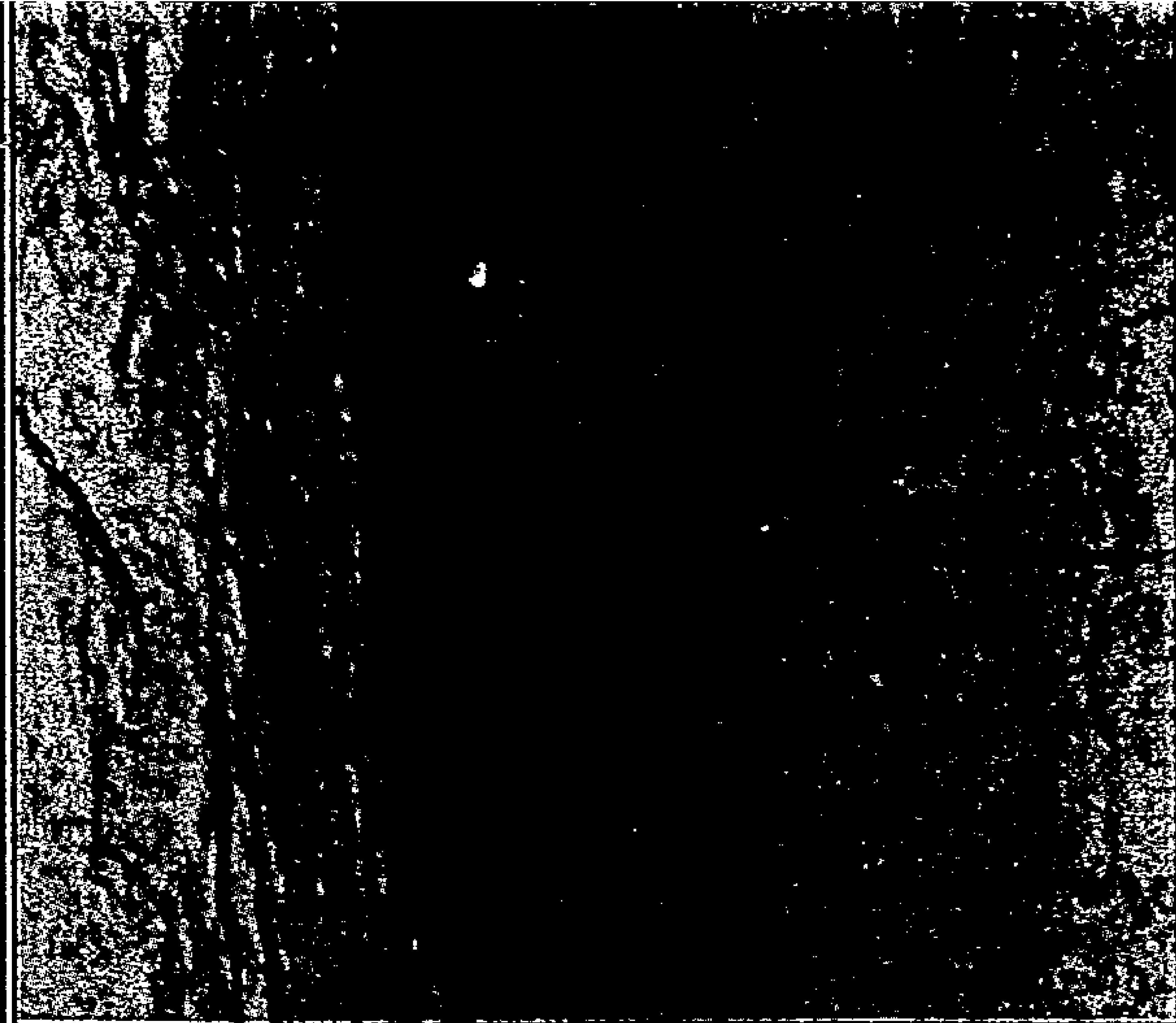
221A

27/10/91

Namibia's tin soldiers

SAND CASTLES ... Between a rock and a hard place the relentless search for black specs in a red mass of rock continues. Perched high above the desert valley floor, in the Goantagab district, Gideon Bekako (right) looks for ore. After months of excavation (below), miners dig in a crevice they have chiselled out of the stone. ■ Pics: GUY TILLIM





Day after day they chip at the red rock so families will eat

221A

By DUNCAN GUY Cpen 27/10/91

"HERE you must keep down, down, down, while you walk. Otherwise you will knock your head."

Clutching a candle, elderly Bedwiel Gurirab peers up into the underground chamber, entirely chiselled out by many determined hands – including his own.

One of 600 tin diggers who work on mineral claims in Damaraland, Namibia, Gurirab admits to being a loner, while the others work in teams.

Collectively, they supply the Imkor-owned tin mine at Uis, some 75 km away, with 10 percent of its production, which is eventually smelted at Iscor's Vanderbiljpark works.

Gurirab points to a spot in the dark. "There is plenty of tin up there. But how do I get it? I have to limit myself to working the rock that is within reach – otherwise I could slip. And if I die here, who will get me out?"

Shuffling through stony rubble at his feet, he looks for black specks in the ochre-coloured rock.

"Ja – there's some good tin in this hard stuff."

Gurirab loosens the rock by lining the walls with wood, setting it alight and keeping the blaze going for a couple of days. The cracked rock is then chipped loose with a hammer and chisel.

Outside the chamber, the last penetration of light marks the end of a tunnel built by prospectors. Until recently, it bore a "no entry" sign erected by Gold Fields of Namibia, which owns the claim.

The light outside fades. Gurirab's clothes are stained by the rock. So are his shoes, face, hair and beard. "The shop owner in the location tells me this red rock has poor tin. But if I want to eat, I must collect at least two kilograms a day."

Gurirab can exchange tin for food at the store, or sell it for cash. But he says it's best to take it to Uis himself – if he can afford the transport.

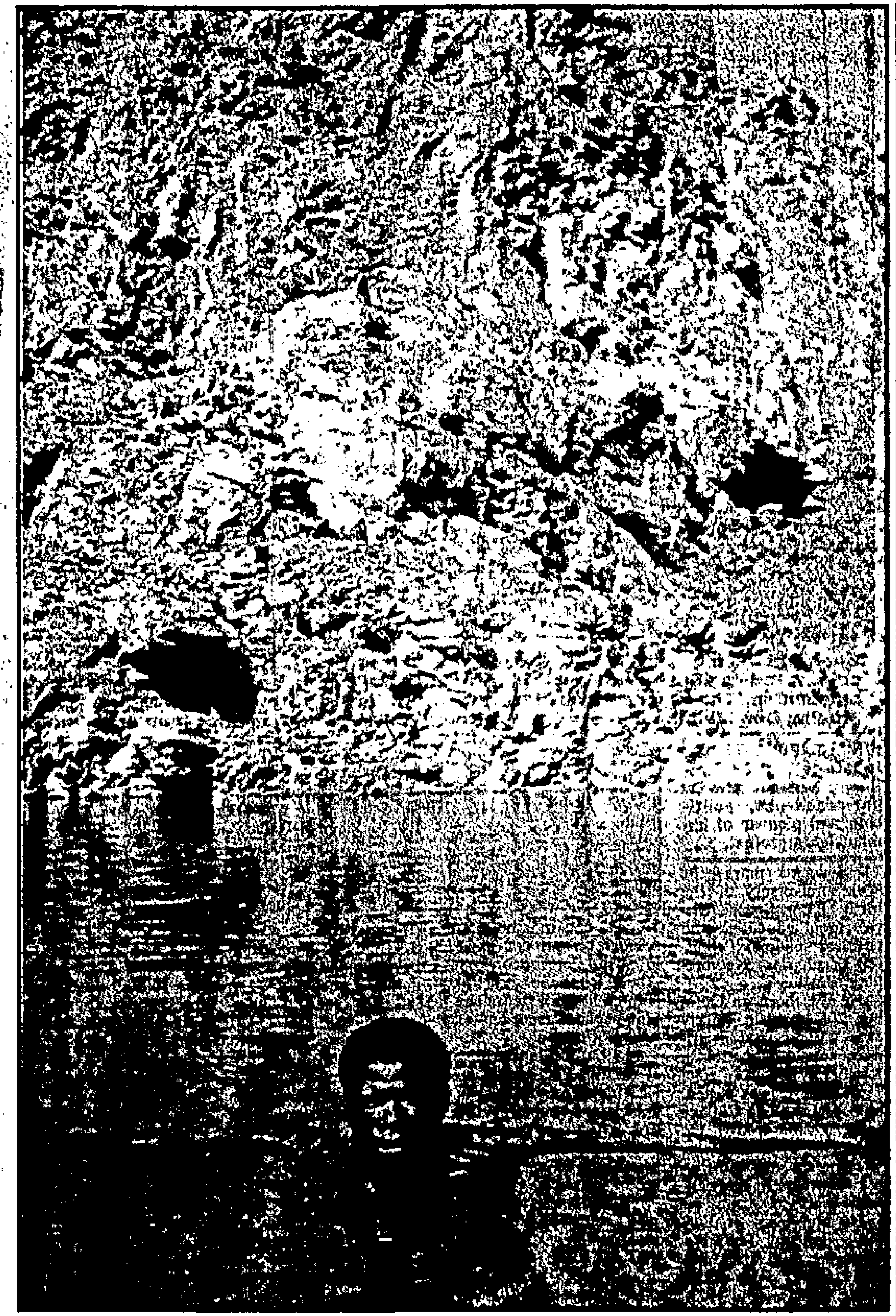
Way down at the foot of the mountain a vehicle ploughs along a sandy track. And up on the slope on the other side, little heads are dotted around holes in the mountainside as diggers hammer with chisels against the hard rock.

The "location" Gurirab speaks of is Goantagab. It consists of scattered shanties spread out over a valley of soft sand with little grass cover.

Goantagab has been home to a fluid population of diggers, presently numbering about 100. They come and go from surrounding areas, including the Damaraland towns of Uis and Khorixas. Some hail from Windhoek, others from Ovamboland.

Teresa Tsaraes, mother of five children, has oscillated between her traditional farm home and the tin digging community all her life. A normal day sees her on the mountainside above Goantagab shaking a so-called "visbak" tray in the wind, separating dust from tin.

■ To page 31



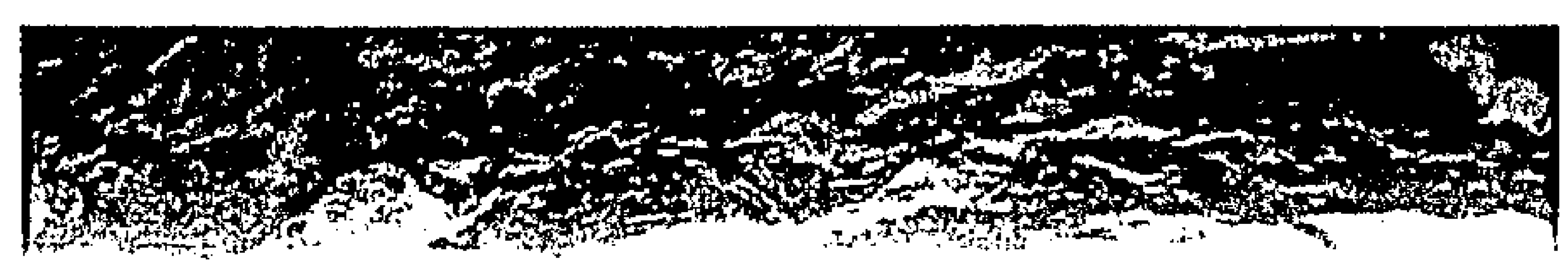
TIN FOR FOOD ... (right) Tin is weighed in this shop at Goantagab and used as currency. Johannes Kasanja (left) swims in a natural pool formed by underground water in an abandoned open-pit mine at Brandberg West. Bedwell Guirab (middle right) looks for tin seams in an underground cavern, hollowed out over the past seven years.

NAMIBIA'S IRON-WILLED TIN MINERS

C/Press 27/10/91.

221A

POOR AS A CHURCHMOUSE ... A miner (below) sifts crushed ore at Goantagab, while (above) miners relax at Uis. ■ Pics: GUY TILLIM



■ From page 25

In a narrow crevice below, her husband and other men hammer away at the rock. Pieces crash down to an invisible floor, to be collected later. Tsaraes and other women head home down a rocky mountain path before dark. But the menfolk only give up when the stars are out. "We only work in the deep holes at night," says Gideon Bekako. "The tin shines in the candlelight. Often, we work right through until dawn."

Many, but not all, the folk at Goantagab have other homes on farms, occupied by members of their extended families.

Six years of no rain have added to the desperate need to supplement their subsistence income with cash from the tin deposits.

For the Tsaraes family, home at Goantagab is two huts made of plastic sacking, tin and wood. Two of the five children are at a boarding school which costs R70 a year, food included, for transport on to Gold Fields claims."

A spokesman for Gold Fields says they are caught in a dilemma – the more they accept the diggers' presence, the more responsibility they have to adopt for their safety. "We are not even mining there. We have only been involved in exploration. When the economic climate is right, we would like to open a proper mine."

There is another tin settlement at the site of a former mine at Brandberg West, 115 km from Uis. Johannes Kasanja and Jackson Mbetjiba are two of the last tin workers living in a virtual ghost town of about 60 shacks. They boast that there are large deposits in the remains of the huge open-cast pit.

"Once a man loosened some rock which caused a landslide from above," jokes Mbetjiba. "He ran away and hasn't been seen since." Gous writes off Brandberg West as uneconomical, but four die-hard diggers find it worthwhile to stay.

remains of the huge open-cast pit.

desperate need to supplement their subsistence income with cash from the tin deposits.

For the Tsaraes family, home at Goantagab is two huts made of plastic sacking, tin and wood. Two of the five children are at a boarding school which costs R70 a year, food included, for each pupil.

At the Tsaraes shack a smell of braaivleis emanates from an iron pot on the fire. "We eat donkey and pap," she says. "Nothing grows here. We don't even bother to keep chickens."

The Namulando's store is one of six at Goantagab. All of them buy tin. Diggers prefer to sell their tin at Uis Mine, though, to avoid sacrificing some of their profits to the storekeppers.

In the whole process of digging the ore, crushing it, separating the dust from the metal and handing it in for cash, the greatest challenge is getting it to the market. Uis Mine is 75 km away on a sandy short-cut, and 140 km on the main gravel road.

Diggers face transport costs of between R20 and R30 to the mine for the fortnightly weighing session, plus R5 for each sack of tin, whether it weighs 50 or 15 kg.

The tin is bought by Imkor, but Gold Fields of Namibia holds most of the claims worked by the diggers at Goantagab. They have contracts with "Mr Goldfield", as they refer to the mining house. They have to pay "Mr Goldfield" R12 a year plus 10c for every kilogram of tin each individual digger sells to Uis Mine.

Down at Uis, Piet Gous, coordinator of Imkor's tin mining operations, says it simply has an agreement with Gold Fields to buy tin which originates from Gold Fields claims. "We can't get involved in things such as organising

"Once a man loosened some rock which caused a landslide from above," jokes Mbetjiba. "He ran away and hasn't been seen since." Gous writes off Brandberg West as uneconomical, but four die-hard diggers find it worthwhile to stay [illegible]

"In the hills around Uis, people are noticeably less cheerful. Martha Skrywer, an elderly woman, sits in the dust beside her pondok at a location known as Uis Two. "Working the tin wears us out," she says. "We are finished now. If we sit and look into space, how will we live? That's why we dig tin until we are dead."

Her hands are as tough as leather from working tin since she left school in Std 3 to help support her family. "Ons kry swaar hierso (we have it hard here)," she says.

Down the road from the school in Uis is the township's community hall. Tin is weighed here every second Wednesday. People are paid out two days later after the weight, the percentage of tin, the mine's own transport costs and the ever-changing tin price are taken into account.

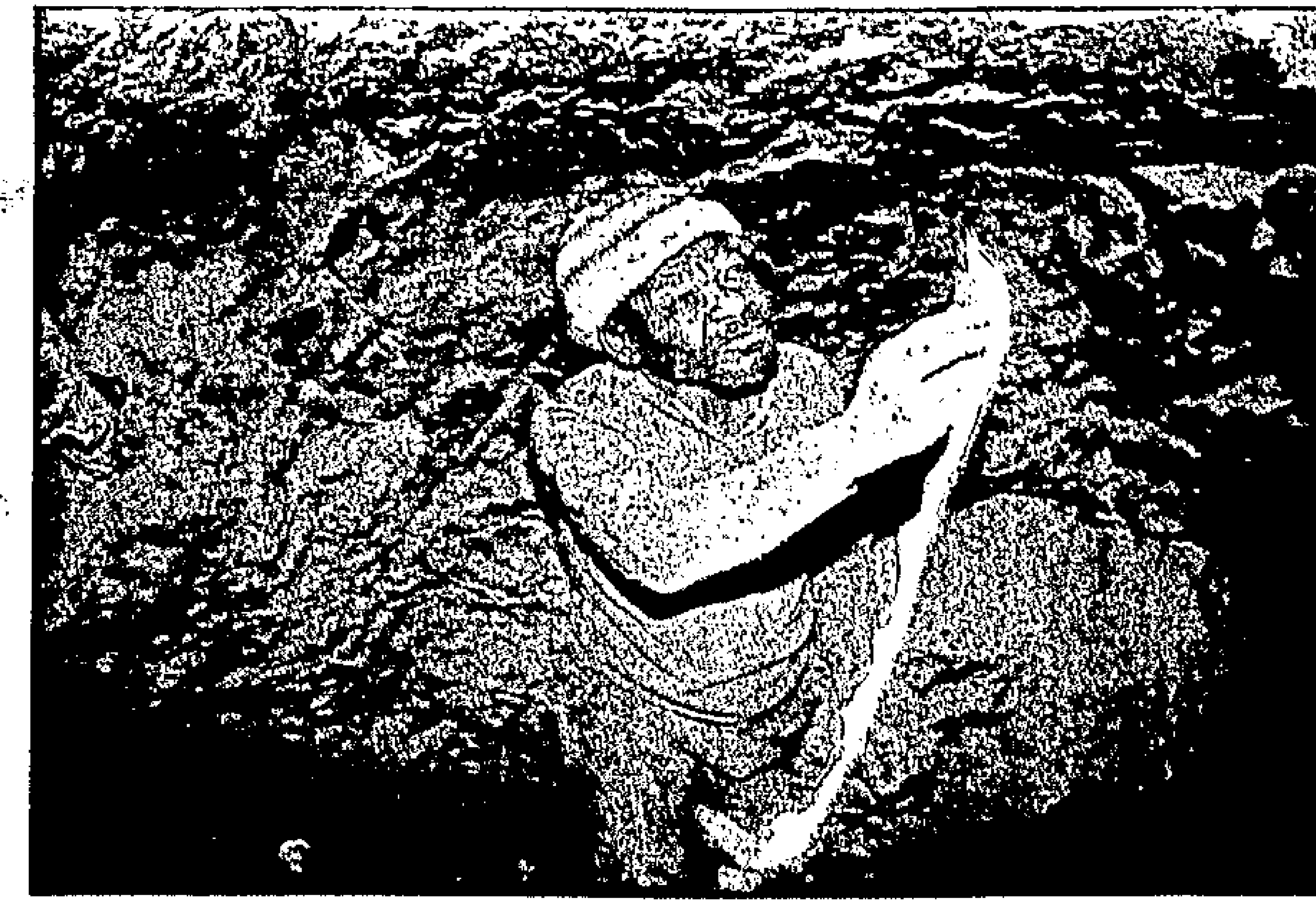
On Tuesdays, about 10 elderly people qualify for handing in tin ore, saving them the crushing and cleaning process.

At Uis Two, Brandberg, West and Goantagab, flags of Namibia's United Democratic Front, a Resolution 435 election party, express future hopes above the roofs of some shacks.

Old Willie Namulando leans across the counter of his Goantagab store. "Ja, ons kry swaar hierso."

The promises of the UDF, DTA and Swapo do not help. Only the Oubaas up there will help. Like when you car breaks down on the way to Uis with lots of people's tin on board.

This report appeared in Excellence magazine.



CRUSH IT ... Victor Ngalo crushes tin ore in front of his shack at Brandberg West. A child (right) plays with a ball at a tin mining settlement at Uis. In the background a blast from the Imkor mine sends up a cloud of dust.

Enthusiasm for Namibian TBs

WINDHOEK — Short-term Namibian treasury bills, launched less than six months ago, have been greeted with enthusiasm by investors, the latest issue being nearly 10 times oversubscribed.

A local newspaper said R49m was tendered for a R5m October issue.

"Tendering has been from a wide spectrum with many kinds of investors," said Erik Karlsson, governor of the Central Bank of Namibia.

He said the interest rate on 91-day TBs was slightly more than 16,5%, about five points higher than the country's inflation rate. "The interest is obviously attractive to investors," he said. (221 A)

He said the primary objective of the short-term bills was to create a money market and not for the specific purpose of government borrowing.

"We want to create a market that is prepared to serve government if they need it later on," Karlsson said.

The market is currently restricted to short-term bills but a medium-term instrument was also envisaged in order to generate its own market, Karlsson said. — Reuter.

Namibia follows the path of pragmatism

C Press 10/11/91

SWAPO came to power in Namibia by, among other things, saying it would use nationalisation to empower black Namibians economically. However, barely two years after independence, the country has moved so far from nationalisation that it is even considering reversing the process and privatising certain State enterprises.

A City Press Special Correspondent discussed the issue with Namibian Prime Minister Hage Geingob, who, surprisingly, made pronouncements not dissimilar to those used by many critics of the ANC in South Africa.

221A

ONE of Namibia's biggest problems, says Prime Minister Hage Geingob, is the large income gap between the haves and the have-nots.

The big question is how to narrow that gap.

"You cannot do it by redistributing poverty. You have to create wealth," he says.

Talk that Namibia would be turned into a one-party state also belongs to the past.

This seemed clear from the interview with Geingob, the country's well-built and formidable prime minister, who has established himself as a popular leader in the 19 months that Namibia has been independent.

Africa is going through a process of change – from "autocracy and economic stagnation" to "greater economic and political freedom", the Queen of England said during her recent visit to Windhoek.

Namibia stands at the centre of these changes, she added, and this country's success would send a message of hope throughout the whole continent . . .

Geingob views the queen's statement as very important. "As the centre of these changes in Africa we have to behave constitutionally. We have a duty to act responsibly. It is a tough order, a challenge . . ."

Even those on the far-right concede that Geingob's government is not doing badly, even if the government is often sharply criticised in parliament.

Political observers are worried that the country's problems are not yet being dealt with realistically. This is blamed on an overly ideological and idealistic approach; the country's inability to balance its budget; the demands of the policy of affirmative action; and inefficient administration.

Multiparty democracy is protected in Namibia's constitution. It is committed to basic human rights which cannot be altered, not even through a two-thirds majority. "In practice it works. I can testify to that, because I have been everywhere in America and in Africa," Geingob said.

"Our people, and especially the opposition in parliament, just have to learn what freedom of speech means. Everyone has to learn that it grants them certain rights, but also certain limitations. We cannot just let go at each other. We are still building a nation. It is like a baby that has to be cared for properly," he added.

About the Namibian economy – against the background of the regression in most African countries – Geingob is also realistic. He does not try and pretend that the country is at all times an example to the rest of the continent. His government is still caught up in a learning curve.

Like multiparty democracy, a mixed economy is also protected in the constitution. Namibia's economic policy tends more to a free-market approach than to State control.

"The State's duty is to set guidelines, to indicate that development has to be extended to the underdeveloped areas. That can only be done with incentives to private developers.

"The running of business and industry must be left to businessmen and industrialists.

"To tell you the truth, the government has instituted numerous investigations into ways of cutting back on State spending. We are now even considering privatising certain State institutions," Geingob said.

The expenditure of the civil service is large because the civil service corps was enlarged. Many new people were appointed, while those from the previous regime were retained. This was done in terms of the government's preferential policy in an attempt to remove the inequalities of the past.

"For that we now have to pay the price. Everything has its price – even peace and reconciliation," he said.

Geingob concedes that one of the country's biggest problems is the large gap between the incomes of those already possessing wealth and those who do not. Although this problem appears worldwide, he maintains that apartheid had caused this in Namibia.

This gap cannot be bridged by redistributing poverty. Wealth has to be created.

One of Namibia's top priorities, Geingob continues, is to get its economy moving again.

"One cannot become a god which commands: 'Let there be job opportunities.' That cannot happen. Job opportunities are created by industry.

"We are trying to create a climate conducive to investment. That has to create the job opportunities. We really want to draw investors here, also from South Africa."

Other developments that the government accords priority are primary health care, the supply of clean drinking and irrigation water, and the extension of the electricity grid to rural areas.

A problem which has surfaced since independence, and which is now receiving attention, is that of former soldiers from the years of bush warfare. They have to be brought in from the streets, trained and kept busy, or they could become a threat to peace. That could lead to a very dangerous situation.

Has he perhaps, stemming from his experience thus far, any message for the people of South Africa?

"The people of South Africa," says Geingob, "are mature. They need no message from us who come from small towns."

Then he does add: "We need each other in the region. Namibia will not be able to develop properly without the economic giant of South Africa. We hope that the South Africans can speed up their process of reconciliation."

But, then he refers to President Mikhail Gorbachev and the Soviet Union: if the process loses direction, like in the USSR, other forces can begin to play a role.

"We are lucky to have South Africa as our southern neighbour, and Angola as our northern neighbour. In both cases we are crossing our fingers that nothing goes wrong. Just think of the co-operation in the region if those forces can be woven together.

"Isn't that a nice message?" Geingob asks.

BRIDGING POLITICS . . . Everything has its price – even peace and reconciliation, says Namibia's Hage Geingob. And even the far-right admit the country's first post-independence leader is not doing badly.

Namibian stock issue draws good response

221A

By Dale Lautenbach
Star Africa Service

WINDHOEK — Short-term Namibian treasury bills, yielding a real rate of about five percent, have found an enthusiastic response with the latest issue being well oversubscribed.

A Windhoek newspaper reported that about R49-million in tenders was received for the R5-million October issue.

Erik Karlsson, acting governor of the Bank of Namibia, the central bank, confirmed that the issues were going well and were oversubscribed.

Star

SA company

Invoking client confidentiality, he would not confirm the newspaper's report that a South African insurance company was among the latest investors.

He said: "Tendering has been from a wide spectrum with many kinds of investors."

The interest rate on the 91-day bills was slightly more than 16,5 percent. With the inflation rate in Namibia running at 11,5 percent according to official sources, this was a real rate of five percent for treasury bill investors.

"The interest is obviously attractive to investors."

The treasury bills, which have been issued monthly for less than six months now, were designed to create a money market in Namibia and not for the purpose of government borrowing.

"We wanted to create a short-term market and it has been going well.'

Kept small

The plan was to start with short-term 91-day bills, whereafter a medium-term instrument would be introduced to create its own market.

As the government had no need to borrow at present, the amounts had been kept small for the purposes of building the market rather than anything else.

"We want to create a market that is prepared to serve government if they need it later on," he said.

According to the newspaper report the monthly issues since May have been amounts of either R5 or R10-million.

Namibian fishing industry battles to keep afloat

Star 15/11/91. (221A)

Fish resources that foreign fleets are trying to plunder are seen as the key to Namibia's prosperity. Star Africa Service correspondent HILARY ANDERSSON reports on forthcoming negotiations aimed at reaching an agreement covering fishing in Namibian waters.

WITH THE Tsumeb copper mine due to close down in three years, diamonds harder to find and uranium being produced at only 25 percent of capacity due to depressed world prices, Namibia has set its future economic hopes on fish.

Namibia potentially has one of the richest fishing grounds in the world. Economists believe that fish could be not only the country's largest foreign currency earner but also its largest employer, and eventually replace the mining sector, which at present accounts for 72 percent of export earnings and 29 percent of gross domestic product.

But problems abound. The primary obstacle to the development of the industry is that illegal fishing still thrives within the 200 mile protected zone around the Namibian coast. Spanish fishermen, desperate for the hake that fills Galician stomachs but no longer infests the north Atlantic as it once did, are raking the Namibian coastline, using increasingly desperate measures.

So severely are they depleting Namibia's fish stocks that some authorities fear the entire industry's future might be in jeopardy.

In a period of only five months last year 45 000 tons of hake, valued at more than R200 million, was illegally fished by Spanish vessels. Most importantly, 83 percent of the hake caught last year were juveniles, indicating a crisis situation for Namibia's fish stocks.

Some 33 Spanish fishing boats have been identified as having false licences created in Transkei permitting them to fish Namibian waters. The Spanish port authorities have turned a blind eye.

Some of these boats have been photographed with wire strung over their masts to prevent Namibian authorities boarding from helicopters. Those who have boarded report that fishermen are becoming increasingly determined to avoid arrest and increasingly violent in doing so.

The scale of illegal fishing in Namibia has its roots in past politics. Because South Africa's jurisdiction over Namibia was not recognised as legal by the world, Namibia became one of the last unprotected fishing zones. Effective action then could not be taken against unwanted fishermen.

With independence the situation has changed dramatically. Namibia has surprised European Community bureaucrats by taking an unusually firm line for a Third World country on both illegal fishing and the type of new fishing agreement it wishes to negotiate with the EC.

In March Namibian authorities arrested three Spanish vessels, thus irritating the EC Fish Commissioner, Manuel Marin of Spain, so much that he suspended the proposed date for talks about a new EC-Namibia fishing agreement. Only under pressure from his colleagues did Mr Marin agree to resume the negotiations. But a date has not yet been set.

Some tension has been caused by Namibia's insistence on stringent controls being included in the new agreement, among them a requirement that fishermen report to Namibian ports to register and have their equipment checked before starting to fish.

Namibia is also pushing for tight limits on the the size of a legal catch for conservation purposes and a requirement that some of the fish be processed before leaving Namibia.

While the EC has stated its sympathy with Namibia's wishes, and has begun talk of introducing a new style of fishing agreement which would take such considerations into account, an influential element of the Community is known to be extremely unhappy.

Some observers say that in order to punish Namibia for its arrogance, the EC has violated its own commitment not to link other aid to fishing policy. In particular, there are suspicions surrounding what was publicly put down to an "unfortunate administrative mistake" that prevented Namibia from receiving an expected R22 million for its karakul industry.

Because 75 percent of the EC fishing fleet is Spanish, and the EC Fisheries Commission is dominated by Spaniards, critics in Brussels say it is the Commission which is the villain. They accuse commissioners of being preoccupied with protecting their own interests.

Talks scheduled for next month between Namibia and the EC are likely to serve as a stormy prelude to the final negotiations. □

They're all proud to be Namibians

221A

Star 18/11/91

Southern Namibia was a stronghold of conservative white farmers, but, 18 months after independence, their worst fears of black government have not been realised. DALE LAUTENBACH reports from Keetmanshoop.

TWO SLABS of chocolate are slapped down, recovered from beneath the shirt of a defiant young man. "Lady, I want you to see this. Every day it happens. Every day."

He (black) is confronted by the general dealer (white). The latter is despairing. What is he to do? You can't give "them" a hiding any more and that's the only language "they" understand.

The policy of national reconciliation adopted by the government of Namibia is designed to eradicate just this "us" and "them" racial attitude that was the product of South African apartheid as extended to Namibia.

But when unemployment is about 50 percent in the south of Namibia, and when the unemployed are predominantly black, national reconciliation becomes an abstract notion in the face of economic reality.

Joachim Morawetz, a young man recently arrived from Germany, has opened a coffee bar in Keetmanshoop and finds attitudes remarkably racist still. If black people are at his tables, whites are unlikely to come in, and vice versa.

Old prejudices and old fears ... but more important, perhaps, there is no new attitude of resistance to black government: no talk of Boere republics here and no hint of an exodus. Indeed, among white farmers and business people, the latter predominantly still white, there is a good deal of sympathy for the government and the challenges it faces in a harsh and underdeveloped land of some resources, but precious little capital.

In this dry southern region of Namibia, of which Keetmanshoop, with its population of no more than about 15 000, proudly pronounces itself "capital", the white farming community has been the mainstay of the region's economy. Persistent droughts and the instability and downward trend of the karakul market have bitten hard.

On far-flung farms with few labourers, there has been no economic upswing or development in the region that might inspire an all-out embrace of national reconciliation.

Equally, there is also no neat line which can be drawn at the independence of Namibia to account for the region's woes. There were problems in labour relations before independence, say farmers and townsfolk. There was little rain and there was crime. One hears many small-town anecdotes of soaring crime, but Chief Inspector Dekker Smit shakes his head and says the crime rate has not increased since independence.

While "us and them" persists in attitude, and while there is criticism of the Swapo government, the accusing finger does not point at the government because it is black.

Ironically, the Minister of Agriculture is white and is heavily criticised by Namibia's farmers, while President Sam Nujoma and Prime Minister Hage Geingob are widely well thought of.

"We don't blame the government," says Keetmanshoop businessman and farmer Roy Oosthuisen. "There's no work, but work was always scarce."

Mr Oosthuisen says a number of people — mainly those in the civil service who were given the choice and who feared the future — left the region before independence. "But now it's different because in the Republic there will be a black government; Nelson Mandela will be the next chief."

John le Roux, chairman of numerous farming associations regionally and nationally, and a man who has been close to the action on policy-making, is philosophical about the notorious conservatism of the south.

"National reconciliation is a change of attitude, and that's something you can't enforce." He is one of many voices which say: "Time, give it time."

Contrary to expectations, he claims the greatest attitude change has taken place in the farming community and that it is in the towns where the hardened attitudes of race persist.

"I think there's a great deal of acceptance of the government. Our problems are far smaller than we imagined." He laughs: "We imagined chaos. We expected a much greater downswing in the economy, which would have been normal for an emergent nation. We expected the bureaucracy to be more officious and unpleasant; we expected enforced change to be far more radical.

"White farmers have fared well since independence and, yes, most of them know it. The fact that almost no farms have come on to the market since the elections (November 1989) proves it.

"The general consensus is that we're better off than the people south of the Orange River. There is already an incredible sense of being Namibian, of pride in our nation ... the operative word being 'our'." — Star Africa Service. □

Namibia to export crocodile skins to Spain

WINDHOEK — Namibia's first and only crocodile farm, the Otjiwarongo Crocodile Ranch, has been granted a permit by the Convention on International Trade in Endangered Species to export skins to Spain. B/Day 20/11/91

"The contract is to supply a single Spanish company with skins for five years," explained Annemarie van der Merwe, colleague of proprietor Nicky van Dyk.

The first 160 skins are due to leave for Europe before the end of the week.

The ranch now houses 1 020 crocs and about 1 000 eggs are due to hatch early in December. There are about 107 females capable of producing 4 000 to 5 000 skins within 10 years, Van der Merwe says.

After applying for the export permit in 1987, the ranch was built up as a tourist attraction. (221A)

The ranch is also ~~the first~~ Namibian operation to be granted a permit by CITES which seeks to regulate and control trade in endangered species such as the Nile crocodile.

Among the conditions are that the reptiles must be two years old and 1 to 1,5m in length before they are slaughtered.

"Crocodile meat is becoming popular at a number of Namibian restaurants and we have had inquiries from Hout Bay," Van der Merwe said. — Sapa.

AIR NAMIBIA FM 22/11/91

Keeping away travellers

Instead of using its new-found freedom to deregulate the skies, Namibia has followed in SA's footsteps and handed monopoly power to a national carrier. (221A)

Air Namibia, which changed its name from Namib Air last month, is running into flak from the local tourism industry. It's a familiar story: critics contend the government-sanctioned monopoly keeps competitors out of Namibian skies and reduces the number of foreign tourists able to get into the country. They say that in peak periods, travellers can wait weeks to get on to Air Nami-

FM 22/11/91 (221A)

bia's twice-a-week direct flight from Frankfurt, yet the airline consistently blocks charter operators who want to bring in plane-loads of tourists.

With average hotel occupancy levels in Namibia not much above 50%, there is clearly room for more visitors. Increased interest in the country — especially in Germany, which accounted for 23% of pre-independence tourism — means that demand for seats will increase steadily, but the tourist industry is worried people will lose interest and go elsewhere if they have to wait too long for bookings.

Dirkie Uys of TransNamib, the State-owned transport company (similar to SA's Transnet) that controls the airline, defends protectionism.

An open-skies policy would kill the airline, he claims, and even charters would seriously undermine it because the pie is just not big enough to divide. He disagrees that the airline has a monopoly. On the regional routes, SA Airways and other southern African airlines have scheduled services to Windhoek, and UTA has a weekly international service to the city via Luanda, Angola.

He also disagrees that there is a general shortage of seats. Though the Frankfurt flight has become more popular since it was

cont →

FM 22/11/91 (221A)

taken over from SA Airways last year, it still operates on an average of 60% occupancy. But, like airlines the world over, seats are at a premium in peak season.

Uys says hotel occupancy would not shoot up from 50% to 100% if more aircraft seats were available. He contends there is actually a shortage of hotels of international tourist standard, especially in the popular holiday resort of Swakopmund and in the north.

"We're not totally opposed to deregulation, but it must be phased in and we, as the national airline, must be considered. All we want is the same opportunity to establish ourselves as other national airlines had when they were young."

Uys says other carriers to southern Africa could easily compete by simply extending their routes to Windhoek, but Air Namibia, with only one Boeing 747SP leased from SAA, could not mount reciprocal competition and would become unviable.

If the tourist industry then slumped and foreign carriers stopped their service, Namibia would be left without direct international air links, he says.

The same type of thinking in SA has led to international airfares costing nearly twice what they should, discouraging business from serving such a high-cost destination and stunting the growth of what should be a far bigger tourism industry. ■

said. 26/11/91

A task force would study anti-trust legislation in developed and developing countries before Zimbabwe took action.

Known as the "water beetle", the water collector Clyens and Berlin have built consists of a cylinder on top of three hollow legs, with a brush hanging from the cylinder and a wax ball below the brush.

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Forgive Africa's debt — Nujoma

B Day 26/11/91 (221A)

WINDHOEK — Namibian president Sam Nujoma has appealed to the international community for R83bn annually to assist African development and for "massive debt forgiveness".

He was speaking at the opening of the joint meeting of African planning ministers, UN development programme representatives and regional agency representatives in Windhoek yesterday.

Nujoma said each African country's specific objectives in investment, human resources development, protection of land and maritime resources, arresting flight capital and repatriation of capital should definitely be encouraged.

"At the same time, international action in areas of economic aid, including a massive R83bn annual inflow, massive debt forgiveness, and serious attention to commodity prices, will be an indispensable complement to our own efforts in Africa," Nujoma said.

He was addressing about 300 delegates from 45 African countries to discuss the next five-year programme on development aid to Africa.

The meeting is being sponsored by the UNDP and the Economic Commission for Africa.

The UNDP has pledged to spend about R4bn during this period.

Namibia had been accorded the maritime fisheries sector by the Southern African Development Coordination Conference, and Nujoma said the effective surveillance of this resource should not only deserve the attention of UN institutions and other agencies.

"In this regard, the European Community's common fisheries policy should surely be matched by a common fisheries strategy for the African economic community," Nujoma added. — Sapa.


SAM NUJOMA wants R83 billion a year.

Nujoma appeals for R83-bn a year

221A

Sowetan 27/11/91

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The UNDP has pledged to spend more than half of its funding, or about R4 billion, during this period.

Nujoma said it was clear that people must be encouraged to take part fully in planning and implementing programmes to improve their own lives.

Namibia supported this approach wholeheartedly.

"We are convinced that within the public sector, government programmes and services must be carefully planned both at national and sectoral level," he said.

"At the same time we believe that ministries responsible for planning should encourage and support development of private sector activities."

Nujoma said the full economic potential of the private sector could not be effectively realised unless public sector services were properly planned and implemented to provide support to the private sector to carry out its activities.

It was also vitally important an efficient planning system be designed which would also take a realistic account of contraints.

"Experiences elsewhere have shown that macro-economic difficulties have sometimes occurred, precisely because expenditure in the public sector has been allowed to expand much faster than valuable resources would permit," Nujoma said.

Nujoma said it was encouraging to note that planning ministers had decided to give regional co-operation issues the political and technical consideration they deserve.

Namibia had been accorded the maritime fisheries sector by the Southern African Development Co-ordination Conference.

"In this regard, the European Community's Common Fisheries Policy should surely be matched by a Common Fishereies Strategy for the African Economic Community," Nujoma added.

"Undoubtedly there is much to be done on both sides in terms of economic reforms on the part of our governments in Africa, and of complementary action by our international partners," Nujoma added. - *Sapa*.

Soul-searching for Swapo

Sowetan 27/11/91

2214

Du Pisani says Swapo has been "remarkably insensitive" to the burning issue of its former detainees in its Angolan camps.

Next month Swapo holds its first congress since 1969, and two years after winning the first multiparty elections in the territory. BARNEY MTHOMBOTHI of the Sowetan Africa News Service reports.

Namibia's rulers have 'sold out' say angry people

TWO years after winning the first multiparty elections in Namibia, the Swapo leadership has exchanged its army fatigues for pinstripe suits and has jettisoned the teachings of Marx and Lenin in favour of a mixed economy.

And the general consensus among friends and foes alike is that the Swapo government has handled power better than expected.

But when they assemble next month for Swapo's first congress in more than 20 years - and the first to be held within the country - the party faithful will not be in a generous or celebratory mood. In their estimation, their party has sold out.

Looking back at the first 18 months of Namibian independence Dr Andre du Pisani, Director of Research at the SA Institute of International Affairs in Johannesburg, gives full marks to the way Namibia has mastered its transition to independence.

He says in a recently published paper political empowerment and participation under a thoroughly democratic constitution have been extended to a much larger electorate.

The officially-encouraged climate of "national reconciliation", he says, has enhanced social interaction and strengthened confidence, especially in the local business sector, says Dr du Pisani, an acknowledged expert on Namibia.

But he says for an increasing number of Namibians - the peasantry, trade unionists, millenarian ideologues, students, members of the Swapo Youth League and the growing army of the unemployed - the government's national reconciliation policy seems opportunistic.

The perceived financial extravagance of the new government - handsome salaries for the men at the top, and their conspicuous consumption - does nothing to endear the government to the people at large.

"Moreover, it serves to stimulate dissatisfaction and disillusionment within the ranks of the party itself."

This dissatisfaction has been fuelled by the leadership's disavowal of the texts of Marx and Lenin, which had been *the party's guiding principle during the dark days of exile* and guerilla war.

He quotes Namibian prime minister, and President Sam Nujoma's right-hand man, Mr Hage Geingob, as saying: "We don't use words like socialism and nationalisation at all. They do not appear in our constitution."

Du Pisani says Swapo has been "remarkably insensitive" to the burning issue of its former detainees in its Angolan camps. The public outcry over reports of torture in these camps damaged Swapo's cause in the elections in November 1989.

The government further rubbed salt into the festering sore with the appointment in October last year of Mr Solomon Dumeni "Jesus" Hawala as commander of the Namibian army. Known as "The Butcher of Lubango", Hawala earned notoriety for his supervision of the liquidation of hundreds of alleged Swapo dissidents in the camps in Angola and Zambia while he was the organisation's chief of security, and head of military intelligence. He is now effectively No 3 in the army hierarchy.

Namibians have yet to reap the fruits of independence. The social needs of the new state are considerable. Growing unemployment is compounded by the demobilisation of former members of Plan (Swapo's military wing) and SWATF, and the escalating crime rate is attributed to the lack of job opportunities.

With an estimated urban population of 500 000, Namibia currently has a housing backlog of 25 000 units. And the country's economy has not boomed since independence. Mining and commercial agriculture have not attracted investment capital.

But perhaps the most sensitive and difficult problem is the issue of land ownership. Almost 44 percent of the total land area belongs to some 4 000 farmers, of whom the bulk are whites; 41 percent is communal land occupied by some 150 000 families; non-agricultural land controlled by the state accounts for 15 percent.

Swapo's election manifesto promised to transfer "some of the land from the few with too much of it to the landless majority". It did not say how such land would be acquired except to say that "full-scale nationalisation" was not intended.

Du Pisani says studies suggest that Swapo may follow Zimbabwe's example of "a gradualist approach", and some of the land held by absentee landlords may be nationalised.

The government convened a conference on the land question in June this year which at its close released a consensus document which concluded that although there had been injustice concerning the acquisition of land in the past, "given the complexities in redressing ancestral land claims, restitution of such claims in full is impossible".

With independence has come international acceptance. At least 40 foreign missions have been established in Windhoek, and its diplomatic highpoint was its accession to the UN as the 160th member in April last year.

But Du Pisani says Namibia's relations with South Africa are arguably the most critical of all its relations with the outside world.

"Having waged an armed struggle against South Africa, it is understandable that Swapo should show sympathy with other liberation movement," Du Pisani writes.

"The fraternal relations between Swapo and the ANC therefore constitute an important dimension of Namibia-South Africa relations.

Formal diplomatic relations are likely to be postponed until the emergence of a nonracial dispensation in South Africa."

Of crucial importance to Namibian-South African relations, Du Pisani says, are the unresolved territorial disputes concerning Walvis Bay, the Penguin Islands and the Orange River border.

300 die at childbirth

Sowetan 28/11/91 (221A)

SAM NUJOMA

WINDHOEK - An estimated 300 Namibian women die from pregnancy complications at childbirth every year, President Sam Nujoma said at a "safe motherhood" conference in Windhoek on Tuesday.

"The problem of maternal deaths is a tragedy to the family and the nation as a whole, but most of the time we consider it to be a natural event," Nujoma told delegates to the three-day meeting to address critical issues relating to women's health.

The Namibian Government has embarked on a primary health care programme, holistic in approach, using curative, preventative, promotive and rehabilitative health care with a focus on women and children.

Women's low social status, high illiteracy rate (estimated at 48 percent), the adverse economic situation (40 percent of households are headed by women) are among factors contributing to poor maternal health in Namibia, Nujoma said.

Teenage pregnancies had become another problem area with 1 760 cases reported in 1990.

Abortion, associated with teen pregnancies, was another cause of death in young women. Statistics indicated about 1 800 abortions in 1990.

Nujoma said Aids was "another potential scourge" threatening the nation. Of 1 575 Aids cases and HIV infections reported, 58 people had died.

"This figure may look small but the implications are serious," he said.

"Although the medical profession can do a lot to minimise maternal deaths and illness, it remains upon individual couples and individual women in particular to decide the number of children they should have and when to have them," Nujoma said. - *South African Press Association.*

Zairean opposition threatens a strike

B/Day 29/11/91

KINSHASA — Zaire's leading opposition parties have threatened a national strike unless President Mobutu Sese Seko revokes his nomination of a maverick as prime minister.

Kapita Shabangi, a spokesman for the Union for Democracy and Social Progress (UDPS) party, told a news conference on Wednesday night that Mobutu had 48 hours to remove Nguza Karl-I-Bond.

Should Mobutu refuse, the opposition Sacred Union coalition would call on civil servants, students, the army and the people to go on strike to end what he called "the last dictatorship in Africa".

Mobutu named Nguza to the premiership on Monday to end a government deadlock in the vast central African country which has been on the brink of chaos since the September riots in which 250 people died.

Nguza's Union of Independent Federalists and Republicans (UFERI) party was expelled from the opposition alliance last week after he broke ranks by agreeing to accept the premiership.

Nguza is expected to name a cabinet soon.

Zaire's opposition has threatened to break off relations with Mobutu over the naming of Nguza as the country's fifth prime minister this year and said it violated accords signed in September requiring that the premier be a Sacred Union member.

It said Mobutu had to respect his commitments and permit the country's stormy national conference on democratic change, currently suspended due to procedural wrangling, to make constitutional reforms. — Sapa-Reuter.

Taiwanese oil explorers withdraw from Namibia

B/Day 29/11/91

WINDHOEK — The Taiwanese Overseas Petroleum Investment Corporation (Opic) is to withdraw from Namibia after failing to find oil in the Etosha Basin, Namibia's ministry of mines and energy said yesterday.

"Petroleum exploration is a high risk business which operates in a highly specialised technological and scientific environment," the ministry said in a statement.

Opic, which had a lease agreement with the company Etosha Petroleum, completed a 700m exploration well in the Etosha Basin in October.

"Although the well was succesfully completed to target depth, potential for oil and gas in this structure was absent," the statement said.

It added that much of the Etosha Basin remained unexplored and there was little relationship between the geology, and, therefore, the potential for hydrocarbons indicating oil in this area and Namibia's offshore area.

The Namibian government has begun negotiations with oil companies that applied for petroleum exploration rights during the first bidding round which closed last month.

Opic GM David Chen said his company had been in Namibia since 1989 and spent about R30m in its search for oil in the 250 000km² concession area.

Opic reprocessed old data supplied by Etosha Petroleum as well as conducting its own seismic and aeromagnetic surveys in this first bid to find oil in an independent Namibia.

Contributed 321A

The latest exploration well was the fifth to be drilled in the concession since the late 1960s.

"We were looking for oil and found nothing," Chen said.

The ministry said Opic had contributed extensively to the geological knowledge of the area during its exploration.

"The data will be of considerable benefit to further evaluation of the Etosha Basin which, to date, has only been seriously explored in its south-western part," the statement said.

It said SA had drilled more than 20 boreholes on its western shelf, with limited success. — Sapa.

ACTION ON KUDU

(221A)

FM 29/11/91

Namibia's Kudu gas field, which was discovered by US energy giant Chevron in the early Eighties, is moving towards development.

The National Petroleum Corp of Namibia (Namcor) stopped accepting applications to develop the field on August 1 and is now busy evaluating them, says MD Skerf Pottas.

Pottas says the Kudu field is estimated to hold between 4 trillion and 5 trillion cubic feet of gas. The Mossgas field, in comparison, contains an estimated 1 trillion to 1,5 trillion cubic feet.

"This is quite a fair-sized field, but the problem is that it's too far from the nearest markets, in Europe and the US. We expect to announce which company will get the concession next year."

Namcor also has received 18 applications to prospect for additional fuel reserves off the Namibian coast. "We are satisfied with the response and are now evaluating applications for various prospecting blocks of about 10 500 km² each," he says.

An announcement on which companies will get the prospecting concessions will be made by mid-1992.

Philip Riddell, MD of Shell Namibia, says his company is interested in several areas off the Namibian coast. "We are looking at the possibility of forming joint ventures for possible on- and off-shore prospecting. This would spread the risk on the exploration side."

Namibia to default on R1bn debt?

CT 5/12/91

(221A)

Political Staff

DURBAN. — The Department of Finance has declined to comment on a report yesterday that Namibia is threatening to default on loans of almost R1 billionraised on the South African capital market by the previous administration.

Director-general Mr Gerhard Croeser said yesterday that the department had "no comment at all" on the report in a Maritzburg newspaper.

Namibian Department of Foreign Affairs officials also declined to comment.

According to the report the crisis started when the deadline for interest repayments on more than R300m of a R750m loan fell due. The Namibian government apparently claimed that the loans were "colonial debts" and thought the South African government, which had guaranteed them, should settle the lion's share.

Reportedly Finance Minister Mr Barend du Plessis has suggested a rescheduling of the debt.

AFRICA

Business in Namibia 'one voice'

221A ARG 5/12/91

DALE LAUTENBACH
Argus Africa News Service

WINDHOEK. — Eighteen months after independence, Namibia's business community has agreed to speak with one voice in what has been described as "an example of how reconciliation can and will be made in this new nation".

The existence of two chambers of commerce and industry in Namibia since independence has been a thorn in the side of the government, which has repeatedly urged business to create a single voice for the private sector to be heard on national issues.

While the Chamber of Commerce and Industry did not exclude members of races other than white, its 70-year existence in a country where apartheid policies ensured white advantage soon earned it the tag "white chamber" when Namibia became independent. As the CCI represented big business interests in Namibia and as those were, and still largely remain, white, the tag stuck.

Prime Minister Hage Geingob

The Namibia National Chamber of Commerce and Industry was formed by smaller business people shortly after independence when Prime Minister Hage Geingob urged business to organise itself into a single body.

The NNCCI soon earned the tag "black" although it did have white members. Again, it was the history of apartheid in Namibia which meant smaller business people were black and as NNCCI attracted this part of the private sector, the racial differences between the two chambers were obvious.

After months of negotiation it has been agreed that the NNCCI will become the national umbrella body to which the CCI will affiliate.

Making the announcement, Trade and Industry Minister Ben Amathila was enthusiastic: "I announce that a complete, unanimous agreement between the two bodies has been reached for CCI to affiliate within the national structure of the NNCCI and by so doing the private sector has provided an example of how reconciliation can and will be made in the new nation.

"With this agreement the question of which chamber is a national body has been finalised."

He encouraged other smaller business chambers and associations throughout the country to affiliate to the national body to receive its services and to develop a national network of business organisations that could speak through one body.

Within a month the NNCCI would be opening a training department and an economic development department funded by grants from the Friedrich Ebert Foundation and the Centre for International Private Enterprise.

Members of a task force from the CCI and the NNCCI which brokered the agreement, stressed in a statement that the arrangement was not a merger and that affiliated bodies, like the CCI, would retain autonomy on local issues.

SA govt silent on Nam debt default

CT 6/12/91

Political Correspondent

THE South African government was tight-lipped yesterday about reports that Namibia is threatening to default on almost R1 billion in "colonial debts".

According to recent news reports, the Windhoek government believes that South Africa should pay the lion's share of the loans it guaranteed during Namibia's pre-independence period.

Pretoria is apparently maintaining that Namibia should take responsibility for the amounts.

But Finance Minister Mr Barend du Plessis has reportedly proposed a compromise whereby the full debt is rescheduled over 20 years at 2% interest.

Namibian Finance Minister Dr Otto Herrigel yesterday dismissed suggestions that there was a debt crisis.

BUSINESS

Namibia: Need for more investment incentives

(221A) CT 14/12/91

By AUDREY D'ANGELO
Business Editor

FOREIGN investors are still wary of Namibia and more incentives will have to be provided to attract them, Sanlam economists say in a special section on the country in their December Economic Comment.

Tourism, which fell off sharply last year on fears about safety, is showing signs of recovering and business conditions are likely to improve in the coming year.

But, Sanlam chief economist Johan Louw warns, Namibia's government expenditure "particularly owing to the size of its government service, is on a level which the country cannot afford.

"If this trend continues the government will find it increasingly hard to balance its budget — especially in view of the limited tax base — and the unemployment problem will reach even greater proportions."

Namibia lifted real gross domestic product (GDP) dramatically last year to 2,7% compared with a decline of 0,6% in 1989.

But Louw points out that this was due entirely to "the significant improvement in the fishing industry, which overshadowed the deterioration in mining, construction and tourism.

"If the contribution of the fishing industry is excluded real GDP for 1990 experienced a drop of about 2%."

The population growth rate is roughly 3% and therefore "it follows that the inhabitants of the country are being impoverished."

Louw says the mining industry is still the backbone of the Namibian economy. "The sector was seriously affected by a reduced demand for some of its most important export products and the downward trend in international commodity prices.

"Rössing Uranium has had to cut its production by one third, the tin mine at Uis has ceased production and there is talk of closing down the Tsumeb copper mine in 1994.

"On the other hand," he continues:"There are also several positive developments in the mining sector, such as the Elizabeth Bay diamond mine which has started production.

"The new legislation on the mining industry should be concluded shortly. In future the government will earn a considerable income fromn granting exploration rights, particularly in the vicinity of the Kudu gasfields."

Louw says the government is involved in an intensive effort to attract more tourists. "The fact that various international airlines have added Windhoek to their route is definitely yielding dividends.

"Against the background of the expected accelerated expansion of the SA economy, as well as the world economy as a whole, a moderate improvement in the growth rate for the SA economy is foreseen for 1992. Business conditions in the second half of 1992 should therefore be more favourable."

But, Louw warns: "It is clear that foreign capital and expertise will be indispensable to maintaining an economic growth rate that will provide adequate job opportunities to the rapidly growing labour force. If this dies not happen the process of improverishment will continue."

50% stake

15/12/91

TRANSNAMIB, the Nambian national carrier, has acquired a 50% interest in Unicorn subsidiary Swakop Lines. (221A

Swakop Lines began a containerised coastal service in 1989 and sails weekly between Cape Town and Walvis Bay.

S| Times (Buss)

Revere gains control of Haib mine

221A

B | Day 20/12/91

ROBERT LAING

REVERE Resources has acquired Namibia-based copper project Haib, which it will reverse list into the JSE's mining exploration sector via the cash-shell of former sea diamond mining company Mervest.

A statement published today said Revere, the independent mining company established by Glenn Laing, had struck a R1,3m deal with Haib's owner George Swanson which will lead to it gaining 81% control of the porphyry copper and molybdenum mine.

Revere bought the right to mine the Haib deposit with an option to purchase it from Swanson for R1,2m cash and 8,5-million Mervest shares valued at 1c each. Mervest will be renamed Haib Copper Mining and Exploration Company and increase its authorised share capital. Revere will receive 128,5-million Haib shares in return for the disposal of its mining rights, of which 11-million will be renounced to Geoff Parker and RM Nominees for R110 000. 20/12/91.

The Security Regulation Panel has agreed that no offer to Mervest's minority shareholders has to be made because the cash-shell holds only R12 000, equating to a small fraction of a cent per share, a spokesman for sponsoring broker Frankel, Max Pollak, Vinderine said.

Revere acquires Haib copper deposit

STAR 20/12/91

(221A)

Independent mining company Revere Resources SA has acquired the extensive Haib copper-molybedenum deposit and other mineral rights in Southern Namibia, just north of the Orange River.

In a compoany statement Revere said it intends to develop the Haib porphyry copper and molybdenum deposit, which has the potential to become a world class copper producer.

Technical and feasibility investigations into the Haib have been completed and development capital is now being negotiated.

Exploration to date reveals the deposit has a possible higher grade sulphide ore reserve of 831 million tons with a grade of 0,27 percent copper, based on a cut-off grade of 0,15 percent. A copper oxide cap with an estimated reserve of at least 2,4 million tons with a grade in excess of one percent copper has also been identified.

Revere said it had on-sold its rights to a cash shell, the listed Mervest, which has become its subsidiary and is changing its name to Haib Copper mining and Exploration Company Limited.

The renamed company, for which a listing transfer to the Mining financial — Mining Exploration sector will be sought from the JSE, will provide Revere with the vehicle to raise capital to fund the further exploration and development of the Haib area and other mineral rights.

Mervest is increasing its authorised share capital and, in return for the disposal of its rights to Mervest (Haib), Revere will receive 128,5 million ordinary Mervest shares, of which 11 million will be renounced in favour of Mr G C Parker and RM Nominees (Pty) Limited for a consideration of R110 000.

Under the acquisition the right to mine the Haib deposit with an option to purchase the mineral claims have been secured from the owners of Haib in exchange for R1,2 million and 8,5 million shares in Mervest.

When these arrangements have been completed, Revere will hold an 81 percent interest in Mervest (Haib).

The Haib acquisition and other arrangements are conditional on approvals by the Securities Regulations Panel, the JSE, and the shareholders of Revere and Mervest.— Sapa.

A long haul back for Namibia

FM 13/12/91
(221A)

With the international copper and uranium markets in decline, and the fishing industry facing a long haul back to its former strength, Namibia is looking increasingly to tourism for a major economic boost.

The industry has considerable potential. Huge expanses of desert and savannah complemented by well-managed conservation areas and one of Africa's best infrastructures are obvious attractions for space-starved Europeans and Japanese. Tourism is now the fourth biggest contributor to the country's GDP, after mining, fishing and agriculture, but could easily move higher.

Arno Janetzky, GM of Namib-Sun Hotels and secretary of the Namibian Hotel Association, says the coming season looks good after a dearth of tourists in the months after independence and earlier this year during the Gulf War.

A lack of official statistics makes it difficult to assess market growth or value. Available figures show room occupancy last year was 38% compared with just more than 50% in 1988. Though figures for 1989 were much higher, they were distorted by the influx of Untag personnel and others involved in the independence process.

Government's current estimates of about 100 000 tourists a year are disputed by an industry that says the method of counting and defining tourists grossly inflates their true numbers.

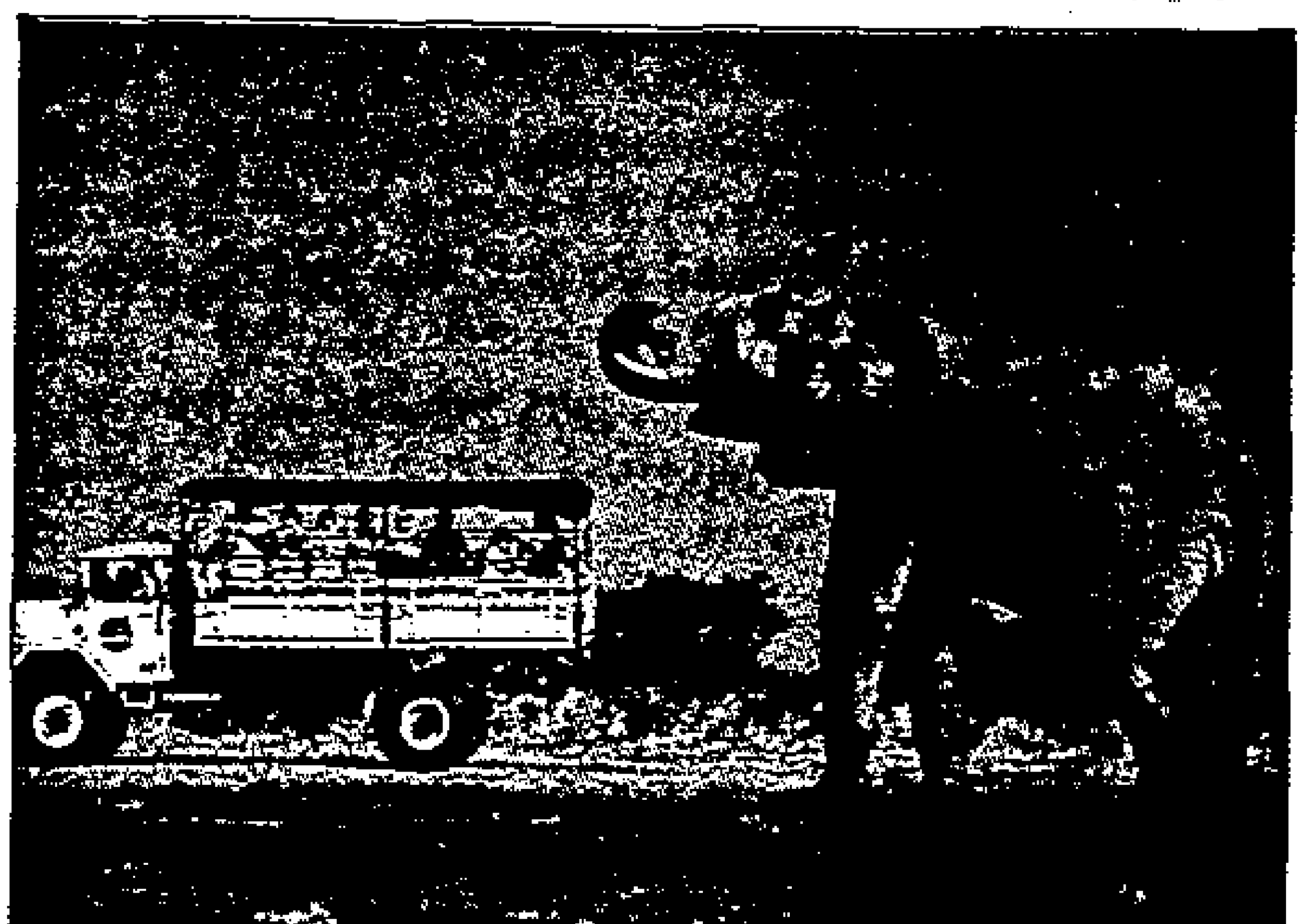
Though not an immediate problem, rapid growth could strain the infrastructure. Of the 7 190 tourist beds in the country, only 3 980 are in hotels, and there are only one four-star and four three-star hotels.

New investors will want more than merely an increasing tourist flow — political stability and sound economic policies are equally important. About R67m of mainly Namibian capital went into new and upgraded hotels over the past two years but future investment will almost certainly have to come from outside the country.

K W R List, chairman of Ohlthaver & List, Namibia's leading industrial conglomerate and the holding company of Namib-Sun Hotels, says most local capital for new investment will probably go into the fishing industry because it has massive growth potential.

Nevertheless, Ohlthaver & List showed its commitment to the country and tourism by pumping R17m into the development of the luxurious Mokuti Lodge near Etosha just before independence. It was a risky move and the company paid for it when tourism withered. List concedes that Mokuti came on stream at a bad time but occupancy has improved considerably in recent months. "The manner in which government is administering Namibia has restored foreign confidence and tourists are returning."

Until independence, 70% of tourists were from SA, but the flow slowed to a trickle almost overnight. Not that the industry was booming before that. The war and political uncertainty had depressed it and some hotels had occupancy levels below 30%. The situation was aggravated by the uncertainty associated with a newly independent state.



Call of the wild ... *but too few respond*

Wildlife, Conservation & Tourism Minister Niko Bessinger says it's a case of incorrect perceptions. "In 1989, shortly before independence, I met many South Africans in Namibia who said they were visiting South West for the last time. They believed they wouldn't be welcome in an independent Namibia. But it's an illusion. At no stage was there any desire or intention to cut out the SA market."

Progress in wooing back SA tourists has been slow. Efforts overseas have been more successful. Namibia is now accepted as a safe and stable destination by German tour operators in particular. Before independence about 23% of the country's tourists were from Germany — and they're starting to stream back. At Mokuti, for example, 80% of the guests are European, mainly German.

Bessinger says his government will continue to press for the improvement in the quality of tourism. To this end, attitudes are vital. "People in uniform must be friendly and reliable sources of information and protection. I want people arriving at the airport to be treated as guests."

Meanwhile, the industry is frustrated by what it sees as bureaucratic obstacles. Janetzky says there's no long-term objective and not enough effort to raise standards through, for example, an hotel school.

Some people in the industry would like to see more private-sector involvement in conservation areas such as Etosha. They argue that private operators could raise standards in government-owned rest camps.

Bessinger disagrees. "Etosha is an important component of Namibian tourism and considerable pressure is exerted on the park. Sometimes it's difficult to make people realise that it exists primarily for conservation; they tend to think that Etosha was created for the tourism industry." Though the industry may perceive government's marketing efforts as inadequate, Bessinger does have a vision. He sees Namibia as part of a regional product and believes that a joint regional marketing effort for southern Africa is crucial to tourism's future.

"It's something I'm pressing for. It's vital to raise international awareness of the region. Many tourists realise only once they get here where they are on the globe: two hours from Cape Town and Johannesburg, one hour from Gaborone and Livingstone. If the product is more clearly identifiable through marketing, it will help very much."

NAMIBIA - GENERAL
ECONOMICS
1992

Iran has seat on Rossing Uranium board

WINDHOEK — Iran owned 10% of shares in Namibia's Rossing Uranium Ltd, The Namibian newspaper reported yesterday.

It was quoting ownership details published by a London uranium institute.

Iran's ambassador to Namibia, Mohammed Kazen Bigdeli, said this gave his government one seat on the board.

221A

Rossing declined to comment.

Yesterday's report said the Namibian government, with a 3,5% shareholding, held a controlling number of votes because of the way Rossing's shares were structured. It said the government had inherited the controlling votes from the "mysterious and private" Capricorn Trust set up before Namibian independence by SA's Industrial Development Corporation. The IDC also held 10% of shares in its own name, but had only one director on the 18-strong board.

Britain's Rio Tinto Zinc controlled 46,5% of Rossing shares and had 11 board members, a quarter with voting rights.

The report said Iran's interest in Rossing was set up by the late Shah Mohammed Reza Pahlavi in the '70s. Quoting a London correspondent, the report said an "official Iran yearbook" showed the country was "entitled" to buy 175 tons of uranium oxide from Rossing which was "believed to be marketed overseas". — Sapa.

* Prices include airfares. Tour prices vary according to point of embarkation.

Windhoek property dearer than on Witwatersrand

IN SPITE of Namibia having one of the lowest population densities in the world, property prices in Windhoek are 20% to 30% higher than those on the Witwatersrand because of the high premium on housing.

Windhoek is the main focus of the country's construction industry, because housing needs are most critical in and around the capital.

About 60% of all buildings are constructed in Windhoek, where plans passed for residential and non-residential buildings were valued at R212,4m in 1988.

Technical standards in the construction industry are on a par with those used internationally, but because of sensational growth during the mid-'80s, there is a shortage of skilled labour.

Unskilled labour can be brought in from the rural regions, but this increases the shortage of housing.

Growth in the industry has been more than 20% a year since 1985, due to rapid urban development in Windhoek, Swakopmund, Karibib and Rehoboth.

Government contracts for schools, hospitals and office blocks account for most of this growth, with the value of buildings completed by the private sector put at R55,9m in 1987.

In 1987, residential buildings accounted for R38,1m, while non-residential buildings were valued at R17,8m.

Most building supplies are imported, although cement bricks are manufactured locally from imported cement.

A federation of local contractors was set up recently to look after the industry's interests, while a union representing construction workers was established in 1987.

One of the biggest private sector construction firms is International Construction, responsible for building the Windhoek International Airport, the teachers' training college, the Academy, Bank Windhoek's head office, the FNDC head office, the Namibian Broadcasting Corp's new TV broadcasting and administration complex and the Civic Affairs and Manpower offices, all situated in Windhoek.

It is estimated the company's Windhoek CBD projects are valued at more than R100m.

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Bank Windhoek looks north to take bigger share of the market

LAST year Bank Windhoek took over all of Trustbank and Boland Bank's Namibian assets and liabilities and in its new amalgamated form accounts for a 20% slice of the local market, third after Standard Bank and First National Bank.

Bank Windhoek is to expand its operations in northern Namibia to spread the concept of plastic money and take a bigger share of the country's banking market.

Bank Windhoek MD Danie de Lange says there are difficulties posed by the expansion, but that the bank will concentrate om a deposit taking operation.

Natural

"If we want to be a bank for the people, then we cannot stay out of the north. Its a natural investment region so we must expand.

"But we have to maintain profitability so any new branch or branches will be subsidised until they run at a profit."

De Lange says he agrees with government's Namibianisation policy but it must be implemented with full realisation of practical difficulties such as the local availability of senior people with adequate financial skills and acumen.

"We do not have a problem with the policy, but are worried that because indigeneous talent was not developed sufficiently in the past, it will take time before people can take up these top positions," he says.

The majority of the bank's shares are Namibian owned (55%), while the balance are held by foreign investors outside the country.

Bank Windhoek's holding company is made up of Bank Windhoek with 55% of the shares, Volkskas GRoup(18,7%), TrustBank of Africa (18%) and Boland Bank (7,5%).

The drive to expand infrastructure system

DISTANCES between major towns in Namibia are comparatively vast and have resulted in the building up over several years of a simple yet effective transport infrastructure, which now stands poised to expand as the country looks to the once forbidden fruits of trading with neighbours to the north and east.

Both in the public sector and in private enterprise, expansion is the name of the game. Since independence government has joined other SADCC countries in joint infrastructural projects that will benefit member states.

The most recent to be announced was the building of the Trans-Kalahari Freeway which will eventually link Maputo with Walvis Bay once the sections between Walvis Bay and Windhoek and between Gobabis and Gabarone have been tarred.

This project was envisaged years ago and had been lying dormant due to insufficient finance and political uncertainty making it too much of a financial risk.

No country in southern Africa can afford to have another "Benguela railway" fiasco. However, prospects for peace in Angola, Mozambique and SA and Namibia's independence have breathed new life into the scheme.

FANIE SMITH

Namibia's transport ministry has also speeded up completion of the Trans-Caprivi freeway linking Rundu to Katima Mulilo and eventually to the Victoria Falls road which stops at Kasane on the border between Chobe Park and Namibia's Caprivi Strip.

Two Windhoek companies, F P du Toit Transport and Commercial Investment Corp (CIC) have begun operations ferrying food and other merchandise between Windhoek and Luanda in Angola.

CIC wasted no time in preparing for the days when trade would be permissable between Namibia and her neighbours other than SA, and busied itself over the pre-independence years with establishing a firm operating base in Botswana.

CIC chairman Fanie Smith says opportunities for trade are not wasted on SA either.

"As far as Angola goes, the market is still in its infancy and it's too early to say how much we expect to get out of it, but some of SA's foremost food companies have gone into the venture with us in a 50-50 partnership," he says.

Namibia is well-placed to reap the benefits of SADCC trade.

"The country has three things going for it. Firstly, it is highly profitable in that there is plenty of room for new ventures which are easy to slot in.

"Secondly, it has a well-established infrastructure in transport, sales and accounts.

"Thirdly, through the SADCC connection we are able to capitalise on other countries' aversion to trade with SA."

CIC also act as agents for a number of principals including Colgate-Palmolive, Kellogs, Tiger Oats, and Johnson & Johnson's. One of its subsidiary firms makes plastic bags and packaging in Windhoek.

F P du Toit Transport is dedicated to the long-haul road transport industry only. A prestigious luxury coach service between Windhoek and Johannesburg, Windhoek and Cape Town and Windhoek to Walvis Bay (The Mainliner) is the company's flagship operation.

It also has one of the biggest fleets of refrigerated trucks in Africa, and has the sole contract for beef shipments between Namibia and SA.

The company last year recorded a turnover in excess of R80m.

MD Willie du Toit says the company has expanded its operations into Zambia and Zimbabwe, as well as Angola and SA.

Reasons for Africa's decline all-important

THE reasons behind the decline in Africa, not the results of the decline, should be looked at when evaluating a developing country, says Shell Namibia MD Mike Hill.

He warns against the "look at" approach when making assumptions about Namibia.

"You cannot say 'look at Zimbabwe, look at Zambia,' and then use that as a yardstick for the rest of the Third World.

"Look at reasons and not results."

Moreover, it is dangerous to compare Namibia with SA.

Different

"The whole process of change will be different so it," Hill says.

the first southern African country apart from SA to import oil from Bahrain.

Other imports come from Angola.

Hill says the Gulf crisis and war resulted in an oil and petrol price increase which added one percentage point to Namibia's inflation rate for every 10c price hike.

"So far we've managed to add about two percentage points to the country's inflation rate since the Gulf

The money that could be earned through an off-shore field is both an advantage and a disadvantage. Developing countries are not always able to handle a sudden inflow of cash.

The Kudu gas field could place Namibia in a position to export gas for turbine electricity generation.

"One first needs to establish the market before extracting the gas.

Spending exceeds budget by R164,7m

NAMIBIA's gover[...] ment overspent [...] R164,7m in its first ter[...] of office.

This forced Finan[...] Minister Otto Herrig[...] to introduce an ad[...] tional budget by way [...] an Additional Approp[...] ation Bill which w[...] tabled in the Nation[...] Assembly at the end [...] last month.

An extra amount [...] R9,1m from exchan[...] rate fluctuations and [...] creased loan costs a[...] had to be financed, H[...] rigel said.

Provisions w[...] made in the m[...] 1990/91 budget for [...] expenditure of R2,[...] which also predicte[...] revenue of R2,3bn, le[...] ing a R2m deficit.

Revised

In the additional [...] get, these estima[...] were revised and [...] expenditure put [...] R2,7bn, while rev[...] was predicted to [...] R2,5bn, leaving the [...] cit the same at R2[...]

The deficit is t[...] covered by loans [...] overdrafts at the [...] tral Bank of Nami[...]

Herrigel said gov[...] ment had survive[...] nancially in spite [...] seemingly insurm[...] able obstacles in [...] way.

The new bill prov[...] funds to the offic[...] President Sam Nu[...] (R75 000); Prime M[...] ter Hage Gei[...] (R13,471m); Civil [...] fairs (R490 000); P[...] and Prisons (R22,2[...] Foreign Af[...] (R7,836m); Fin[...] (R17,058m); Educ[...] Culture, Youth [...] Sports (R64,90[...] Health and Social [...] vices (R976 000); M[...] al and Energy (R[...] Wildlife, Conserv[...] and Tourism (R3,8[...] Agriculture, Wate[...] Rural Develop[...]

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Ministry of Trade & Industry, Private Bag 13340, Windhoek, 9000, Namibia.
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LINTAS:NAMIBIA 91/1553

one can't say if it worked in Namibia it will necessarily work in SA," Hill says.

"If there is one lesson to be learned from Namibia's first year of independence, it is that whatever happens in SA determines what happens in Namibia."

No matter how much the Namibian government wants to break the country's dependence and reliance on SA, SA's economy drives the Namibian economy.

Shell Namibia has no ties with SA and is accountable directly to London.

This has enabled it to be

crisis began."

Hill is encouraged by the way government handled the petrol price hikes during the crisis. Unlike SA, Namibia did not drop the price before Christmas.

Diversify

The oil and petroleum industry in Namibia is looking at other avenues in the energy field to diversify into.

"The big potential is in oil exploration and the Kudu off-shore gas field. The rest of the off-shore area is unknown, although there is a lot of interest in

has called for a study on the potential Kudu field market," says Hill.

and Commun
(R7,296m).

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11 POST STREET

In 1990 The Namibian Banking Corporation was established.

It was formed on October 1, 1990 as a result of Nedbank transferring its total assets and liabilities in Namibia to the Namibian Banking Corporation.

Mr P Niehaus is the Managing Director, and branches are located a Carl List House, Independence Avenue, Windhoek, Namibia.

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121 Wernhil Park, Tal Street, Windhoek, Namibia.

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Sun Ciskei

3. **Assets and liabilities**

The assets and liabilities of Sun Ciskei as at 30 June 1990 and 30 June 1989 are presented below. A consolidated statement of assets and liabilities has not been presented, as explained in paragraph I9.3 of the prospectus.

	Notes	1990 R'000	1989 R'000
Employment of capital			
Fixed assets	4.1	92 920	77 720
Current assets			
Stock		405	510
Accounts receivable	4.2	4 106	2 133
Cash on hand		1 261	1 337
		5 772	3 980
Current liabilities			
Accounts payable		18 129	17 784
Current portion of long term liabilities	4.5	2 269	1 855
Due to holding and fellow subsidiary companies		529	2 176
Due to related company		905	1 438
Shareholders for dividend		2 700	3 000
Taxation		475	475
		25 007	26 728
Net current liabilities		19 235	22 748
		73 685	54 972
Capital employed			
Share capital	4.3	1 001	1 001
Non distributable reserve	4.4	19 224	6 897
Retained income		13 067	6 656
Shareholders' equity		33 292	14 554
Long term liabilities	4.5	40 393	40 418
		73 685	54 972
Number of shares in issue (000's)*		50 000	50 000
Net worth per share (cents)*		66,6	29,1

*See notes 2.2.2, 2.2.3 and 2.2.4 above

4. **Additional information**

4.1 **Fixed assets**

(R'000)	Cost or valuation	Accumulated depreciation	Net book value 1990	Net book value 1989
Leasehold improvements	18 944*	497	18 747	14 716
Freehold land and buildings	54 087*	—	54 087	44 918
Pre-opening expenses	4 277	1 041	3 236	3 200
Furniture, equipment and motor vehicles	23 447	7 758	15 689	14 351
	100 755	8 996	91 759	77 185
Hotel operating equipment	1 161	—	1 161	535
	101 916	8 996	92 920	77 720

*At valuation

The Mdantsane Hotel and Entertainment Centre's fixed assets consisting of furniture, equipment, hotel operating equipment, pre-opening expenses and buildings were destroyed by fire on 5 March 1990. The fixed assets amounting to R8 634 508 are recorded in 4.1 above as they have been rebuilt out of the insurance proceeds.

Leasehold improvements and freehold buildings were revalued by the directors on 30 June 1990 at the lower of depreciated replacement cost as determined by firms of professional quantity surveyors, and market values as determined by reference to the earnings potential of each property.

4.2 **Accounts receivable**

Accounts receivable include prepayments amounting to R350 000.

4.3 **Share capital at 30 June 1990**

	1990 R'000	1989 R'000
Authorised and issued:		
1 000 000 ordinary shares of R1 each	1 000	1 000
100 000 'A' ordinary shares of 1 cent each	1	1
	1 001	1 001

4.4 **Non-distributable reserve**

	1990 R'000	1989 R'000

6. **Financial position**

Since 30 June 1990, there have been no material changes in the financial position of the Company and its subsidiary other than the capital commitments as disclosed in 4.6 above, and the matters reported in the subsequent events note described in 5 above.

Yours faithfully

Price Waterhouse
Chartered Accountants (SA)
Bisho

2. **Independent accountants' report in respect of profit forecast**

The Directors
Sun International (Ciskei) Limited
Erf 1, Komga Road
Bisho
Republic of Ciskei

5 March 1991

Gentlemen

We have examined the profit forecast for the year ending 30 June 1991, compiled by yourselves and for which you are solely responsible.

Our examination was carried out in accordance with the guidelines laid down by The South African Institute of Chartered Accountants which are equally applicable to companies registered in the Republic of Ciskei. In carrying out our examination we have analysed the accounting policies and have checked the calculations used in the profit forecast, and we have confirmed that the underlying information used in the forecast has been presented on a basis consistent with the accounting policies normally adopted by Sun International (Ciskei) Limited. We consider that our procedures were appropriate in the circumstances to enable us to express our opinion presented below.

The principal assumptions applied in the preparation of the profit forecast are that the present level of operations will remain in line with the activity over the past six months, the present rate of casino levy will remain and the tax-free status of the Company will be retained.

In our opinion:

—the assumptions provide a reasonable basis for the preparation of the profit forecast;

—the forecast has been properly compiled on the basis of the assumptions, and

—the forecast is presented on a basis consistent with the accounting policies normally adopted by Sun International (Ciskei) Limited.

Since the forecast is based on assumptions concerning future events, actual results may vary from the forecast which has been presented, and the variations may be material. Accordingly, we express no opinion on whether or not the forecast will be achieved.

Yours faithfully

Price Waterhouse
Chartered Accountants (SA)
Bisho

O Material contracts and inspection

1. **Material contracts** (16(a))

The following material contracts were entered into by Sun Ciskei within the three years preceding the date of this prospectus:

1.1 an agreement between Sun Ciskei, Mdantsane Hotel Limited and CPDB, dated 2 June 1988, for the acquisition by Sun Ciskei of the Mdantsane Hotel property and businesses as described in paragraph I8.1 of this prospectus;

1.2 an agreement between Sun Ciskei, the Municipality of the City of Bisho and CPDB, dated 9 August 1990, for the acquisition by Sun Ciskei of the Amatola Sun property as described in paragraph I6.2 of this prospectus;

1.3 a notarial deed of lease between J Schewitz, S Weintroub and Heaton Construction (Ciskei) (Proprietary) Limited (collectively the lessors) and Sun Ciskei, executed on 23 September 1988, in terms of which Sun Ciskei leases an accommodation complex comprising 35 units for staff of the Fish River Sun as described in paragraph I6.2 of this prospectus;

1.4 an agreement of lease between Sun Ciskei and Sun Acres CC, dated 11 October 1990, in terms of which Sun Ciskei leases a complex of 18 townhouses, situated at Seafield, as staff accommodation as described in paragraph I6.2 of this prospectus;

1.5 a notarial deed of lease between Mpekweni (Proprietary) Limited and Sun Ciskei, executed on 18 July 1989, in terms of which Sun Ciskei leases the property on which the Mpekweni Sun Marine Resort is located, as described in paragraph I6.2 of this prospectus.

A copy of the prospectus to which this application form is attached was registered with the Registrar of Companies at Bisho in terms of the Ciskeian Companies Act, 1973 (Act 61 of 1973) as amended, and by the Registrar of Companies at Pretoria in terms of the South African Companies Act, 1973 (Act 61 of 1973) as amended, on Wednesday, 13 March 1991.

Place stamp claiming collection commission here (see note 15)	Banker's code	Application number
	Staff certificate number	

Sun International (Ciskei) Limited

(Incorporated in the Republic of Ciskei under Reg No 81/08499 and registered in the Republic of South Africa as an external company under Reg No 91/01336/10)
("Sun Ciskei")

Form of application to purchase ordinary shares in Sun Ciskei

Offer for sale of 5 075 000 ordinary shares of 5 cents each in Sun Ciskei at 150 cents per share, payable in full on application ("the offer for sale")

Please refer to the notes below before completing this form.

1. **Citizens**

Identity number/passport number or other evidence of nationality
(see note 1.1 below — specify type of document, and number)

2. **Permanent residents**

Permanent residence permit number

Taxation registration number

3. **Companies/partnerships/unincorporated associations/pension funds/provident funds**

Registration number (if applicable)

Name and address of registered accountants

Note: An application by an applicant referred to in 3 above must be accompanied by a registered accountant's certificate in terms of paragraph G2.3 of the prospectus, to the effect that the applicant is eligible in terms of paragraph G1.2 or G1.3 of the prospectus.

To: The directors, Ciskei Peoples Development Bank Limited ("CPDB")

I/We, the undersigned, confirm that I/we have full legal capacity to contract and that I/we am/are eligible to make this application in terms of paragraph G1 of the prospectus registered on 13 March 1991 ("the prospectus"). I/We hereby irrevocably apply for and request you to accept my/our application for the purchase by me/us of the undermentioned number of ordinary shares in Sun Ciskei at a price of 150 cents per share or any lesser number that may, in the absolute discretion of the directors of CPDB, be allocated to me/us in terms of the prospectus and subject to the memorandum and articles of association of Sun Ciskei.

I/We enclose cash or a cheque/banker's draft/postal order in favour of 'Sun Ciskei offer' crossed 'not negotiable' for the amount due in terms of this application.

Usual signature

Assisted by me (if applicable)

Telephone code and number Date 1991

To be completed legibly in block letters

Surname of individual or name of corporate body	Mr Mrs Miss Other title
First names in full (if an individual)	
Postal address (preferably PO Box number) Refund cheques and share certificates will be sent to this address	Postal code
Total number of ordinary shares applied for **Note:** Not to be less than 100 shares, and in multiples of 100 shares thereafter	(Enter figures only — not words)

Notes

1. **Eligibility and proof of eligibility**

Applications to purchase Sun Ciskei ordinary shares may only be made by Ciskeian applicants, as more fully described in paragraph G1 of the prospectus if:

1.1 Ciskeian citizens provide evidence of their nationality in the form of an identity book, travel document, passport, temporary identity document, birth certificate, or a certificate issued by a magistrate of Ciskei indicating the magistrate's satisfaction that the applicant is a Ciskeian citizen; or

1.2 permanent residents provide proof of permanent residence in the Republic of Ciskei, in the form of a permanent residence permit and provide proof of registration as a taxpayer in the Republic of Ciskei. A Ciskeian taxpayer may obtain his/her taxation number from the Ciskeian Receiver of Revenue on request. Alternatively, an affidavit signed by a Notary Public to the effect that a person has sworn an oath before such Notary Public that he/she is a permanent resident of Ciskei and is a Ciskeian taxpayer will suffice. The affidavit must be attached to this application form; or

1.3 applicants referred to in paragraph G1.2 and G1.3 of the prospectus submit and attach to this application form a certificate of their registered accountants confirming their eligibility; or

1.4 management and staff, having complied with 1.1 or 1.2 above, submit and attach to this application form a certificate from Sun Ciskei confirming their eligibility, and the number of the certificate is inserted in the appropriate block on the face of this form;

provided that CPDB reserves the right, in the case of any particular application, to require the applicant to provide such other or further proof as to his or its eligibility as CPDB may reasonably prescribe or accept.

2. **Over the counter applications**

This application must be delivered in person by Ciskeian citizens and permanent residents of the Republic of Ciskei, or by the authorised representatives of applicants referred to in paragraphs G1.2, G1.3 and G1.4 of the prospectus to any one of the Sun Ciskei resorts or FNB branches at the addresses stated in paragraph B of the prospectus, to which payment must be made of the amount payable on application for the shares to which this application form

Aggregate surplus on revaluation of freehold buildings, leasehold improvements and fixed plant and equipment		19224	6997

4.5 **Long-term liabilities**

	Interest rate	1990 R'000	1989 R'000
Secured bank loan: Repayable on 13 months' notice First National Bank of Southern Africa Limited	Prime overdraft rate applicable in Ciskei, currently 21%	38926*	36660
Unsecured loans: Repayable in equal semi-annual instalments of R198 093 on 30 June and 31 December each year	8,6%	792	1189
Repayable in equal semi-annual instalments of R176 571 on 30 September and 31 March each year	13,5%	1428	1786
Repayable in two instalments on 1 July 1990 and on 1 May 1991	Interest free	849	1305
Repayable on 30 September 1990	Interest free	667	1333
		3736	5613
		42662	42273
Less: Current portion		2269	1855
		40393	40418

Note
*Secured by a first mortgage bond over the *Fish River Sun* land and buildings. As at 31 December 1990 the balance of the loan amounted to R40 664 000. The loan has been reduced subsequent to year-end principally as a result of cash generated from normal trading activities and the subscription for 500 000 ordinary shares of R1 each arising out of the rights attributable to the "A" ordinary shares (R25 million), reduced to some extent by a proportion of the special dividend declared on 28 September 1990 (R10,1 million, being the special dividend declared of R18,1 million less R8 million not paid but credited to a loan account of Sun Ciskei Holdings). The facility in respect thereof remains available to the Company on a 13 month notice basis.

4.6 **Commitments for capital expenditure**

At 30 June	1990 R'000	1989 R'000
Contracted	4032	900
Authorised by the directors but not contracted	3827	1728
Total	7859	2628

At 31 December 1990, the position regarding capital commitments was as follows:

	R'000
Contracted	—
Authorised by the directors but not contracted	3168
	3168

These commitments will be financed out of existing cash resources, funds generated from operations and external borrowings.

The Company may be required to purchase the Fish River staff accommodation at market value in terms of a put option exercisable in 2009.

4.7 **Pension fund**

The Company participates in the Sun International Pension Fund, a defined benefit plan, which is available to all employees in the Sun International group. This pension scheme is funded by company and employee contributions. Contributions to this fund, which are charged against profit, are based upon actuarial advice.

The Sun International Pension Fund is governed by the South African Pension Funds Act in terms of which the fund must be actuarially revalued every three years. At 1 January 1988, the effective date of the most recent actuarial valuation, the fund was fully funded and found to be in a sound financial position.

4.8 **General**

We have satisfied ourselves that adequate provision has been made for doubtful debts, that all inter-company accounts have been eliminated on aggregation, that creditors include only trade accounts and that adequate provision has been made for slow-moving and obsolete stocks.

5. **Subsequent events**

Since 30 June 1990 the following material changes in the financial position of the Company have occurred:

– the Company's share capital has been restructured as reported in paragraph J4 of this prospectus;

– the directors of the Company passed a resolution on 28 September 1990 in terms of the Company's articles of association, authorising the declaration of a dividend equivalent to the total retained earnings recorded in the Company's books as at 30 September 1990 (R18,1 million). The dividend was payable to the member registered in the books of the Company as at 28 September 1990; and

– On 9 August 1990 the Company acquired the property on which the Amatola Sun is situated as described in paragraph I6 of this prospectus. Details of the acquisition are noted in paragraph I8.2 of this prospectus.

2. **Documents for inspection** (46(a))

Copies of the following documents will be available for inspection at Erf 1, Komga Road, Bisho, Ciskei and 123 Rivonia Road, Sandown, Sandton, South Africa, at any time during business hours on weekdays (Saturdays, Sundays and public holidays excepted) prior to the closing of the offer on Friday, 5 April 1991:

2.1 the memorandum and articles of association of Sun Ciskei and its subsidiary;

2.2 the audited financial statements of Sun Ciskei for the financial years ended 30 June 1986, 1987, 1988, 1989 and 1990, and the audited financial statements of Lenton Investments for the 10 months ended 31 March 1987, the 15 months ended 30 June 1988, and the financial years ended 30 June 1989 and 1990;

2.3 the written consent of Price Waterhouse to the publication of their reports dated 5 March 1991 and references thereto in the form and context in which they are included in this prospectus;

2.4 the written consents of the auditors, attorneys, commercial bankers, merchant bankers and sponsoring broker named in this prospectus to act in those capacities;

2.5 the material contracts referred to in 1 above;

2.6 the Lenton agreement;

2.7 the agreement entered into on 3 September 1981 between the Government of Ciskei, Ciskei National Development Corporation Limited and Southern Sun Hotel Holdings Limited referred to in paragraph I2.2 of this prospectus;

2.8 the Gambling Act, 1982 (Act No 23 of 1982 of Ciskei; and

2.9 the management agreement referred to in paragraph L4 of this prospectus.

P Directors' responsibility

The directors of Sun Ciskei collectively and individually accept responsibility for the accuracy of the information given in this prospectus and certify that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading, and that they have made all reasonable enquiries to ascertain such facts.

Q Paragraphs of Schedule 3 which are not applicable

The following paragraphs of Schedule 3 of the Companies Act are not applicable to this prospectus:

Part I: 6(a)(iii), 6(g), 6(h), 8(b), 8(d), 9(b), 10, 11, 12(d), 4(e), 13, 14, 16(b), 17(a), 17(c), 18(b), 20(b), 21, 24;

Part II: 25(2), 25(3)(a)(i) and (ii), 25(3)(b)(i) and (ii), 25(4), 26, 27, 28 and 29;

Part III: 32 to 48.

Signed at Johannesburg on behalf of CPDB on 8 March 1991

M van den Berg

Signed at Johannesburg by or on behalf of the directors of Sun Ciskei on 8 March 1991

pp **K A Rosevear**

pp **N A Williamson**
(as alternate for **M J Sondiyazi**)

J R Allison

pp **G Collins**

pp **G C Cox**

P M MacIldowie

pp **F S Meisenholl**

pp **G N Serrurier**

A F van Biljon

pp **N A Williamson**

relates.

3. **Allocation**

The board of directors of CPDB will determine the basis of allocation of ordinary shares offered in terms of the *prospectus, and the adjudication of applications in response to the prospectus.* Accordingly, the directors of CPDB reserve the right to refuse any application or to accept some applications in full and *others in part, or to abate all* or any applications in such manner as they may determine.

Applications from management and *staff of Sun Ciskei* will be given preference for the first 500 000 ordinary shares on offer. In this context, members of the management and staff of Sun Ciskei will each be advised of the number of ordinary shares for which he/she may apply and in respect of which such member will be guaranteed allocation of such ordinary shares (if they are *applied for by the member concerned*). Members of management and staff who qualify in terms of the elegibility requirements listed in paragraphs G1.1 or G1.5 of this prospectus may apply for more *ordinary shares than* the number of ordinary shares in respect of which they have been guaranteed an allocation as above ("excess applications"). To the extent that ordinary shares in the pool of *500 000 ordinary shares* referred to above are not applied for by members of management and staff, such shares will be available to satisfy the excess *applications (on a proportionate* basis). To the extent that management and staff apply for more than 500 000 ordinary shares, the balance not allocated to any such applicant will be carried forward into *category G1.1* or G1.5 of the prospectus, provided that such applicant qualifies in terms of the elegibility requirements listed in either of these *categories*, but *will be disregarded* should the applicant not so qualify. To the extent that management and staff may apply for less than 500 000 ordinary shares in total, the balance not taken up will be *available* for allocation to other applicants.

Applicants for smaller numbers of ordinary shares will be favoured in the allocation but, subject to a minimum allocation to be determined in respect of applicants in each of the categories stated in paragraphs G1.1 to *G1.5 of the prospectus*, applications will be treated in the order of priority appearing in those paragraphs.

The acceptance of applications and the allocation of Sun Ciskei ordinary shares in terms thereof is conditional upon the listing referred to in paragraph H of the *prospectus being granted* by not later than 30 May 1991.

CPDB reserves the right to institute proceedings against any *applicant who, in connection* with any application for shares offered in terms of the prospectus, fraudulently represents itself to be a Ciskeian citizen or permanent *resident* and taxpayer of the Republic of Ciskei.

4. **Opening and closing of application lists**
Application lists will open at 09:00 on Friday, 15 March 1991 and will close at 12:00 on Friday, 5 April 1991.

5. **Irrevocability**
An application is irrevocable and may not be withdrawn.

6. **Numbers of ordinary shares**
An application must be for not less than 100 ordinary shares and in multiples of 100 ordinary shares thereafter.

7. **Application form**
Applicants must complete the application form. Photocopies or other reproductions of the application form will not *be accepted*.

8. **Payment**
Payment of *application moneys must* be made over the counter together with the submission of the applicant's application and may be:

8.1 in cash; or

8.2 by means of a cheque, banker's draft or postal order, crossed "not negotiable" and made payable to "Sun Ciskei offer";

and handed to any of the Sun Ciskei resorts or FNB branches *at the addresses referred* to in paragraph B of the prospectus.

9. ***Latest time for submission of applications***
Each application together with the relevant payment must be received not later than 12:00 on Friday, 5 April 1991.

10. **Receipt**
A tear off receipt forms part of the application form. An applicant paying in cash or by means of postal orders must complete the receipt, ensure that it is stamped by the receiving agent and must retain such receipt as valid proof of payment. A receipt will only be given in respect of a payment *in cash or by means of postal orders*. An application accompanied by a cheque or banker's draft will only be regarded as complete when the relevant cheque or banker's *draft*, which will be deposited as soon as possible, has been paid.

11. **Instructions**
An application form must be completed in accordance with these instructions and the provisions of the prospectus. All alterations on the application form (other than the deletion of alternatives) must *be authenticated by a full* signature. The directors of CPDB reserve the right to accept an incorrectly completed application form which they *consider to be not* materially incorrect. **The onus of correct completion of the application form and payment in respect thereof rests entirely on the applicant and the receiving agents cannot *in any way be held* responsible for any deficiency in this regard.**

12. **Posting of certificates**
A share certificate will be posted by registered mail to each successful applicant, at his risk, to the address given on the relevant application *form, by 16 April 1991*.

13. **Advices and refunds**
Applicants will be informed as soon as possible after the closing of the applications lists of the numbers of shares allocated to them. If any application is rejected in whole or is accepted for a lesser number *of shares than that* applied for, the amount or excess amount (as the case may be) paid will be repaid by CPDB by cheque free of interest *within 5 business days of* the closing date of the offer for sale. The refund cheque will be posted at the risk of the applicant to the address given on the relevant application form.

14. **Block certificates**
Sun Ciskei will use the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE. Therefore, only "block" certificates will be issued for the ordinary shares allocated in terms of the prospectus.

15. **Commission**
Collection commission at the rate of 0,5% of the offer price will be paid by CPDB to the FNB branches through which *applications are made* in terms of the prospectus. Collection commission will be paid in respect of successful applications only.

16. ***Non-residents***
In accordance with the applicable exchange control regulations, a non-resident endorsement will be applied to share certificates issued to applicants whose addresses are outside the common monetary area. The common monetary area comprises the *Republics of South Africa*, Namibia, Bophuthatswana, Ciskei, Transkei and Venda, the port and settlement of Walvis Bay, and the Kingdoms of Lesotho and Swaziland. **Blocked and financial rand may not be used to apply for the ordinary shares in Sun Ciskei offered for sale in terms of the prospectus.**

17. **Legal capacity**

17.1 The *directors* of CPDB reserve the right to call for such proof of authority in relation to the capacity of any applicant as they may deem necessary in the circumstances.

17.2 Applications by deceased estates, minor children and trusts will not be accepted.

18. **Application by more than one applicant**
Applications made in the name of more than one person must be signed by all the applicants concerned. In such a case, each *applicant must meet the eligibility requirements* set out in paragraph G1 of the prospectus.

Receipt for cash/postal order(s) Date ____________

Insert stamp of receiving agent	Application number

1. *Confirm that we have received by way of cash/postal order(s) the sum of R*........................ in respect of an application for Sun Ciskei ordinary shares.

2. Confirm that this receipt *serves merely as an acknowledgement* of receipt of cash/postal order(s) and is subject to all the remaining terms and conditions contained or referred to in the application form.

A11540

B/Day 30/1/92

NEWS IN BRIEF

Namibia lifts SA ban

NAMIBIA has lifted its sports ban against SA in codes that have encouraged multiracial participation. A government spokesman said the decision was taken at a cabinet meeting yesterday. 221A

New code on mining

WINDHOEK — Namibian authorities, excited at the news that an SA company intends developing a major copper mine in the country, are preparing a mining code for investors. B|Day 31/1/92

Mines and energy permanent secretary Leake Hangala said the government was preparing mining legislation, a mining tax policy and a labour code to promote mining and energy exploration.

He said he hoped the legislation would be enacted during the current session of the national assembly. (221A)

He described as "exciting" the announcement that Revere Resources SA would spend R280m developing the Haib porphyry-copper-molybdenum deposit. — Reuter.

ANC rebukes envoy's 'tone on sanctions'

B|Day 31/1/92

CAPE TOWN — The ANC took a dim view of British Minister for Overseas Development Lynda Chalker's hectoring tone when she sought to lecture its president, Nelson Mandela, on sanctions, said ANC western Cape chairman Allan Boesak.

"Her tone is reminiscent of that of Mr F W de Klerk's when he chose to lecture the ANC at the inaugural Codesa meeting," Boesak said in a statement.

"The content is the same old stodge served up by the Tory government which we reject with contempt."

Meanwhile, Chalker yesterday held talks in Lusaka in the first visit to Zambia by a British minister since the new government took office.

"(Chalker) is here to see for herself the peaceful changes that have taken place and to see ways in which we can assist. She will be discussing both bilateral and regional assistance," a British embassy official said.

Chalker met President Frederick Chiluba on Wednesday night after her arrival and announced the release of $18m in aid frozen last September when Zambia failed to implement crucial measures in its economic restructuring programme. — Sapa-Reuter.

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COMPANIES

METJE & ZIEGLER FM 31/1/92 (221A)

Demand dries up

Activities: *Retails a range of products and holds the franchises for Mercedes-Benz, Honda, Audi & VW vehicles & property interests in Windhoek.*

Control: *Herta Ernst Investments (Pty) 52,6%; SA Mutual 27,8%.*

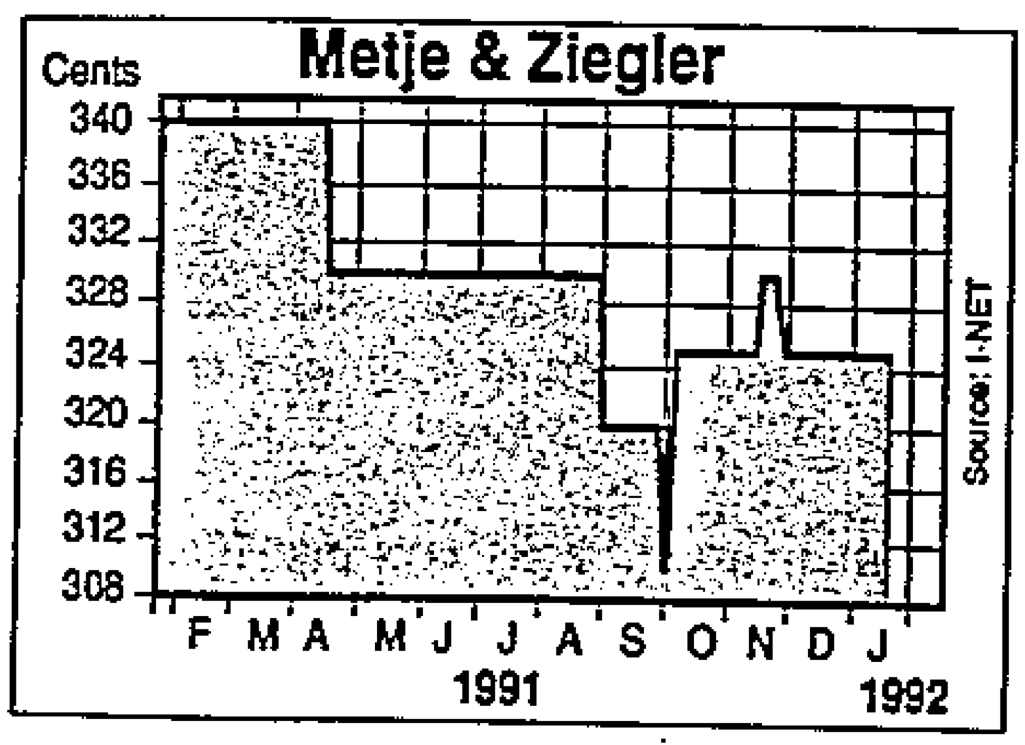
Chairman: *E P H Bieber; MD: A M Behnsen.*

Capital structure: *3,47m ords. Market capitalisation: R11,3m.*

Share market: *Price: 325c. 12-month high, 420c; low, 320c. Trading volume last quarter, 1 000 shares.*

Year to June 30	'89	'90	'91
ST debt (Rm)	4,9	10,4	9,0
LT debt (Rm)	0,2	0,2	0,2
Debt:equity ratio	0,17	0,35	0,31
Shareholders' interest	0,59	0,58	0,56
Int & leasing cover	17,8	5,4	1,0
Return on cap (%)	16,4	8,2	3,5
Turnover increase (%)	23,0	1,1	(2,1)
Pre-int profit (Rm)	7,9	4,2	1,8
Earnings (c)	119,8	45,2	(26,5)
Dividends (c)	24,0	10,0	—
Net worth (c)	807	843	816

Depressed economic activity in Namibia led to a substantial reduction in sales, especially new motor vehicles. In addition, theft of stock and problems at the Hardware & Building Materials and Retail divisions created an appreciable loss in the year to June.



This prevented the hoped-for cut in indebtness and the interest bill ballooned from R784 000 in financial 1990 to R1,86m. The group has battled with low profitability for years but at least it repaid R1,5m revolving acceptance credits.

Chairman E P H Bieber says the outlook is bleak, with stock levels still a priority. The year's stockholding was higher than turnover warranted and the board is taking drastic steps to improve the situation. The dividend was passed to conserve cash.

With the SADF out of Namibia and little investment forthcoming, it could be difficult to attain the level of profitability of the past, let alone produce growth. Bieber is confident that rationalisation of the loss-making divisions has gone far enough.

He notes that the building industry is suffering and things don't look too bright for vehicle sales. With government well stocked with ex-UN vehicles, its needs are likely to be low for the next few years.

The share is unlikely to appreciate until basic problems are resolved — such as the return on capital. *Basil Barber*

Agreement on Namibian debt reached

221A

STAR 4/2/92

By Dale Lautenbach
Star Africa Service

WINDHOEK — South Africa and Namibia have reached an "agreement in principle" on the multimillion-rand debt owed by Windhoek to its former administrator, and Namibia has indicated there will be compromise on its part.

"We have come to an agreement in principle,' said Namibian Minister of Finance Dr Otto Herrigel. "The announcement can only come at a later stage when we finalise the agreement, which needs to be put in final form. That will happen within weeks."

He said the sum at issue was about R600 million as at independence in March 1990. Late last year he denied there was a debt crisis between the two countries.

The newspaper reported that Namibia was threatening to default on loans "totalling almost R1 billion raised on the South African capital markets".

It added that Namibia's view was that the loans were "colonial debts" and that as South Africa had guaranteed these sums, it should pay the lion's share.

At the time, Dr Herrigel said there was "some truth" in the report inasmuch as the two governments did have different positions on the question of responsibility. There was certainly no crisis, however, as negotiations had been continuing since independence.

High hopes for Namibian economy

STAR 4/2/92

(22/A)

Namibia's stability could be its greatest asset, reports DALE LAUTENBACH of the Star's Africa News Service in WINDHOEK.

THIS IS the year that things should happen in Namibia, the year during which the fruits of much of the groundwork done by the government so far will become visible.

This upbeat prediction for 1992 is the view of Dr Otto Herrigel, the Finance Minister and a man praised so far for running a tight ship.

"A lot will be happening this year and a lot will become visible. Namibia was not prepared for independence; a lot of infrastructure had to be established. This year will see and make visible the implementation of a number of our policies."

Among these, he is most excited about a package of schemes designed to boost the agricultural sector and which he believes will push the 2 percent growth rate, which he expects to achieve "comfortably" at the close of the current financial year, up a notch to 3 percent and rising.

With curt impatience, Dr Herrigel dismisses the doomsday economic predictions that characterise some of the chat in Windhoek: "Some of the negative rumours are motivated by people who want to see development take a negative course."

Looking ahead, he also expects important developments within the ambit of his portfolio, including the establishment of new enabling institutions, such as a development bank and an industrial development corporation, and the introduction of a Namibian currency in dollars and cents by mid-1993.

Importantly, too, he hopes that negotiations for the reform of the Southern African Customs Union can begin soon.

"The customs union has benefits for the smaller member-countries, but it also has extremely negative implications in that it inhibits industrial development in these smaller states. On the other hand we know, and I think it's common knowledge, that South Africa is also unhappy with the customs union, that it's too expensive."

Dr Herrigel added: "It will obviously be easier and more sensible to negotiate with a representative form of government in South Africa — an interim government or whatever — so that we know the various interests are being taken care of."

Tenders for the production of the Namibian dollar close in April and thereafter the timing of the introduction of the currency will be dependent purely upon technical considerations, said Dr Herrigel.

"Our currency will inevitably be linked to the rand. The question is, for how many years, and that we can't determine."

His confidence in the Namibian economy, small though it is with a budget of about R2,5 billion, resides largely in plans to boost certain growth sectors and the fact that Namibia has so far resisted the temptation to borrow money.

"As a very minimum condition, Namibia has managed in its first nearly two years to have political stability. I think we have a stable economy, despite huge demands. It's certainly not in decline, though there are sectors, such as mining, that have not done well."

A priority was to encourage further mining development.

But it was on the land where most of Namibia's people were active. "More than 60 percent of the population is dependent on agriculture in the commercial or communal sectors," said Dr Herrigel, noting that subsistence farming was often the security net that protected people from dire poverty.

A number of announcements of plans to boost this sector would be made soon. Dr Herrigel said the schemes had been designed to finance agriculture and its modernisation in the widest sense, but also to allow affirmative action in ownership of farmland to be exercised.

He "would not be surprised" if South Africa copied some of the schemes.

Namibia had hopes pinned, too, on fishing, and the country's stringent resource management and brutally slashed quotas so far seemed to be paying off, with fishermen reporting a good recovery in white fish.

Manufacturing was another focus and there were plans to offer incentives to make Namibia attractive, particularly as a base for export-oriented production.

Dr Herrigel said that without a properly functioning central bank it had been difficult to monitor just how much foreign investment had come into Namibia since independence.

In broad terms Namibia's slow and careful style, both politically and economically, had not produced irresistible news but it had also not alienated any of its foreign supporters.

A steady stream of foreign government visitors to Namibia all nod with approval as they depart, and take home with them a message of stability. If things do happen this year as Dr Herrigel says, that underpinning could prove Namibia's greatest asset. □

GLENN LAING: Undaunted

First major copper project in 20 years

By IAN ROBINSON

REVERE Resources will develop the Haib copper deposit in southern Namibia. STimes (Buss)

It will be the first major copper development in Southern Africa since the early 1970s. 9/2/92

International mining group Rio Tinto conducted a feasibility study and concluded in the 1970s that Haib could not be profitably exploited.

The average grade of the Haib deposit is below that of Rio Tinto's Palabora mine — a third of a percent copper compared with about half a percent.

However, Revere Resources believes that a modular approach to mining and technological advances have made the project possible.

Advances in mining and metallurgy include in-pit crusher and conveyor systems and heap-leaching solvent-extraction/electro-winning (SX-EW) recovery.

From the in-pit crusher where the ore is reduced in size, it is taken by wide conveyor belts to the leaching pads, obviating the need for costly dump trucks.

SX-EW metallurgy helped to keep North American mines alive in times of price slumps in the past two decades. Some mines have reduced production costs from about 80 US cents a pound to below 40c/lb.

This process involves leaching the copper in the ore into solution and subsequently extracting it.

This technology can be applied to both oxide and sulphide ore. Oxide ore usually overlies sulphide ore in copper deposits. 221A

Rate

The major advantage of SX-EW for treating sulphide ores is the much lower capital expenditure required than in the traditional flotation process to produce concentrates.

Revere Resources SA, formed in early 1991 by South African mining entrepreneur Glenn Laing, is developing the deposit seven kilometres north of the Orange River. The mine is expected to come into initial production before the end of 1992.

A few years ago Venmyn Rand, a firm of geological and mining valuation consultants, conducted a pre-feasibility study and recommended that a small-scale modular approach be adopted to exploit the oxide ore and generate profits to be used to test the profitability of mining the sulphide ore.

LTA Process Engineering has been appointed technical adviser for a potential large open-pit operation to mine sulphide ore.

The first development phase will be the establishment of a low-cost oxide mining and leaching operation. It will produce 150 tons of copper a month, rising to 450. That would yield an annual operating profit of at least R3-million.

It is planned to mine the underlying sulphide ore and to raise the mining rate to 100 000 tons a day. That would mean annual production of more than 75 000 tons of copper.

Revere Resources needs R7-million for the first phase of the project and is investigating the best means of raising it.

Namibia nets profit — and two boats — from illegal fishing

DALE LAUTENBACH ARG 10/2/92 (221A)
Argus Africa News Service

WINDHOEK. — Namibia has gained two fishing trawlers worth R21 million for R9,1 million following an out-of-court settlement on the fate of a number of Spanish vessels forefeited when they were caught fishing illegally in Namibian waters.

"Oh, yes we consider it a bargain," said Mr Calle Schlettwein, permanent secretary in the Ministry of Fisheries.

Expectations in Namibia had been falsely raised, perhaps, that after the forfeiture of eight Spanish vessels for illegal fishing in 1990 and 1991, Namibia would be eight boats the richer.

Mr Schlettwein explained that only that portion of the boats belonging to their owners was, in terms of a Namibian High Court ruling which found all the Spanish fishing parties guilty, to be considered Namibian property.

The portion still owned by Spanish banks has been the subject of negotiation and the R9,1-million that Namibia is paying for the two vessels, the Isla de Tambo and the Puente Belesar, is payment to the banks of what is still owed on the boats.

It has been agreed, too, that four of the eight boats be expelled from Namibian waters into the custody of the Spanish banks involved. The banks will pay Namibia R1,8-million each for the maintenance of the four vessels while they were held at Luderitz.

Mr Schlettwein said the Namibian government could have acquired all six boats, but that the four to be expelled were considered unsuitable.

It still has to be decided by the Cabinet what will be done with the two vessels Namibia has acquired, but Mr Schlettwein said it was unlikely the government would keep these itself for operation.

The fate of the last two of the eight boats originally held is still subject to negotiation and Mr Schlettwein does not believe this will be concluded until late next year.

By order of the High Court in Namibia, all claims made by the Spanish banks and fishing parties have been withdrawn and the case of the six boats is considered closed in full and final settlement.

Port captain at Luderitz Mr Ian Wingate commented that whatever happened to the eight boats lying in the bay and even if Namibia gained nothing at all from them, they would have served their function as a deterrent to the illegal fishing which has been taking place in Namibian waters.

Inflation up in Namibia

BIZ DAY 12/2/92

WINDHOEK — Namibia's inflation rate stood at 18,1% in December, figures released by the central statistics office in Windhoek showed. (221A)

The all items consumer price index for December 1990 was 350,8 points, while the same index for December 1991 was 414,3.

There had been significant increases in cigarettes and tobacco (53,2%), clothing and footwear (41,7%), furniture and equipment (39,9%) and transport (19,9%).

The upward inflationary trend had shown average monthly increases of 2,1% between August and December, the office said.

There had been a 1% GST increase in July-August and a petrol price hike in November which had apparently added to the cost of SA imports. — Sapa.

Inflation 18% in Namibia

(22)(A)

WINDHOEK: — Namibia's inflation rate continued its upward trend, rising to 18,1% year on year in December according to figures released on yesterday by the Central Statistics Office in Windhoek.

Namibia, which is heavily dependent on imported goods from SA, blamed the increase on transport increases and high inflation in its southern neighbour.

CT 12/2/92

The annual inflation rate almost doubled from May 1991's figure of 9,7% year on year. — Sapa-AFP.

Namibia is given R37m aid package

B/Day 13/2/92 (221A)

WINDHOEK — Namibia and the European Commission signed a grant aid package worth approximately R37m in Windhoek yesterday.

"I would like to stress the utmost importance that the European Commission places on providing support to the development of Namibia to bring the benefit of this development to the rural communal areas," EC delegate to Namibia Louis Moreno said at the signing ceremony.

The grant will be used to fund projects in education, technical assistance and training in the fisheries sector, resettlement of returnees, and identifying and preparing activities for future financing.

Just under half the amount, in targeted budgetary support, is for improving veterinary services in the northern communal areas, agricultural training and resettlement, and development brigades set up to train former combatants in building and agriculture. The package is in addition to the approximately R190m Namibia will receive shortly under the Financial Protocol of the Fourth Lome Convention.

"This (R190m) together with the convention's beef protocol, the Least Developed Status given to Namibia, the regional programme for economic integration, and the Stabex and Sysmin instruments for development, will clearly demonstrate to Namibia the European Commission's involvement in its future," Moreno said.

National Planning Commission director-general Zed Ngavirue and Moreno signed the agreement. — Sapa.

Namibia to have more food, fewer racists

221A

By Gwen Lister

South 20/2-26/2/92

NAMIBIAN president Sam Nujoma says his country's main thrust for the year ahead is self-sufficiency in food production. And planting trees on the edge of the Namib desert might be part of the process.

According to the Namibian leader, maroela trees "could be the answer as they are hardy and their fruit could be used for making juice, wine and other things".

Politically, Nujoma feels his government has succeeded in maintaining peace, stability and harmony in the country, specially taking into account "where we took off from".

His government, he told the Namibian newspaper, had inherited "a nation in tatters".

There were still incidents of racism, but by and large the government's policy of national reconciliation had been accepted by the majority and the racists were getting "fewer and fewer".

Calling 1992 the "year of implementation", the president said independence and freedom meant hard work and sacrifice.

While the government was doing its utmost to curb unemployment, he said people should be responsible for themselves as well and initiate jobs where they were able to do so.

There was a possibility of co-operatives being set up where people, ex-combatants in particular, could put skills to work.

Namibia was doing well on the diplomatic front, Nujoma said, and already had large numbers of diplomats in the field.

NAMIBIAN PRESIDENT: Sam Nujoma

Negotiations continued on the integration of Walvis Bay into Namibia.

Joint administration would be put into operation for the transitional period before full integration.

Asked whether the almost two years of independence had brought with it any disappointments, Nujoma said that if the colonial power had cared about Namibia it would not have left the country with the massive debt burden.

France, he said by way of example, had cancelled all the debts of its former colonies.

Outlining his government's plans for 1992 Nujoma emphasised several priorities:

● The economy was vitally important, said the president. There were plans to vaccinate cattle and to increase production of sheep and goats.

Ways to increase vegetable and fruit production were also being examined. There was not a proper distribution of food, and this needed to be looked at.

The government would further assist in the erection of silos for times of drought so that maize, mahangu and sorghum could be stored.

Discussions had started with Middle East countries for the export of mutton to that region. This would have started sooner had it not been for the Gulf War, Nujoma said.

● Education was the second important thrust of the government's policy for the year ahead.

There were still about 30 000 to 40 000 young people without access to schooling, and a shortage of funds was hampering progress in this regard.

There was a need for more training and better education for all children, and in the year ahead emphasis should be placed on vocational training to provide skills to workers, specially in the field of agriculture.

● Health was the third priority, Nujoma said. This had been an area badly neglected by the South African colonial administrators.

In the main centres health facilities had been provided, but rural areas had been hopelessly neglected.

Housing, he added, was another priority area.

Millions involved in fishing licence swindle

STAR 21/2/92 (221A)

Forged licences are being used to gain access to Namibia's rich fishing waters. HILARY ANDERSSON of the Star Africa News Service reports.

IN A multimillion rand swindle, Transkei fishing licences are being forged and sold to Spanish fishermen to help them gain illegal access to Namibia's rich fishing waters.

The fishermen use the forged licences to get past port authorities in Spain, who require fishing vessels to produce permits to fish in foreign waters before allowing them to leave their home ports. Instead of going to the Transkei, the boats stop in Namibia to harvest its much sought-after hake stocks.

The forged licences are only one of several methods being used to gain improper access to Namibia's waters.

Fishing industry sources say that the licences sell for between R500 000 and R1 million.

Two boats, including the Cotterodondo Cuatro, were first caught with the false licences over a year ago. Their claim to be en route to the Transkei was refuted, as they had been photographed in Namibian waters three months previously, and stones in their fishing nets were identified as Namibian.

Namibian officials say a significant number of other boats are operating under the licences, and at least 10 named boats are being investigated.

Marshall Gwe Gwe, responsible for licensing at the Transkei Department of Transport, said "the mess started" when a Transkei registered fishing company, run by two Cape Town men, was granted a fishing licence allowing two large Spanish vessels to fish off Transkei.

"They were given temporary licences because they said they just wanted to test the waters off our coast."

Mr Gwe Gwe believes that these licences were copied by other Spanish fishing vessels who used them fraudulently.

Copied

An original authentic permit, number 00204, was copied several times for different buyers whose names were filled in.

One of the licences, also number 00204, used by a vessel caught off the Namibian coast, was issued in November 1990.

Mr Gwe Gwe confirmed that both his signature on the licence and the stamp from the Transkei Department of Transport were forgeries.

"And we could not have issued a licence in November 1990, because we stopped handing out licences when the troubles started in July 1990."

He said the owners of the fishing company which had originally been granted the temporary licence were being sought by the Transkei police.

Fishing industry sources say the forgery is being organised by an Italian businessman who lives in Alicante, Spain, and whose name has been given to the Star Africa News Service. The man operates two fishing companies. According to the sources he has as an associate a Cape Town-based lawyer who organises the buyers, and two further associates in Walvis Bay.

Investigators who recently began to uncover a link between the money used to buy the permits and a narcotics smuggling ring, had their lives threatened and promptly dropped their investigations.

The falsified permits first appeared when, acting on complaints of illegal Spanish fishing in Namibia, the Spanish government introduced the requirement that fishermen produced proper licences for fishing at their destination when they leave port.

Although it is not known how many Spanish fishermen are travelling under the fraudulent licences, a Spanish politician shocked Namibians last year when he announced that a total of 6 200 Spaniards — far more than match official figures — were operating in Namibian waters.

Certainly some of them are making use of other, less transparent methods to gain access to Namibian waters. These include using a Namibian nominee, illegally purchasing Namibian flags, and befriending government officials.

Corruption has allegedly become so rife, with senior Namibian government officials said to have bought shares in companies which they had given preference in the allocation of quotas, that a Public Commission of Inquiry was established to investigate. It is due to report its findings at the end of this month.

Urgency

The turmoil in the Namibian fishing industry is no accident, but a reflection of the huge profits to be made by all, and the urgency of related Spanish political pressures.

"The bottom line is that fisheries in Namibia is big, big bucks," said Permanent Secretary of Fisheries, Kahle Schlettwein.

With Spanish fishermen believing they have a "traditional right" to fish Namibian waters in spite of the 512 km exclusion zone enforced at independence, and big companies facing huge profit losses, port authorities have tended to turn a blind eye.

Namibian officials cite informal acknowledgment from Spanish officials that the behaviour of the port authorities is sanctioned on a governmental level.

"Spain, as a member of the EC, does not recognise the independent authority of the Transkei and so cannot recognise the authority of anything issued there," said a Namibian foreign office spokesman.

The Spanish government has declared itself fully cooperative with Namibia, but such suspicions are putting a strain on relations, which are further stretched by the Namibian government's apparent delay in handing over evidence of illegal fishing to the Spanish authorities who claim to be investigating irregularities in their port administration.

The fears of over-fishing by the pirates arise from the knowledge that one typical fishing vessel is capable of catching huge amounts of hake every day. With the history of fish resource exploitation in Namibia, this could quickly result in the industry's long-term devastation.

Namibia's great hopes for the industry, pinned as they are on long-term conservation plans, are threatened by its inability to effectively control either its own part in the corruption, or that of others. □

Namibia ready to tackle ivory issue by horns

STAR 27/2/92

By Dale Lautenbach
Star Africa Service 221A

WINDHOEK — Namibian Wildlife and Conservation Minister Nico Bessinger was ready for battle yesterday in preparation for the endangered species trade conference in Kyoto, Japan, next week where the ivory issue is expected to result in heated debate.

"We will stick to our guns and will not be outdone by numbers or by sensationalism. We are going to defend our cause and we are ready to do battle."

Mr Bessinger will represent Namibia at the meeting of the Convention on International Trade in Endangered Species, where the legal sale of ivory being sought by several southern African states is expected to be strongly opposed.

Addressing the annual meeting of the Namibian Professional Hunters Association in Windhoek yesterday, Mr Bessinger said Namibia and its ally southern African states — Botswana, Malawi, Zimbabwe and Zambia — would defend the principle of sustainable utilisation of renewable resources.

This "fundamental pillar of healthy wildlife management is being tackled at the very base", said Mr Bessinger. "We're going to Kyoto to defend our cause and defend our constitution," he said, referring to a clause in the Namibian constitution which provides for the sustainable utilisation of both renewable and non-renewable resources.

He said the ivory issue had been sensationalised and that the only logical outcome of the Kyoto meeting was the downlisting of the elephant and the recognition of the Southern African Centre for Ivory Marketing that Namibia and its allies was proposing.

South Africa is expected to take a slightly modified position backing the downlisting of the elephant from its appendix 1 status which bans all trade but reserving a voluntary moratorium on ivory trade.

Mr Bessinger said tourism was at the heart of Namibia's conservation strategy and if hunting in Namibia suffered, the industry would be affected and the economy would suffer.

He said the focus of the elephant controversy had been wrongfully shifted to the product, ivory, and that the elevation of the elephant to appendix 1 was against the wishes of those countries which took good care of elephant populations.

Namibian stock exchange may be launched in March

B Day 28/2/92 (221A)

WINDHOEK — Plans to launch a Namibian stock exchange are well under way and the new institution could begin operating in March, adviser to the Stock Exchange Steering Committee Wikus Hanekom said.

"One thing that can stop the stock exchange from developing is if we do not get the general support from the major corporations in Namibia, without which we feel we should not go ahead," said Hanekom.

While there had been a great deal of interest in developing an exchange, there were many, mainly corporations with international shareholdings, which saw no benefit in it for themselves. "Solely Namibian companies have shown the best support and they have all put their money where their mouths are."

About 20 companies have already each paid R10 000 to join the Stock Exchange Association which requires a total of 30 individuals or corporations to launch an exchange. These are not necessarily companies that will be listed once the institution opens.

As the SA Stock Exchange Control Act adopted at independence applies in Namibia, the steering committee has applied to Finance Minister Otto Herrigel to make certain amendments. These include dropping the stipulated 30-person requirement to a number specified by the minister, scrapping the Marketable Securities Tax, to be abolished on traded shares in SA from March, as well as dropping the 1% stamp duty to be paid to the government on share transfers on the Namibian exchange.

Hanekom said the committee did not mind the 1% duty. "We would like our exchange to be in a preferred position so people or companies are prepared to list their shares, thereby distributing the wealth inherent in those companies and making shares available and part ownership available to employees and business associates."

There was no specific number of companies or volume of shares required to start an exchange, but R1m in shares would need to be traded monthly to break even.

Because Namibia was part of the Common Monetary Area, it was possible to trade shares in Namibia and SA without separate share registers.

Apart from giving companies an opportunity to share their wealth through shareownership schemes, it also serviced the government idea that wealth should be spread to the people who are working in the economy, Hanekom said.

Asked if Namibia was not too small to have its own exchange, he pointed out the country was not too small for banks.

The Johannesburg Stock Exchange was one of the first financial institutions when little else existed in the city.

"It's never too small to start a financial institution," Hanekom stressed. — Sapa.

Namibia planning to launch stock exchange

STAR 28/2/92 (221A)

WINDHOEK — Plans to launch a Namibian stock exchange are well under way and the new institution could begin operating in March, says the stock exchange steering committee's adviser, Wikus Hanekom.

He adds, however: "One thing that can stop the stock exchange from developing is if we do not get the general support from the major corporations in Namibia."

While there has been a great deal of interest shown in developing an exchange, many corporations, mainly those with international shareholdings, see no benefit in it for themselves.

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These include dropping the stipulated 30-person requirement to begin an exchange to a number specified by the Minister; the marketable securities tax to be abolished on traded shares in South Africa from March, as well as the one percent stamp duty to be paid to the government on share transfers on the Namibian exchange.

No specific number of companies or volume of shares is required to start a stock exchange, but R1 million in shares would need to be traded monthly for it to break even.

"At this stage we are not close to that figure," Mr Hanekom says.

Because Namibia is part of the Common Monetary Area, it is possible to trade shares in Namibia and South Africa without separate share registers. — Sapa.

Arandis offers business incentives

WINDHOEK — The Namibian government has accorded the former Rossing uranium mining town Arandis, Export Processing Zone status and announced a number of incentives to encourage companies to set up in the town. STAR 28/2/92

Trade and Industry Deputy Minister Anton von Wietersheim said yesterday: "Naturally, these special incentives will be granted only to new companies setting up operations".

He added they were in addition to existing provisions allowing investors to write-off 100 per cent of capital investments against profits.

The new incentives include:

- Exemption from corporate tax for a number of years and thereafter a substantially reduced standard rate.
- Reduction of withholding tax on dividends.
- Exemption from General Sales Tax on imported capital goods.
- Exemption from all import duties on raw materials and capital equipment if the operations are geared for 100 percent export. (221A)
- Training grants in the form of reimbursement of 75 percent of total costs incurred in training Namibian citizens.— Sapa.

Consumer confidence in US plunges

STAR 28/2/92

Consumer confidence in the US has plunged to its lowest level for 18 years, suggesting the longest post-war recession is far from over.

Anxieties about job security drove the index down by four points in the last month to 46,3. Readings below 50 generally indicate a contracting economy.

The Federal Reserve Board chairman, Alan Greenspan, who was bullish on America's short-term economic prospects last week, took a more guarded approach this week.

Tax cuts

Mr Greenspan said the Fed was ready to consider further cuts in short-term interest rates if the economy seemed to be stumbling.

The Conference Board, a business research group, said its monthly survey the US showed that the confidence of consumers, and therefore their readiness to spend cash, was being dragged down by fears of inflation and especially unemployment.

The US recession is now estimated to be in its 18th month.— The Independent.

Town wins super trade zone status

E/Post 28/2/92

WINDHOEK — Namibia's government had accorded former Rossing uranium mining town Arandis export processing zone (EPZ) status and announced incentives to stimulate economic activity and create jobs, Trade and Industry Deputy Minister Anton von Wietersheim said yesterday. (221A)

"These special incentives will only be granted to new companies that are setting up operations," Von Wietersheim said.

Existing provisions allow investors to write off 100% of capital investments against profits.

The new incentives include:

☐ Exemption from corporate tax for a number of years and thereafter a substantially reduced standard rate;

☐ Reduction of withholding tax on dividends paid after tax profits. Withholding tax is payable only on dividends declared. Money reinvested will not attract tax;

☐ Exemption from GST on imported capital goods;

☐ Exemption from import duties on raw materials and capital equipment if the operations are geared for 100% export; and

☐ Reimbursement of 75% of costs incurred in training Namibian citizens.

"Granting EPZ status to Arandis will provide government with a test case to identify possible regulatory bottlenecks and determine corrective measures before similar measures can be extended to other parts of the country," Von Wietersheim said.

Rossing has donated Arandis, which accommodated about 6 000 people at the height of mining activity, to Namibia. Sapa.

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Kiss of life for dying Namibian town

221

Argus Africa News Service

WINDHOEK. — The uranium mining town of Arandis, hard hit by the slump in the industry here, has been declared an export processing zone (EPZ).

This was announced yesterday by Namibian Deputy Minister of Trade and Industry Anton von Wietersheim who said the primary objective was to create a manufacturing industry.

ARG 29/2/92

He announced a package of industrial development incentives "tailor-made" by his ministry for Arandis. These include an exemption from corporate tax for a number of years and thereafter a substantially reduced standard rate.

There will be a reduction in terms of withholding tax on dividends paid after tax profits. In addition, reinvested money will not be taxed.

Imported capital goods will be exempt from general sales tax. Raw materials and capital equipment will be exempt from all import duties if the operation is for export purposes only.

Arandis, as Mr Von Wietersheim noted, was linked to the port of Walvis Bay by an excellent road, rail and communications network.

A fifth incentive concerned training grants in the form of a 75 percent reimbursement of total training costs for Namibian citizens.

Mr Von Wietersheim said Namibian economic policy, couched in the principle of an open market with an important role for the private sector, was driven by the need to create meaningful economic development in the form of job opportunities and by the need to combat poverty.

Arandis would also serve as a test-case for Namibia with a view to extending similar EPZ conditions to other parts of the country.

HAIB FM 6/3/92

Large bills coming

(221A)

Development of the Haib copper deposit in southern Namibia ranks as Glenn Laing's most ambitious project. If all goes according to plan, it will be the largest copper mine in southern Africa after Palabora Mining (Palamin).

Projections are that Haib could eventually produce 50 000 t/year of refined cathode copper compared with Palamin's 120 000 t, which will drop to around 70 000 t once operations go underground at the turn of the century.

The main drawback is its low average grade of just 0,37% copper compared with 0,5% for Palamin and up to 3% for some of the rich South American producers. Given

FM 6/3/92 (221A)

FOX

the volatile nature of the copper market, some investors feel the deposit is too low-grade to risk developing.

A few mining groups such as RTZ, Falconbridge and, recently, Randex have assessed Haib's prospects and walked away. Laing agrees Haib is not worth developing if conventional flotation technology, which most of these companies have considered, is used to recover the copper. He says, however, that technology now available makes the project viable.

The new approach involves heap leaching, followed by solvent extraction and electrowinning (SX-EW), which were not in use in the Seventies when RTZ did an exhaustive assessment of the deposit. Laing says some North American mines using SX-EW to exploit geologically similar porphyry copper deposits have remained viable — in the face of low copper prices — on lower grades than Haib.

These include Ray Mines and Pinto Valley in Arizona, where the average grade of material being leached and treated by SX-EW is 0,25%, and Gibralter, in British Columbia, with an average grade of 0,2%.

Plans are to tackle Haib in two stages, with an initial, small-scale operation exploiting the estimated 2,4Mt of oxide ore close to the surface. It has an estimated average grade of 1,17%, according to consultants Venmyn Rand.

Laing says this mine will generate profits to pay dividends and provide funds to assess viability of the huge volumes of lower-grade sulphide ore at greater depths.

Haib, now listed on the mining exploration sector of the JSE through the former Mervest cash shell, will call for about R7m through a rights issue to set up this mine. It will produce 300 t/month of copper at first, rising to 500 t/month.

Reserves on the sulphide ore body to a depth of 350 m are estimated, according to RTZ's statistics, at between 374Mt, at an average grade of 0,37%, and 831Mt, at an average grade of 0,27%.

Laing has paid R1,28m to mineral rights holder George Swanson for the right to mine the oxide ore until the year 2000, with an option to purchase which has to be exercised by August 1995 provided the sulphide project gets the go-ahead.

Money is going to be tight and there are some large bills coming. Buying the sulphide deposit from Swanson will cost R13m, while putting in an electrowinning plant to produce copper cathode would cost another R13m. Haib will initially produce copper in a form known as cement copper, which contains between 70% and 80% copper. That will be exported to refineries via Walvis Bay.

Refining contracts like this often result in the copper producer losing more of its profit than necessary to the refinery. Laing says Haib's refining costs will be US15c/lb. On current prices, he expects to get $1/lb for the contained copper metal, while his total costs would be around 68c/lb.

"As long as there is a profit margin of about 30%, you have a fighting chance of succeeding," he comments. The transmuted listing statement does not contain an earnings forecast for Haib. Laing says there will be one in the rights offer notice due soon.

A decision to go for the sulphide deposit would put Haib in a different ball game. Laing acknowledges it could be done only with the help of a heavyweight mining partner because the cost would be about $100m.

This could be one of the most interesting mining projects yet tackled in southern Africa but it is high-risk. Wait for the rights offer document containing the financial evaluation before deciding on its merits.

Brendan Ryan

Top diamond yields for Namibia's CDM

(221A)

CT 10/3/92

WINDHOEK. — Namibia's Consolidated Diamond Mines had their best production year in 10 years in 1991 yielding almost 1,2 million carats, Chamber of Mines president Jonathan Leslie said in Windhoek.

Leslie said the long-running recession and the influx of mining products from the new Commonwealth of Independent States to the west generally caused mineral prices to weaken.

"Last year was CDM's best production year since 1981. Almost 1,2 million carats were produced, as against almost 0,75m in 1990," Leslie said.

Diamond sales for the second half of 1991 were 21% up, in rand terms.

Navachab Gold Mine, the country's biggest producer, produced 1 709kg in 1991 against 1 453kg the previous year.

"The mine operated at a significant profit — most satisfactory in view of the weak gold price".

Rossing Uranium twice cut back production in 1991 to 2 500 short tons, about half its capacity, due to an oversupply on the world market. The retrenchment or early retirement of about 750 employees accompanied the second cutback.

"All Rossing's production is now supported by long-term sales contracts and no further step reductions in production or manpower are anticipated," said Leslie, who is also the company's CE.

Namibia's copper production of just under 33 000 tons was fractionally up.

Exploration for precious and base metals contined near Okahandja as well as base metal exploration east and west of Windhoek.

"A major SA exploration company has returned to Namibia and has applied for an extensive area south-west of Windhoek," he added.

However prospecting expenditure by Chamber of Mines members totalled about R40m (R67m).

Statistics showed the number of mining employees in Namibia had declined from almost 20 000 in 1980 to a little over 12 000 in 1991. — Sapa

SA firms play part in Windhoek

220 221A

By Frank Jeans STAR 11/3/92

The central business district of Windhoek has been revitalised to the tune of R215 million, with many of the big names of South African business contributing to the Namibian capital's renewal.

Over seven years, the city council has injected R15 million, with the private sector spending the balance — a total commitment which has brought to the commercial centre almost 60 000 sq m of new offices, shopping space and pedestrian malls.

Behind the Windhoek enterprise was a consortium of consultants led by Reg Pheiffer, of Randburg company, Pheiffer Vincente and Englund.

Mr Pheiffer has now received the first Shell Environment Management Award on behalf of the professional team and the Windhoek council for their role in the undertaking.

"Central Windhoek has been transformed into an attractive urban environment," he says.

"Apart from the spread of new shops and offices, traffic flow is smoother, there are plenty of parking areas and much more greenery, so that the lot of the pedestrian has vastly improved."

CDM has bumper year

STAR 11/3/92

(221)

WINDHOEK — De Beers' Namibian subsidiary Consolidated Diamond Mines had their best production year in 10 years in 1991, yielding almost 1,2 million carats.

Namibian Chamber of Mines president Jonathan Leslie said in Windhoek yesterday that the long-running world-wide recession caused mineral prices to weaken.

"Last year CDMproduced almost 1,2 million carats, as against 750 000 in 1990."

Diamond sales for the second half of 1991 were 21 percent up in rand terms on 1990.

Navachab Gold Mine, the country's biggest producer, produced 1 709 kg in 1991 against 1 453 kg the previous year.

Rossing Uranium twice cut back production in 1991 to 2 500 short tons, about half its capacity, due to an oversupply on the world market.

Namibia's copper production of just under 33 000 tons was fractionally up on 1990.

Mr Leslie said north-western Namibia continued to be the focus of new exploration activities.

"A major SA exploration company has returned and applied for an extensive area south-west of Windhoek," he said.

However in spite of this activity prospecting expenditure by Chamber of Mines members totalled about R40 million, compared with almost R67 million in 1990. — Sapa.

More financial news page 23

Fishing and diamonds boost Namibia's growth

STAR 12/3/92 (221A)

WINDHOEK — Good performances by Namibia's fishing and diamond mining industries resulted in a 5,1 percent rise in Gross Domestic Product (GDP) for 1991, Finance Minister Otto Herrigel said yesterday.

"The fishing sector once again outperformed our projections and an increase of more than 80 percent in its real level of production was achieved," Dr Herrigel told the National Assembly.

"The diamond industry also showed a vast improvement in 1991 after poor performances in the three previous years," he said.

"Diamond production rose dramatically, by almost 56 percent between 1990 and 1991."

The rest of the mining industry recorded a decline of 20 percent, attributable mainly to marketing problems in uranium mining.

Dr Herrigel said that the world might be poised for a moderate rebound in 1992, "Namibia is not likely to share significantly in this recovery".

Difficulties

Reasons for this were the difficult period experienced by the uranium industry, the drought, growth rates in fishing and mining not expected to reach the same levels, depressed domestic demand due to inflationary trends and restrictive monetary policy and depression in South Africa.

"The combined effect of all these forces leaves me no other alternative than to project a low economic growth situation in 1992," Dr Herrigel said.

"Despite these restraining forces, which seem to have manifested themselves in the Namibian economy and over which we have little or no control, our economy still has an inherent strength, with a fair amount of spare productive capacity," he said.

The government intended creating further incentives to stimulate economic development in general and industrial development in particular.

Capital projects, delayed by lengthy run-up times, were expected to gain momentum and not only have a positive effect on economic growth, but also help balance out some of the more serious effects of the drought.

"I can honestly say that the government is doing everything in its power to bolster and stimulate the economy, but in the last analysis the government's role is mainly supportive, and the actual economic growth must come from the private sector," Dr Herrigel said. — Sapa.

Namibia to repay SWA's R826-m debt over 17 years

(221A)

STAR 12/3/92

WINDHOEK — Namibia is to repay the R826,6 million debt inherited from South Africa at independence in 17 annual instalments of R78,5 million from April 1995, Finance Minister Otto Herrigel said yesterday in the National Assembly.

Assuring the Namibian nation this was the best compromise, Dr Herrigel said: "I hope that the world, and particularly the financial community, will take note that ours is a responsible government which meticulously honours its obligations so as not to jeopardise the longer-term interests, and particularly the financial and economic stability, of our country."

The announcemnt came after protracted negotiations between the two governments over who should be responsible for the debts incurred to finance budgets of the former South African administration in then South West Africa.

Of the R826,6 million, some R697 million was guaranteed by South Africa and was owed to financial institutions in the Common Money Area, while R183,5 million was owed to institutions in other foreign countries.

Dr Herrigel said Namibia's view had always been that South Africa should accept responsibility for the debt.

"The funds were furthermore spent for purposes which a democratically elected government would not necessarily have approved of," he added.

If neither government was prepared to accept responsibility for the debt and to honour it, this could be construed as "outright repudiation of the debt by Namibia", Dr Herrigel said.

Apart from straining relations between the two countries, this could have jeopardised Namibia's economic and financial stability.

The SA Reserve Bank and the Bank of Namibia were currently finalising documentation for the repayment. — Sapa.

Namibia to repay SA R826m debts

CT 12/3/92

(22.1A)

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Assuring the Namibian nation this was the best compromise that could be reached, Herrigel said in his Additional Budget speech: "I hope that the world, and particularly the financial community, will take note that ours is a responsible government which meticulously honours its obligations so as not to jeopardise the longer-term interests, and particularly the financial and economic stability, of our country."

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Diamonds, fish lift Namibia's GDP

221A

CT 12/3/92

WINDHOEK. — Good performances by Namibia's fishing and diamond mining industries resulted in a 5,1% rise in the Gross Domestic Product for 1991, Finance Minister Otto Herrigel said here yesterday.

"The fishing sector once again outperformed our projections and an increase of more than 80% in its real level of production was achieved," he said introducing his Additional Budget speech in the National Assembly.

"The diamond industry also showed a vast improvement in 1991 after very poor output performanances were recorded during the three previous years," he said. "Diamond production rose dramatically, by almost 56% between 1990 and 1991."

The rest of the mining industry recorded a decline of 20%, attributable mainly to marketing problems in uranium mining.

Herrigel said while the world might be poised for a moderate rebound in 1992, "Namibia is not likely to share significantly in this recovery".

Reasons for this were the difficult period being experienced by the uranium industry, the drought, good growth rates in fishing and mining not expected to reach the same levels, depressed domestic demand due to inflationary trends and restrictive monetary policy and depression in South Africa.

"The combined effect of all these forces leaves me no other alternative than to project a low economic growth situation for Namibia during 1992," Herrigel said.

"Despite these restraining forces which seem to have manifested themselves in the Namibian economy and over which we have little or no control, our economy still has an inherent strength with a fair amount of spare productive capacity," he said.

The government intended creating further incentives to stimulate economic development in general and industrial development in particular hopefully to be announced during the Main Budget.

Capital projects, delayed through lengthy run-up times, were expected to gain momentum and not only have a positive effect on economic growth but also help balance out some of the most serious effects of the drought.

"I can honestly say that the government is doing everything in its power to bolster and stimulate the economy, but in the last analysis the government's role is mainly supportive and the actual economic growth must come from the private sector," Herrigel said. — Sapa

SA tourism to Nam up by 118%

22B

WINDHOEK. — South African tourists to Namibian reserves and resorts in January increased by 118,6% against the same period in 1991, while overseas visitors were up by 82,6%, the Ministry of Wildlife, Conservation and Tourism said here.

A statement said the number of Namibian visitors went up by 54,6% providing an overall increase of 73,9%.

CT 12/3/92

Accommodation occupancy stood at 45,1% against 37,3% in 1991, while 14,7% of campsites were used compared with 10,2 during the comparable period.

The statement said total revenue increased by 33,3%, while revenue from trading activities was up by 35,6%.

Namibia will repay debt over 17 years

B/Day 12/3/92

WINDHOEK — Namibia would repay the R826,6m debt inherited from SA at independence in 17 annual instalments of R78,5m from April 1995, Finance Minister Otto Herrigel said yesterday.

This was the best compromise that could be reached, said Herrigel who told parliament: "I hope the world will take note that ours is a responsible government which meticulously honours its obligations so as not to jeopardise the longer-term interests, and particularly the financial and economic stability, of our country."

The announcement came after protracted negotiations between the two governments over who should be responsible for the debts incurred to finance budgets of the former SA administration.

(221A)

Of the R826,6m, R697m was guaranteed by SA and is owed to financial institutions in the Common Money Area, while R183,5m is owed to foreign institutions. Herrigel said Namibia believed that SA should accept responsibility for the debt.

If neither government was prepared to honour the debt, it could be construed as "outright repudiation of the debt by Namibia", he said. Apart from straining relations between the two countries, this could have jeopardised Namibia's economic and financial stability. — Sapa.

SA tourists pour into Namibia

(221A)

WINDHOEK. — South African tourists to Namibian reserves and resorts in January increased by 118,6 percent against the same period in 1991, while overseas visitors were up by 82,6 percent.

The Ministry of Wildlife, Conservation and Tourism said in a statement that there had been an overall increase of 73,9 percent in visitors to Namibia.

Accommodation occupancy stood at 45,1 percent against 37,3 percent in 1991, while 14,7 percent of campsites were used compared with 10,2 percent during the comparable period.

The statement said total revenue increased by 33,3 percent.

Meanwhile Air Namibia is to introduce two weekly flights to London — one direct — from July 1, announced General Manager Mr Keith Petch.

The new direct service will be the first non-stop flight between Nambibia and the United Kingdom.

The service is in addition to the existing twice-weekly flights between Windhoek and Frankfurt by a Boeing 747SP. — Sapa ARG. 13/3/92

Norway wins key Namibian oil contract

(221f)

CT 13/3/92

WINDHOEK. — A Norwegian consortium has been granted the first licence to drill for oil in a 11 000km² block off the northern Namibian coast, Mines and Energy Deputy Minister Jesaya Nyamu said in Windhoek yesterday.

The consortium, which won a tightly contested six-way competition for Area 1911, consists of 51% state-owned Norsk Hydro, Norway's state oil company Statoil, and a privately owned company, Saga.

"The key terms agreed are especially favourable for Namibia," Nyamu said.

Investment

The consortium was committed to an aggressive work programme involving drilling three deep test wells spending over R125m during the first four years, to pay the Namibian government, through special petroleum taxes, a substantial share of profits if profitable oil and gas discoveries were made.

It was also committed to spending almost R3m on training Namibians in the first four years.

"This will be much more important than any kind of development aid can ever be," said Norway's Ambassador to Namibia, Bernt Lund.

"The size of this investment is probably the largest single private sector investment in Africa."

Namibia awards first oil contract

B/Day 13/3/92 (221A)

WINDHOEK — A Norwegian consortium had been granted the first licence to drill for oil in an 11 000km² block off the northern Namibian coast, Mines and Energy Deputy Minister Jesaya Nyamu told reporters yesterday.

The consortium, which won a tightly contested six-way competition for Area 1911, consists of 51% state-owned Norsk Hydro, Norway's state oil company Statoil, and a privately owned company, Saga.

Bidding

"The key terms agreed with the consortium are especially favourable for Namibia," Nyamu told a news briefing.

It was committed to an aggressive work programme — involving drilling three deep test wells spending over R125m during the first four years — to pay the Namibian government through special petroleum taxes, a substantial share of profits if profitable oil and gas discoveries were made and to spend almost R3m on training Namibians in the first four years.

The Namibian government announced the opening of the first bidding round for on-shore and offshore oil and gas exploration licences last May, 14 months after independence.

"By the close of applications on November 1, 1991 ... there had been an extremely encouraging response to that first round by the international oil industry and competition for several areas, including Area 1911, was particularly intense," Nyamu said.

Work is scheduled to to begin in April after the contract is signed.

The concession area is off the Skeleton Coast Park between the 19th and 20th degrees latitude.

Mines and Energy Permanent Secretary Leake Hangala said that the geology of Area 1911 was different from that of the fields in neighbouring oil-rich Angola, "but that does not mean it does not host hydrocarbons".

"This will be much more important than any kind of development aid can ever be," said Norway's ambassador to Windhoek, Bernt Lund.

"The size of this investment is probably the largest single private sector investment in Africa." — Sapa.

Namibian drought aid in pipeline

(221A) STAR 17/3/92

By Dale Lautenbach
Star Africa Service

WINDHOEK — Emergency drought relief for Namibia from the European Community could be approved within a week, said commission vice president Manuel Marin.

He was in Windhoek yesterday to sign a R168 million grant agreement under the Lome Convention with Namibian President Sam Nujoma. Namibian Finance Minister Otto Herrigel signed a R22 million risk capital agreement which will be made available to Namibia from the European Investment Bank.

The risk capital will be available for the development of the private sector in agro-processing, manufacturing and the transformation of Namibian natural resources.

Mr Marin said that in view of the drought in the region the EC was considering a famine relief programme for southern Africa on a regional scale similar to that for sub-Saharan Africa. This still needed the approval of the EC Council of Ministers.

On the contentious subject of fishing, which has created some tensions between Namibia and the EC following the continuing poaching of Namibian fish by EC member Spain, Mr Marin said he was open to negotiations on a fishing policy between Namibia and the EC.

Windhoek asks EC for drought aid

WINDHOEK — Namibia has asked the EC for about R192m — 52-million ecus — in relief aid to counter effects of the severe drought, says EC vice-president Manuel Marin. BDay 18/3/92

He told a news briefing in Windhoek this week that a proposal was certain to be put to the European Parliament's Council of Ministers requesting a special southern African drought relief programme similar to the 300-million ecus designed for sub-Saharan Africa last year. (22/17)

Namibia's request would be added to those already submitted by Angola, Mozambique, Zambia and Zimbabwe.

Marin said it was possible for the EC to provide food aid "immediately if necessary" as this was a decision able to be taken by the vice-president.

On Monday Namibian President Sam Nujoma and Marin signed the National Indicative Programme for Namibia under the Fourth Lome Convention making available about R168m — 45-million ecus — in grants for development.

Namibia acceded to the Fourth Lome Convention on December 19 1990 and this was ratified in the National Assembly on October 10 1991. — Sapa.

Namibia to join monetary union

(221A)

CT 20/3/92

JOHANNESBURG. — An agreement to incorporate Namibia in the common monetary area agreement between South Africa, Lesotho and Swaziland, is currently being finalised, the South African Finance Department said.

It said conditions of the agreement on economic cooperation meant that for the foreseeable future the South African rand would remain the only legal means of payment in Namibia.

Under the agreement capital would continue to flow unfettered between South Africa and Namibia.

Foreign exchange dealers of Namibia would have continued access to South Africa's exchange reserves, and Namibian residents would be subject to the same exchange controls as South Africans.

It said many investigations were under way into economic and monetary cooperation in Southern Africa, including a World Bank study. — Sapa

Rand stays in Namibia

wlmail 20/3-26/3/92

Weekly Mail Reporter (221A)

The *Budget Review* has ~~put~~ paid to speculation that Namibia would go it alone economically.

Namibia now has the rand as its currency and is part of the South African Customs Union.

According to the *Budget Review*: "The formal incorporation of the government of Namibia in the Common Monetary Area Agreement between South Africa, Lesotho and Swaziland is presently being finalised."

This will mean, among other things, that the rand will remain Namibia's currency, capital will continue to flow unfettered between the two countries and the same exchange control regulations will apply to both countries.

Namibia receives her gift

221A

STAR 23/3/92

WINDHOEK — The R6,7 million Institute of Mining and Technology training school has been handed to the Namibian government by Rossing Uranium.

The company promised in 1990 to donate the institute to the nation as an independence gift and on the second anniversary of independence at the weekend, it handed over phase one of the project to President Sam Nujoma.

It caters for 60 students in artisan and technician fields.

SA and Namibia plan joint admin

Sowetan 23/3/92

LAGOS - Namibia and South Africa are currently "working out the modalities" for joint administration of the Walvis Bay port in Namibia, Namibian High Commissioner in Nigeria, Mr Ndeutapo Amagulu, said at the weekend.

After long dispute over control of the port before and after independence of Namibia, the government of President FW de Klerk proposed "co-administration" of the port, pending its handing over to Namibia.

But Namibia would not accept the proposal if this proved to be "a method of delaying the handover" of the port, said Amagulu.

Walvis Bay is very important to the economic life of Namibia because it is the country's only deep water port and has links with the Namibian hinterland, the high commissioner said.

Despite its independence, Namibia is still feeling the effect of South Africa's apartheid policy, he said.

Describing apartheid, he said it was "an ugly monster which had to be destroyed." Economic sanctions against South African should not be lifted until the end of apartheid, he said. - *Sapa-AFP*.

B/Day 23/3/92

Gift to Namibia (221A)

ROSSING Uranium Ltd handed over the R6,7m Institute of Mining and Technology to Namibian President Sam Nujoma at the weekend. This is the company's independence gift to Namibia.

Citroen scraps Namibian car plant plans

FRANCE's Citreon had cancelled plans to establish a R200m car plant in Namibia.

Deputy Trade and Industry Minister Anton von Wietersheim said in Windhoek yesterday the decision stemmed from stringent local content requirements applicable to motor manufacturers in the Southern African Customs Union (SACU). This requires at least 75% of the vehicle be composed of parts made in SACU countries.

He said SA's high import duties (110% on passenger vehicles) had also caused Citreon to cancel its investment plans.

"The influence of the SACU on industrialisation in smaller countries is a negative one because many of the regulations are protective of the existing SA industries," Von Wietersheim said. 221A

However, a National Association of Automobile Manufacturers of SA spokesman said the decision probably resulted from the poor industry conditions in SA.

Von Wietersheim said Namibia was examining ways in which the SACU could change to give the smaller countries a better opportunity of increasing industrial capacity. — AP-DJ.

Windhoek, SA meet on Walvis Bay

BDay 27/3/92 (221A)

WINDHOEK — The exploration process for the joint administration of Walvis Bay with SA should not be seen as a long, drawn-out one that would not produce concrete results, Namibia delegation head Petrus Damaseb said in Windhoek yesterday.

He was speaking at the start of the second meeting between SA and Namibian officials on the joint administration of the SA port enclave and 12 off-shore islands, as well as the Orange River boundary.

The Joint Technical Comittees, composed of officials from both sides, was established in December 1991.

"We, on the Namibian side, are ready to negotiate and to find a lasting solution to the Walvis Bay problem in line with the mandate bestowed upon our committee," Damaseb said.

SA Foreign Affairs director-general Neil van Heerden, who heads the SA delegation, said they had come to Namibia in a "constructive and positive spirit" with the "firm intention of working together to make progress" in the technical committees. — Sapa.

NEWS IN BRIEF

Opic back in Zambia

THE Overseas Private Investment Corporation, has resumed disbursement of funds and reinvestment in Zambia after a five-year suspension.

Opic executive vice-president told Zambian businessmen Opic believed strongly in efforts being made by President Frederick Chiluba. B/Day 27/3/92

Although Zambia was previously not considered a good place to invest, this had changed with a democratic government.

UK fines Nigeria Air

THE British government has fined Nigeria Airways £1,2m for flying illegal immigrants into Britain.

The amount, which was accumulated over three years, was imposed as fines on the national carrier for flying passengers with fake documents into the UK, an airline spokesman said.

Namibian inflation up

NAMIBIA experienced its highest inflation rate of 19,2% in January.

Figures released by the Central Statistics Office of the National Planning Commission in Windhoek showed the 1991 rate ranged between 8,7% in March and 18,1% in December, giving an annual average of 11,8%. (221A)

REPORTS: Sapa-AFP.

B/Day 27/3/92

Optimism as Namibia and SA meet over Walvis

STAR 27/3/92 (221A)

By Dale Lautenbach
Star Africa Service

WINDHOEK — Namibian and South African government officials have come up with proposals for the joint administration of the disputed enclave of Walvis Bay which will now be considered by both governments.

The Walvis Bay talks in Windhoek yesterday represented little more than a technical meeting to discuss the nuts and bolts of joint administration, an agreement reached between the two governments last year as an interim solution.

Neither delegation was yesterday empowered to address the disputed sovereignty of the enclave, a matter which remains in the hands of the countries' foreign ministers.

Following the outcome of the South African referendum, Namibian Foreign Affairs Minister Theo-Ben Gurirab said he hoped President F W de Klerk's mandate would embolden him to make a final decision on Walvis Bay without "looking over his shoulder at the right wing".

South African Director-General of Foreign Affairs and head of the delegation to the talks, Neil van Heerden, said: "What happened today is a sign and real proof of South Africa's willingness to want to make progress on this issue."

The delegations also agreed on the delimitation of the Orange River boundary, and a memorandum of understanding on this would be considered by both parties.

It is understood that the South African boundary will be shifted from the north bank of the Orange River to the centre of the stream, in line with international practice governing boundaries.

Details of the joint administration proposals were not revealed, nor was there any indication of when the sovereignty of Walvis Bay and the offshore islands might again be addressed at ministerial level.

Namibia, supported by a United Nations resolution, claims in its constitution that the enclave and the islands are an indisputable part of its national territory.

Slight rise in profit for Namsea

221A

B/Day 27/3/92

EDWARD WEST

ALTHOUGH Namibian Sea Products' (Namsea's) sales more than doubled in 1991 over 1990, attributable profit was only slightly higher.

This resulted from expenses from the purchase of processing rights and from acquiring Sarusas Development Corporation.

In its year to December 1991, sales increased to R39,8m in 1991 from R17,1m in 1990. Operating income fell by 25% to R2,6m from R3,5m in 1990. Income from investments fell to R1m from R1,13m.

Income from associate companies rose to R823 000 from R284 000. Net income before extraordinary items fell to R2,5m from R3m. An extraordinary item of R76 000 represented payment on the adjustment of participation rights.

Attributable earnings were 4,8% higher at R2,4m, but earnings a share were diluted by an increase to 5,3-million from 4,2-million in the number of shares on which earnings were based.

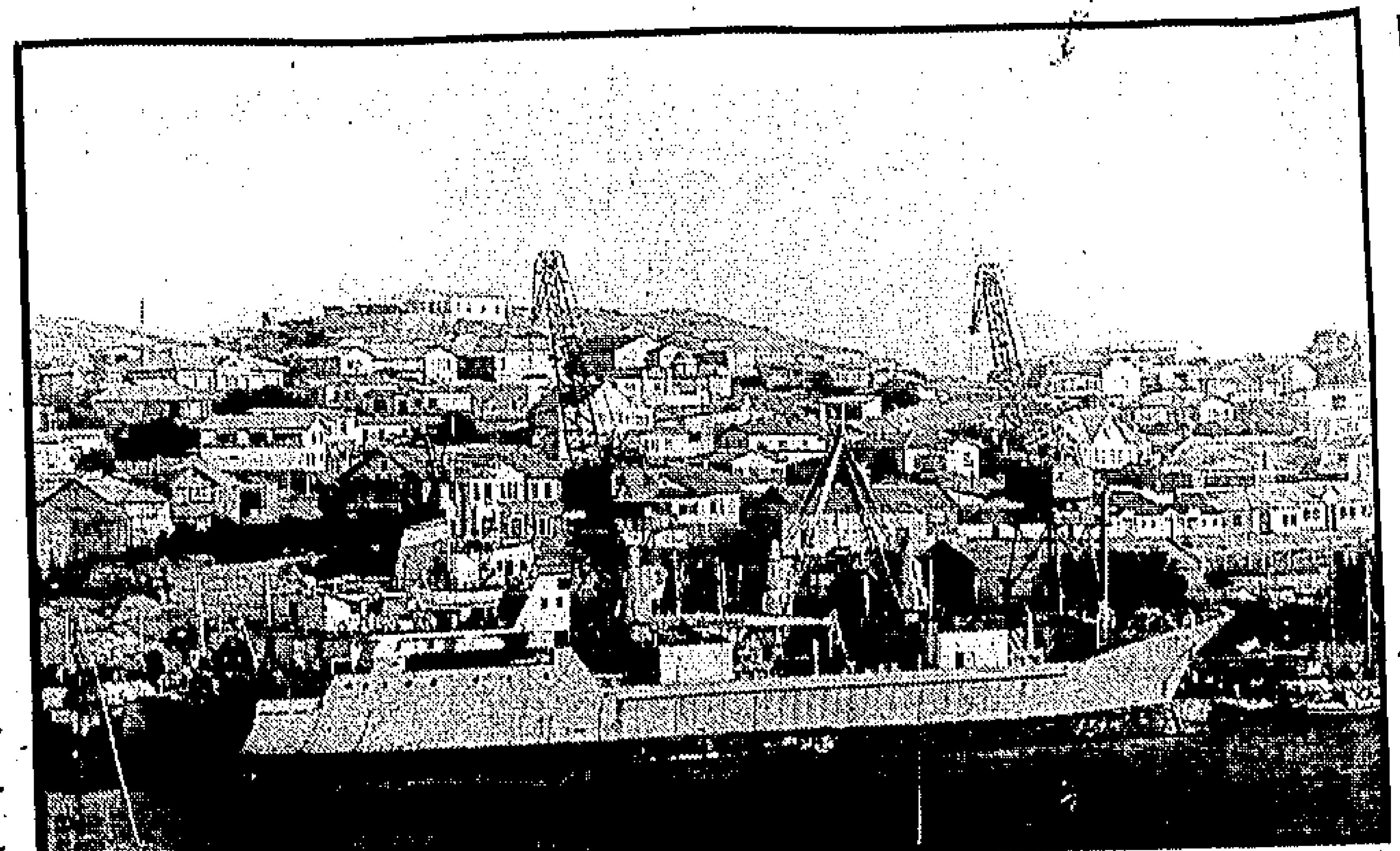
Earnings a share before extraordinary items fell to 46,2c from 67c a share in 1990. A final dividend of 10c a share was declared.

...nday, March 30 1992

(221A) B/Day 30/3/92.

...s Day ...VEY

...euphoria of independence — ...e spurt of economic growth that ...mpanied it — recede, pressures ...the Namibian government mount. It ...being squeezed by a stagnant ...onomy and an impatient and ...owing urban populace. Moreover, ...mpetition for investment in southern ...rica is becoming increasingly ...ugh. PATRICK BULGER reports.



Luderitz, HQ of the new fishing industry.

...Lonrho in 10 000ha Caprivi sugar deal

...ULTINATIONAL trader Lonrho has presented the ...amibian government with an ambitious proposal to ...art a 10 000ha sugar agri-business in the Caprivi ...egion of Namibia.

"If accepted, the project could provide a much-...eeded boost to the fortunes of the area which had a ...entral role during the war but which has been largely ...orgotten ever since," says Lonrho Windhoek repre-...entative Bob Meiring.

Lonrho would follow its customary strategy of ...roviding salaried employment in the area and then ...ading products into the newly-established market.

Meiring says sugar is a hardy crop and easy to ...row. It customarily forms one of the five most ...xpensive imports of developing countries.

A project analysis has been handed to government ...nd Lonrho is now waiting for the go-ahead. "The ...overnment will be looking at the economic viability ...f the project as well as the environmental impact on ...he region," says Meiring.

A sugar nursery was established in Namibia in 1990. ...the following year, a trial plantation was set up in ...he Caprivi and a feasibility study should be complet-...d by February next year.

Lonrho envisages producing 60 000 tons of sugar ...rom 10 000ha of land. The project will be labour ...ntensive and use simple technology.

"Under the South African economic umbrella, ...amibia was just another market for SA producers. ...ow it is a net importer of sugar.

"We saw the potential, moved in after indepen-...ence, established an office, started an investigation ...survey the available water and undertook market ...urveys.

"We expect to be able to supply Namibia's entire ...ugar needs," says Meiring.

'Go fishing', developers told

FISHING has the potential to be worth about R3bn a year to the Namibian economy. The annual value of the foreign deep sea catch alone is about R1,5bn.

For many of tpeople, fishing represents an opportunity to get out of the present economic malaise.

At present the fishing industry earns Namibia R50m a year and accounts for 5% to the country's exports.

Namibia has introduced a 200-mile fishing limit in an attempt to reduce illegal offshore fishing which has severly depleted the fishing stock.

Increased

This and other measures increased the industry's share of the GDP threefold, from 2% in 1989 to 6% today.

The government has embarked on a policy of entering into partnerships with foreign fishing companies.

Prime Minister Hage Geingob says: "We intend to provide incentives to develop a Namibian fishing industry. Although income may be small during the years of investment and development, the eventual benefits will be enormous."

An example of the sort of joint venture the government has in mind is a partnership entered into with Pescanova Fishing Industries of Namibia. The company last year invested R85m in the construction of a fish processing factory at the southern Atlantic Namibian port of Luderitz.

The factory can process about 21 000 tons of fish and expects to export R65m worth this year and R100m in 1993.

The Namibian government's White Paper on the fishing industry was released at the end of last year and provides some pointers as to how the government intends to go.

In particular, it targets Luderitz and not Walvis Bay as the headquarters of the new fishing industry.

Govt will take stake in diamond mining

CONSOLIDATED Diamond Mines — a wholly-owned subsidiary of De Beers Centenary — will begin negotiations with the Namibian government later this year to form a joint controlling company to exploit the country's diamond resources.

"The Namibian government has indicated it will start negotiations in the course of the year," CDM corporate communications manager Clive Cowley says.

An agreement along the lines of that between De Beers and the government of Botswana is likely.

Diamond sales account for about 7% of State revenue in Namibia.

With onshore diamond mining likely to be exhausted by the end of the century, CDM is turning its attention increasingly to offshore and deep sea mining and it is in this sector that Namibia is looking to diamonds to continue to play the important role they have played in the economy in the past.

Economic change in an era of new realities

NOTHING, it seems, comes eaily to Namibia — and that situation is unlikely to change.

Economic development of the region will only come as the result of hard work, as Namibia has missed out on the era of handouts to Africa by countries from the East and West alike.

It took the territory's people the best part of a century to wrest control of their destiny from South Africa.

The relief that greeted the end of three decades of a war that threatened at times to inflict irreversible damage on the southern African subregion was palpable.

Much has changed both regionally and internationally since that nostalgia-laced occasion when the Namibian flag was hoisted into the night to replace the orange, white and blue of SA.

To list the changes: the Soviet Union, the principal backers of the ruling South West Africa People's Organisation (Swapo) during the war of independence, is no more. Namibia has been denied the luxury — relished by other newly-independent African states — of playing one superpower off against the other. In fact, Namibia's birth was a direct product of an emerging New World Order that places respect for human rights and feasible economic policies above the regional extension of Cold War power bases.

Promise

Change in southern Africa has brought about new realities in the region. Gone is the era when African governments could moralise about apartheid SA as the price they paid for increased aid.

Multi-party talks in SA promise to deliver a government not wholly dictated to by the ANC. A ceasefire in Angola and peace talks in Mozambique — both countries potentially richer than Namibia — have relegated the country to a modest regional role.

Namibia will increasingly have to position itself as an investment prospect that offers a stable political and economic climate.

The country's inherent strengths are: a superior infrastructure, a small population in a huge land area, proximity and therefore access to SA expertise and skills, a healthy agricultural sector, natural resources in the form of fish and minerals and a government committed to national reconciliation.

That same government, however, looms as a potential weakness. The demand for housing, education, jobs and schools is acute and likely to become more so in the forseeable future.

Government has the unenviable task of steering a course between keeping its voters happy and satisfying the demands of investors.

"The biggest fear in Namibia is of watching the planes pass overhead from Johannesburg to Luanda," says one local businessman.

According to an SA diplomat, the Namibian government has been told in no uncertain terms that European investment will be available to Namibia only if the country maintains its infrastructure and positions itself within the southern African sub-region as a complementary component of the regional economy.

Member

Namibia is at present a member of the Southern African Development Co-Ordinating Conference which was set up to reduce dependence on SA. It is responsible for the fisheries industry with the SADCC.

It is also a member of the Commonwealth and of the Southern African Customs Union and of the Preferential Trade Area (PTA).

Much of the country's future regional positioning will depend on whether it follows a growth path based on manufacturing or on trade. Whatever the case, Namibia is likely to find itself firmly within its neighbour SA's orbit and influence for some time to come.

Refusing US route pays off for Air Namibia

AIR Namibia's decision not to introduce flights to Australia and the US has paid off. The airline will now expand its service to Europe, says MD Keith Petch.

He says Air Namibia did examine flights to those two countries, but indications that South African Airways would be regaining its US and Australia routes caused him to hold back.

"We considered flying there but only if the situation in South Africa remained the same," Petch says.

"We did not want to incur huge costs only to find SAA regaining its flights. If we had flown to the States we would be in big trouble now," says Petch.

Profit

As a result, Air Namibia — a 100% government-owned business unit within TransNamib (Namibia's equivalent of Transnet) — posted a modest profit last year. The airline is now poised to increase its European service.

Two flights a week to Frankfurt will now be supplemented by a joint venture with Lufthansa — although Petch would not confirm whether the German service is involved — to increase the frequency of flights to Frankfurt.

Later this year, Air Namibia will begin flights to a second European destination, London.

Lufthansa is to take up its reciprocal landing rights and fly into Windhoek, which will mean two international carriers in Namibia — Lufthansa and the French carrier UTA.

On its international routes Air Namibia operates a Boeing 747SP on lease from SAA. The airline recently signed a two-year extension for the jet.

Last year, Air Namibia bought a Boeing 737 from the US and this is used on regional routes. Domestic routes are serviced by three Beechcraft 1900C turbo-prop jets.

Election...

RECONCILIATION a... mative action are the... government's twin att... resolving its dilemma... ing white skills while... satisfy election promi... to the black majority.

As the euphoria of... dence — and the spu... nomic growth that acc... it — recede, the pre... 'Namibianisation' gro... back of a stagnant eco... an impatient and grow... populace.

Two years into ind... reconciliation is bein... by pressure from bl... bians impatient at... progress into the upp... of the economy.

Although whites ha... sured of their public... uncertainty with go... ability to continue t... undertaking mounts.... starting to doubt t... ment's ability: black... ity.

"There is a lot of... in Namibia," says an... can diplomat. "Too m... sis has been placed o... black reconciliation...

Speaking in the Na... islature, the Nationa... an Opposition mem... affirmative action...

Discover Namibia – the land of wide open spaces.

Desert Rose T...
9 DAYS FULLY INCLUSIVE NAMIBIA TOUR FROM R2 999PP
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Namibia B/Day 30/3/92. (221A)

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day complained.

As blacks complain that jobs for whites rob them of employment, others complain government has difficulty in separating its interests from those of Swapo. There is growing dissatisfaction from an estimated 40 000 former fighters of Swapo's armed wing, the People's Liberation Army of Namibia.

Fewer than 3 000 of them have been integrated into development brigades and many have little else to do but sit around on Windhoek street corners waiting for piece work or turning to crime. They were promised jobs, houses and education, but government simply does not have the money.

White jobs are coming under increasing pressure from a government wanting employers to 'Namibianise' and employ locals. It is becoming more difficult to obtain work permits for non-nationals.

Yet in spite of the pressure and the resentments, relations between black and white Namibians remain good. Government still enjoys the broad support and the confidence of the bulk of the electorate.

But putting white interests on a head-on collision with those of blacks has not helped.

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Operators presents
GIA TOURISM
OSE 1992

Low investment could mean zero growth — analysts

ECONOMIC growth in Namibia will be non-existent over the next 12 to 18 months unless there is substantial foreign investment, economic analysts in the country have warned.

Competition for foreign investment in southern Africa is becoming increasingly tough.

A report from the Namibia Chamber of Commerce and Industry says: 'The attraction of foreign investment is entering a very competitive phase with the normalisation of South Africa, the ending of Botswana's diamond boom and the reconstruction of Angola and Mozambique.

'Namibia is particularly mindful of this situation and will certainly have to look to its laurels if this country is to be seen as a viable investment alternative.

'Suggestions to enhance our attractiveness have revolved around targeted tax relief and the wide declaration of export processing zones along the lines of the Mauritius experience, whereby both generous tax relief and freedom from the more onerous aspects of our labour laws would be available to local and foreign investors within these zones.'

'Namibia has a flexible foreign investment code which stipulates that there will generally be no discrimination between the treatment of foreigners and Namibians.

Reservations

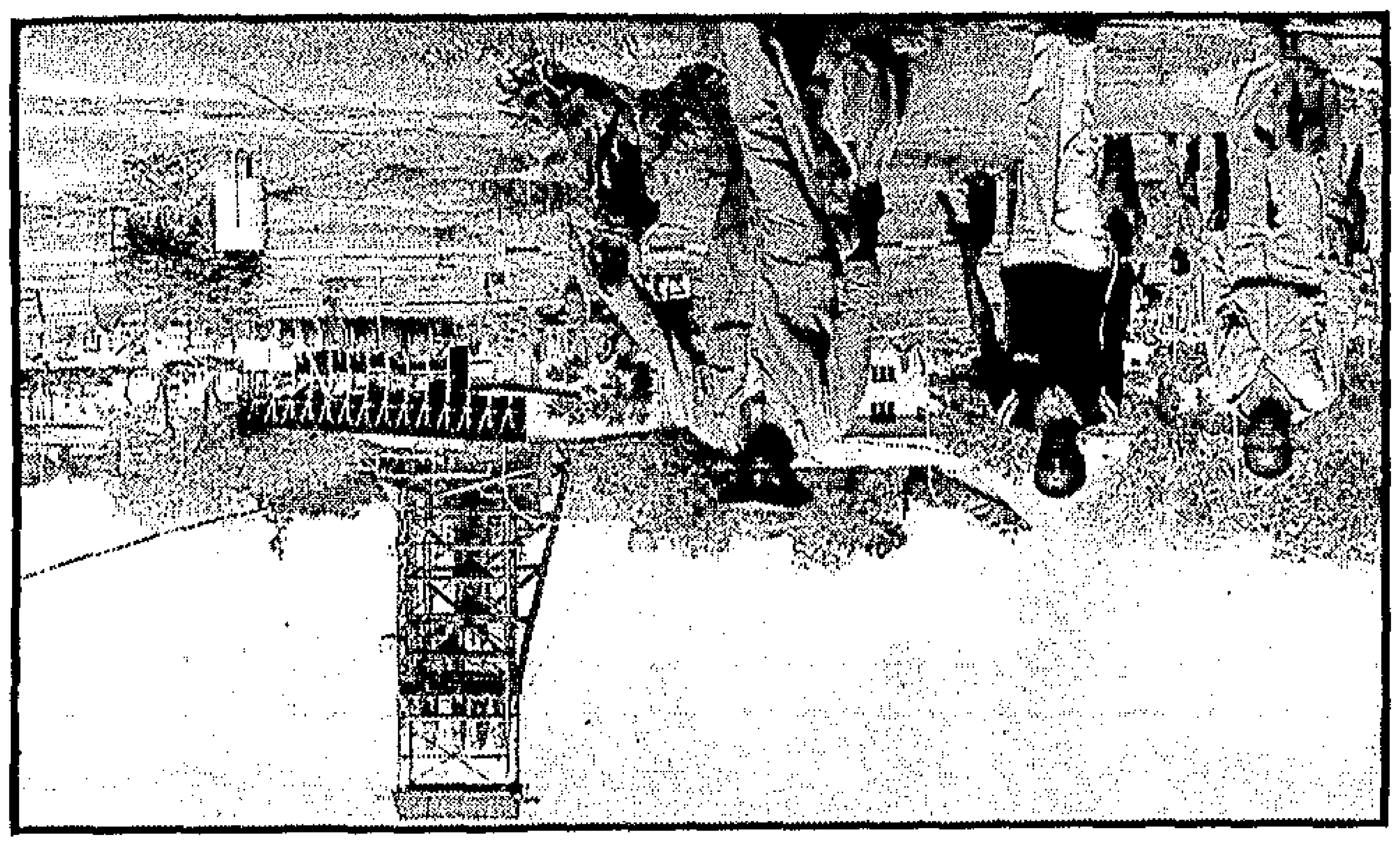
'There will not be any compulsory government participation in any investment, although there are certain reservations relating to the exploitation of natural resources and the production of goods and services already well provided by Namibians. Assurances are available regarding access to foreign currency and any threat of nationalisation.'

A survey compiled by Deloitte Pim Goldby concludes that incentives are not necessary for investors as long as tax rates can be reduced overall.

The survey finds that affirmative action ranks highest as a disincentive to investing in Namibia. High tax is the second greatest disincentive followed by: uncertainties surrounding expatriate work permits, the low productivity of labour, land reform, lack of incentives, labour law, the small local market and government mining policy.

Other disincentives are listed as: skills shortages, the crime rate, corruption, political naivete, government spending and intervention in the economy and exposure to competition from SA.

On the other hand, the survey finds the incentives to be: the democratic environment and the constitution, investment allowances for taxation, security of tenure offered by the Foreign Investment Act, the First World infrastructure, access to African markets to the north and the availability of sophisticated tertiary services.



Miners return home after a shift at Tsumeb.

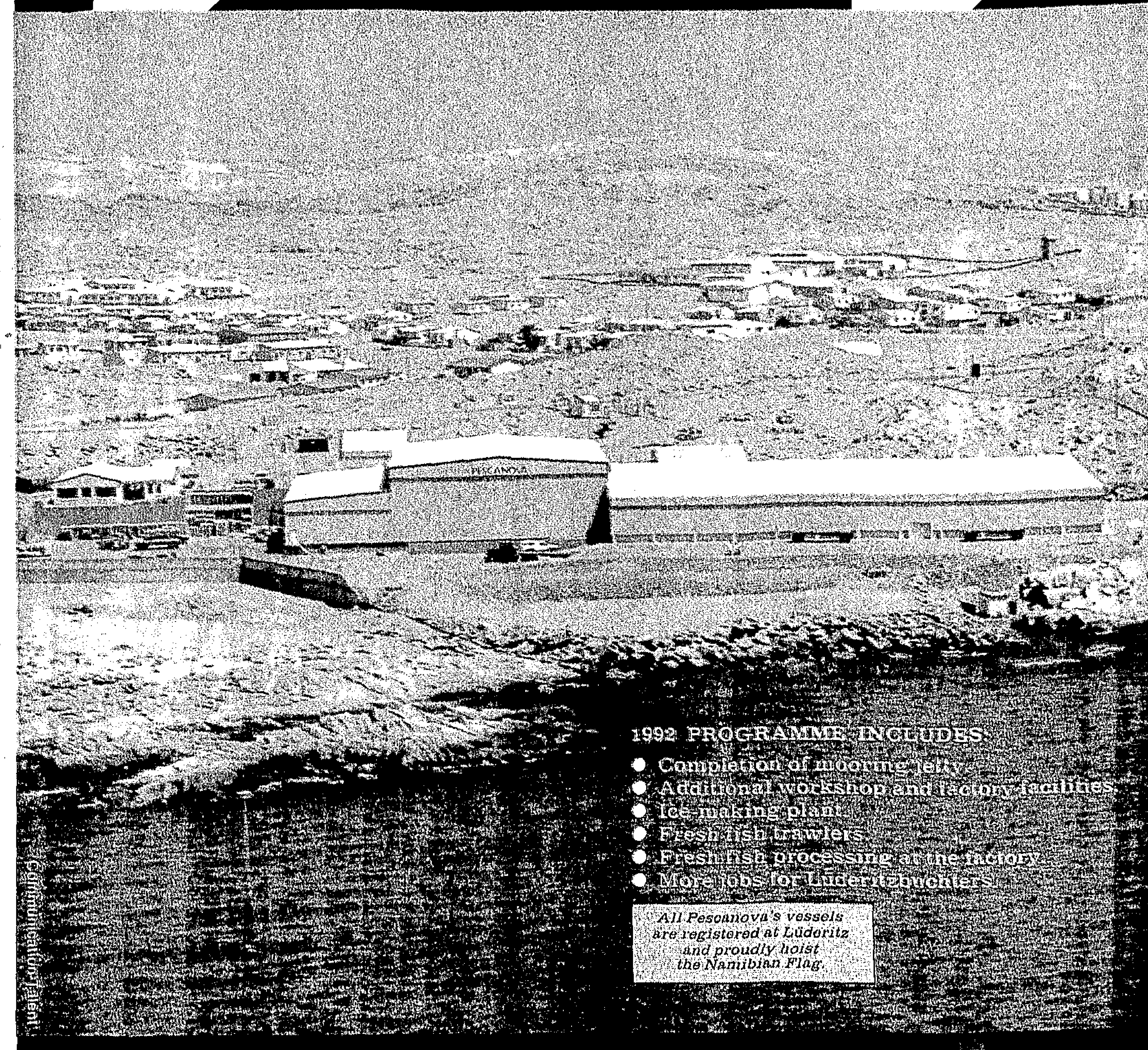
Drastic cutbacks saved the uranium industry

ONLY drastic action stabi-

Rossing hoped that inde-

Rossing is controlled in

THE FRONTRUNNER OF
NAMIBIA'S FISHING INDUSTRY
ENTERS IT S SECOND PHASE



1992 PROGRAMME INCLUDES:
- Completion of mooring jetty
- Additional workshop and factory facilities
- Ice-making plant
- Fresh fish trawlers
- Fresh fish processing at the factory
- More jobs for Lüderitzbuchters

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Pescanova Fishing Industry of Namibia (Pty) Ltd.
Skeleton Coast Trawling (Pty) Ltd.

Factory: Lüderitz (Namibia)
Representative Bureau Windhoek (Namibia)

B/Day 30/3/92. (221A)

industry in Namibia, says Rossing Uranium MD Jonathan Leslie.

This included retrenching 750 workers and cutting production of uranium oxide ore from about 5 000 short tons to about 2 500 short tons — enough to service Rossing's long term contracts.

The mine is operating at 50% capacity. Instead of producing 24 hours a day, seven days a week, the mine is now operating only five days a week. The cutbacks will be enforced for three years.

Leslie says Rossing has stopped selling its uranium on the spot market on the back of a price drop from US$40/lb in 1980 to $8/lb today. The spot price is about 30% lower than Rossing's production price.

Although Rossing — which mines at Arandis, 40km from the Atlantic coast town of Swakopmund — is no longer the biggest uranium producer, it remains an important world source.

world markets would boost the mine and therefore the economy, but because of sanctions, independent Namibia entered the world market virtually as a new supplier and in the two years since then there has been little opportunity to secure new markets.

Confident

While the short term prospects of the mine remain poor, Rossing is confident of its long term position.

A 5 200 ton sales contract with Total Campaigne Miniere for onward sale to Electricite de France, will come into operation in 1995.

In 1989 Rossing's sales accounted for 26% of total Namibian merchandise exports and 10,7% of total GDP.

The mine remains a substantial contributor towards government revenues and is responsible for about 10% of total locally-generated tax revenues.

Like other mining ventures in the new country, government. The government holds 3,4% of the equity, which entitles it to 50,04% of voting rights.

● Namibia's mining sector accounts for 80% of export revenues, 29% of GDP and 30% of tax revenue. The industry employs 13 000 people.

A recent Chamber of Industry Review says: "There are many mineral districts unexplored and much opportunity for foreign investors lies in providing capital and expertise and further exploration, although we are only too well aware that international competition is intense.

☐ Namibia's mining sector accounts for 80% of export revenues, 29% of GDP and 30% of tax revenue. The industry employs 13 000 people.

"The government has come to the chilling conclusion that minerals no longer provide a sound base for economic growth and that there must be a planned and strategic shift to other sectors."

Costly public sector

GOVERNMENT spending is a major brake on the Namibian economy, says Chamber of Commerce president Don Russell.

"It accounts for 51% of the GDP and this is unsustainable," Russell says.

Thirty percent of the 200 000 people employed in the formal sector work in the public service and the constitution guarantees their jobs.

The annual growth of GDP, standing at R6bn, has been steadily declining from 3% in 1987 to an estimated zero in 1990 and 1991. Current expenditure is R2,6bn, with capital expenditure budgeted at R500m, compared with R260m in 1990.

The budget deficit before borrowings of R314m is 5,8% of the GDP and has arisen through spending on new departments and functions, restructuring of the public sector and pressures for public sector employment and social services.

Hands-off approach to white farmers

WHILE white farmers in other southern African countries have come under pressure from debt and calls to relinquish their land, Namibia's white farmers are in a far stronger position.

Namibia Agricultural Union (NAU) president Andries Mouton says less than 12 farmers sold out and left at independence.

"Government, in the knowledge that farming as an employer and as an export earner remains one of Namibia's most important economic activities, has followed a hands-off approach to us," says Mouton.

Threat

"There is always the threat of nationalisation and that is directly related to the balance of political power," Mouton says. "But as long as the farms remain productive, farmland will be considered untouchable."

A Land Reform Conference has set up a technical committee which is looking at indentifying unproductive land and to introducing a land tax. Farmers own 44% of the land area by title deed, 15% is desert or parks and 44% is communally owned.

Namibia's 4 100 farmers account for about 10% of the GNP and employ 16% of the country's workforce. This should improve, although agriculture will never provide more than 30% of the GNP, says Mouton.

New markets

However, independence has opened new markets to Namibia.

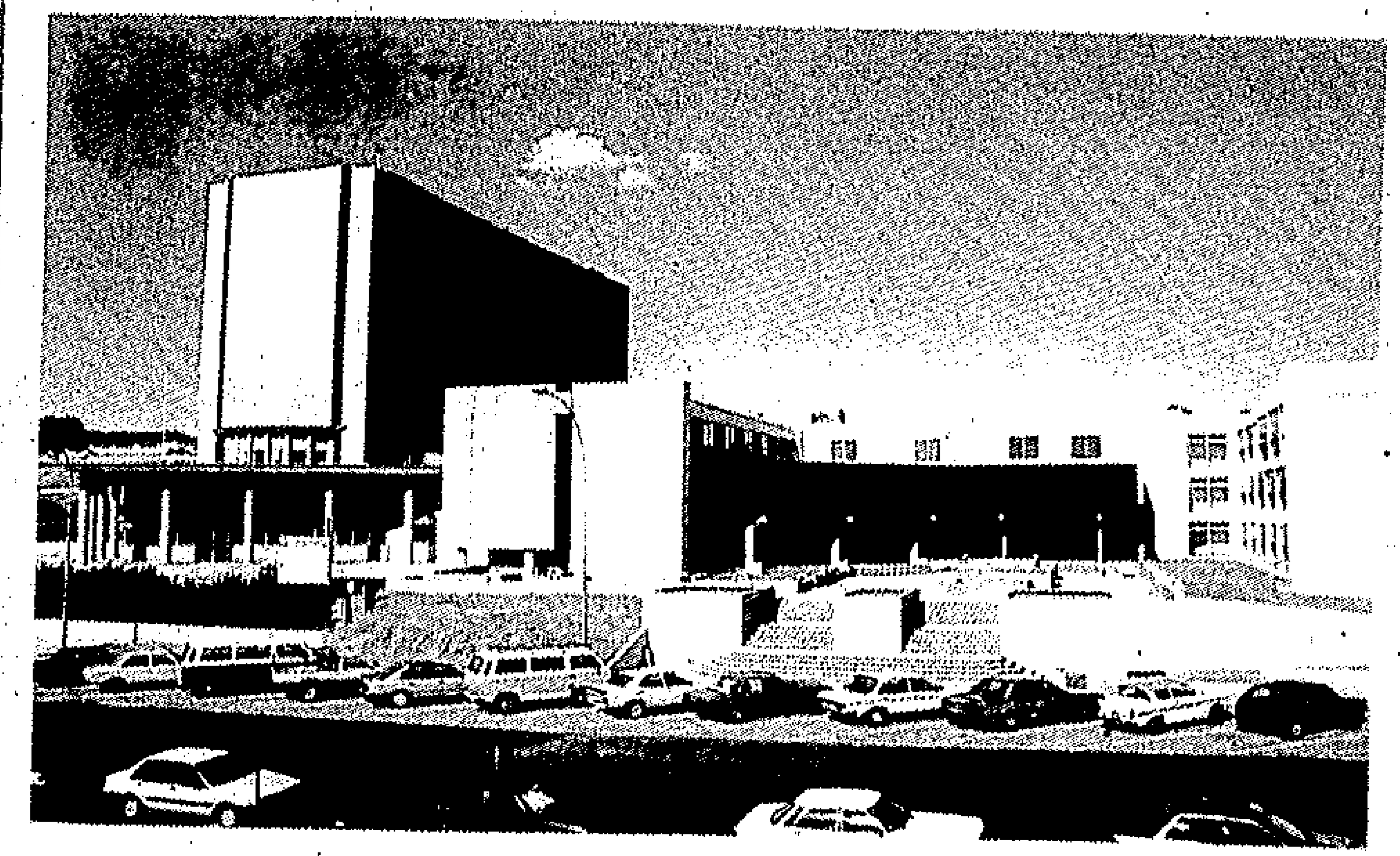
The country exports 80% of its beef production and has been given a beef quota of 60 000 tons over the next five years in terms of the Lome agreement. About 12 000 tons will be exported each year.

However, Namibia's international competitiveness will not be able to surpass that of major producers like Australia, so South Africa remains Namibia's best export market.

The prices of maize, wheat and sunflowers are determined by what it would cost to import these products and are likely to show modest increases this year. Drought conditions mean maize will have to be imported.

CITY OF WINDHOEK

SUUM CUIQUE — CITY OF WINDHOEK



The municipality, as a third tier government, endeavours to satisfy those needs of the community which fall within the framework of what it is empowered to do by law.

The aim of the municipality is to provide a balanced infrastructure, commercial and community services within its area of jurisdiction to the community as a whole in order to ensure orderly development. In this process resources such as capital, manpower and equipment are utilised to ensure the optimum benefit.

The primary responsibility of the municipality is towards its ratepayers, its consumers and the residents of the city. Provision is also made within its means and capacity for other interested groups such as potential investors and tourists.

Technology is being used efficiently and selectively within all its functions.

The fundamental values of the municipality are:

— Service to the community as justification for its existence.
— Professional and responsible management in accordance with sound business principles.
— Human resources are the main asset.

In the establishment of an effective personnel corps recognition is given for individual achievement. Teamwork is encouraged and opportunities are created for the training and development of employees.

The municipality strives, through the rendering of service, to create a public image of a dynamic, reliable and dedicated organisation of which the community can be proud.

CITY COUNCIL OF WINDHOEK
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▲ MPA 993

BUSINESS

Lloyd's denies liquidity crisis claim

WILLIAM GILFILLAN

LLOYD'S of London has rejected assertions made by Standard & Poor's Corporation (S & P) that the insurance market may face a liquidity crisis.

Lloyd's said in a statement its total declared resources at end-December 1990 — the most recent date for which full figures were available — were just under £18bn, which was "at least £6,5bn in excess of all estimated future liabilities".

In discussing Lloyd's liquidity position S & P contrasted readily realisable assets, held in the premium trust funds, with the total projected liabilities to arrive at a negative balance of £1,2bn, Lloyd's said.

"These liabilities include substantial amounts which will not fall due for payment until the end of this century and, in many cases, into the next century."

The group claims that in the calculation of claims reserves, S & P made no allowance for discounting.

"It is false to infer that Lloyd's might face a liquidity crisis by comparing total liabilities stretching many years into the future with the cash immediately available," the insurer said.

Names' funds at Lloyd's at the end of 1990 were sufficient to cover the £1,2bn negative balance, the insurer added. And, at £4,7bn, Names' funds were now higher than at the end of 1990 which reflected the strengthening of Lloyd's deposit requirements.

Deputy chairman and CE Alan Lord said Lloyd's was free of debt and had more than adequate lines of credit.

Nashua has a new number.

313-4000

From Monday March 30th, 1992, Nashua will be changing our Head Office phone number to 313-4000.

But we won't be changing our tune.

Nashua will always save you time, save you money and put you first.

NASHUA

SAVING YOU TIME. SAVING YOU MONEY. PUTTING YOU FIRST.

203196

Investors warn of risks in futu

B/Day 30/3/92

MATTHEW C

PRIVATE investors risk financial suicide if they dabble in SA's futures market through a third party, says Investor's Guide publisher Taco Kuiper.

Kuiper says that is the only conclusion he can draw after entrusting a R100 000 investment to the now defunct Greenwich Futures and Options. He claims in mid-1991, his discretionary account was poorly and improperly managed by the firm.

However, the SA Futures Exchange (Safex) has investigated Kuiper's allegations and has found that unless Kuiper can submit more information to substantiate his claims, there are no grounds for finding Greenwich acted improperly.

And futures market sources said at the weekend discretionary accounts were a rarity in SA. Futures were traded on principal basis — where clients are consulted on every deal — or as part of a wider investment portfolio.

In the latest edition of the guide, Kuiper said: "A watertight agreement existed between Greenwich and the Investors Guide. Managing the account was in terms of a discretionary mandate, therefore, trading was to be done on an agency basis."

He said between May 24 and July 20 not only was his R100 000 investment whittled down to R34 000, but Greenwich earned R12 600 on commission on 42 deals in managing the account, plus "thousands more" by doing deals on a principal basis as well.

Kuiper said he discovered this after his position was closed and asked Safex to investigate the matter.

But Safex assistant
said yesterday the exc
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Birley said.

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Tax burden shifts to indiv

30/3/92

GILLIAN HAY

IN the past 15 years SA's tax burden has shifted squarely onto the shoulders of individual taxpayers.

In the 1992 tax year they funded more than 70% of the country's revenue, compared with 25,5% in the 1977 tax year.

Speaking at a Budget and Tax Review, BDO Spencer Steward tax partner Mathew Lester said the recession and rising unemployment would soon make it impossible for individuals to meet government's demands.

In terms of the latest Budget, taxpayers would have to pay personal tax of R35,511bn and VAT of R21,020bn to finance the bulk of the country's expenses.

Within the same 15-year period, companies and mines saw their tax contribution fall from 28,8% to 17% of the total Budget.

Seen in this light the concessions given to reduce the effects of fiscal drag for lower to middle income earners were mea-

gre indeed.

Lester said although th
drag were not felt in the s
10-year period they were

For example, the pre-t
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would have increased by 4
were getting poorer, Lest

He said if taxpayers
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The current year's B
R100bn for the first time,
8,9% on 1992. Lester sai
aspect was that taxes wo
R12bn or 16,4% while the B
increased by R8,7bn or 8,

If you're TENDERING
...ORDER

HE WEEK AHEAD by Simon Willson

JS data will mould prospects for dollar

8 / Day 30/3/92

ORT-TERM prospects for both the lar and the US presidential election cess could be moulded by the athe of US economic statistics due emerge this week. After last week's rage of domestic figures, there are ikely to be many fresh factors to nulate trading in local markets.

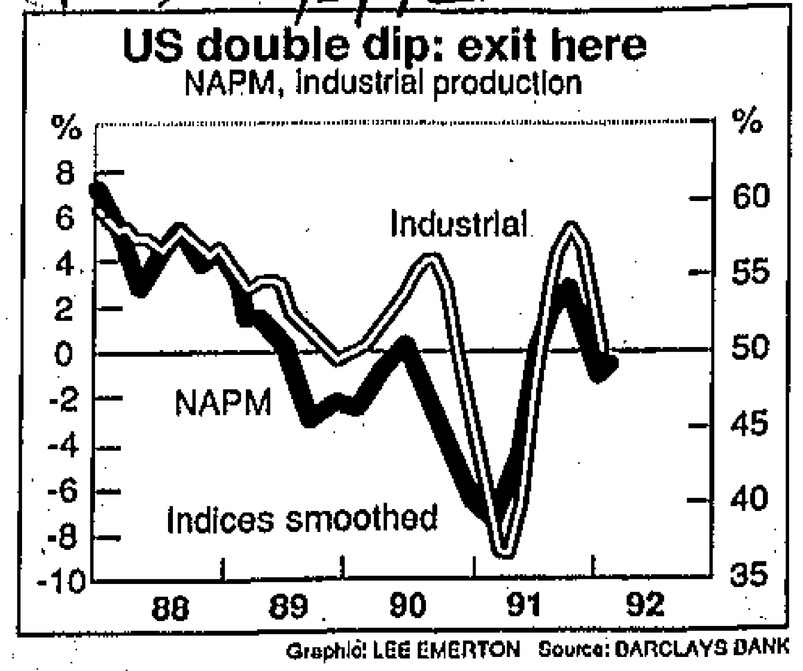
s the dollar makes more heavy wea- of breaching DM1,70 and as the race the Democratic Party's presidential nination again looks close-fought inst an incumbent president flagging in polls, US economic variables assume a ner profile.

f the stop-start dollar rally is to receive new impetus, it will have to come from week's US economic figures. If the te House or the Democratic opposition grasp the initiative in the presidential maries, they will need to seize on a new identifiable trend in the US economy could surface in this week's numbers. week with at least five market- ving US economic releases is a rarity; these five figures to spring on an expec- market desperate for new informa- at a time of acute political and eco- nic volatility is even more unusual.

side from further Reserve Bank inter- tion in the financial rand market, there ttle scheduled in the local markets that can match the events timetabled for the American markets this week.

After a flurry of favourable US econom- ic trends that took the dollar briefly above DM1,68 two weeks ago, the US unit's ad- vance has stalled as the signals from the economy have begun to equivocate on the strength of any nascent recovery. Last week's below-expectations durable goods data for February cast new doubt on short- term economic prospects and hauled the dollar down towards the DM1,65 level.

Tomorrow's index of leading indicators release for February will be markets' first opportunity for a second opinion on the downbeat durable goods outturn. Leading indicators showed their biggest increase in six months in rising 0,9% in January. After falls of 0,2% in November and December, January's uptick came just in time to fore- stall a strong recession signal: three con- secutive monthly declines in the leading indicators are usually taken to herald, with a lead time of about nine months, an eco- nomic downturn. Another rise in the index tomorrow could do a lot to banish further thoughts of a double-dip recession in the US, and therefore be a potent prop to both the dollar and President George Bush's re- election hopes.



Graphic: LEE EMERTON Source: BARCLAYS BANK

The index of US consumer confidence for March, also due tomorrow, is at such a low ebb that it too is overdue an upturn and should reinforce any improvement in the leading indicators. Consumer confidence crashed in February to its lowest level since December 1974, but electioneering policymakers have since made more bull- ish statements about the future. This, with the abnormally low base, could see March confidence levels rise.

Wednesday's publication of the March survey of the National Association of Pur- chasing Management (NAPM) could easily complete an optimistic 1-2-3 for the US economy. The NAPM survey showed its biggest rise for eight months in February.

As the chart shows, there is an apprecia- ble match-up between the NAPM and US industrial production in which the NAPM has led production through the last reces- sion. The uptick in the NAPM, particularly if followed by another on Wednesday, points to a sympathetic rise in industrial production and a parallel boost to employ- ment and personal income. This also sig- nals the end of double-dip recession fears.

The fourth sensitive US economic re- lease this week is February factory orders, due out on Thursday. This has been a much more volatile variable than the others of late, and markets are braced for another poor figure following last week's bad show- ing in the February durable goods.

The week's final important US indicator is the March employment report, out on Friday. The overall unemployment rate rose to 7,3% in February — its highest level since July 1985 — but data in the jobless breakdown were strong enough to suggest that a turnaround could be near. Even if the overall rate is unchanged, there could be further rises in the length of the average working week and non-agricul- tural recruitment to complete what should be a favourable week for the US economy, the dollar, and the White House.

Dow Jones falls on 'error'

EW YORK — Wall Street powerhouse Salomon Bros , disgraced last summer in a US Treasury bond scan- , is immersed in a new controversy over a stock trade t sent the whole market lower.

Traders on the New York Stock Exchange blamed last- nute computer-driven programme selling for erasing healthy 15-point gain in the Dow Jones industrial erage on Wednesday.

This left the closely watched indicator with a total loss 1,57 points for the day.

Only later did it emerge that the programme trading s a huge sell order accidentally sent to the market by lomon.

In a statement, Salomon said that it "made an error" in ecuting a customer's programme order.

Salomon spokesman Robert Baker said a clerk work- on a computer screen inserted a share amount in- ad of a dollar total when executing a trade.

Sources said Salomon issued a programme sell order 11-million shares instead of $11m. The value of the der was believed to have been several hundred million llars.

Baker said the mistake was caught before the order s completed but "a lot of it went through".

In a bid to calm the market over any big buy order to verse the mistake, Salomon said it would be acting rough market transactions over the next few days".

News of the mistaken sell order sent stocks higher on ursday, with the Dow industrials up about eight points. Sapa-Reuter.

MONEY MARKETS by Sheridan Connolly

Expected Bank rate cut had little effect

8 / Day 30/3/92

THE Bank rate cut had little effect on the local money market last week as the market had already discounted for a cut in excess of the 1% drop announced by Reserve Bank Gover- nor Chris Stals.

Meanwhile, strong liquidity contin- ued to exert downward pressure on rates and the three-month BA rate dropped a further 30 points last week to 15,50% compared with 15,80% at the beginning of the week. This is the lowest level since February 1989.

The Reserve Bank's weekly Trea- sury Bill (TB) tender continued to reflect good demand for quality as- sets. The Bank again issued a tripli- cate tender with the R200m issue spread over three, six, and nine months.

All three issues were well sub- scribed — the Bank received R917,6m for its R100m three-month Bills on offer at an average rate of 15,0% while the six- and nine-month tenders received R454m and R350m at an average rate of 14,7% and 14,2% respectively.

Last week's six- and nine-month tenders were not as well subscribed as they were the previous week when players were still expecting a Bank rate cut. With the 1% drop in Bank rate to 16% from 17%, players should stay short until expectations for a further dip in Bank rate develop.

Solid demand for the three-month TB last week and weaker demand for the other two maturities reflected the hunt for short-term paper. The three- month TB rate also continued its downward slide to 15% at the end of last week from a previous 15,48%.

Capital market rates took a breather last week to recover from the effects of the referendum, the Budget and the Bank rate cut which boosted the market sharply. Rate moved sideways in a lethargic mar- ket. The post-referendum increase in foreign buying did not hold last week and lower foreign interest capped bullish sentiment.

Capital market rates largely ig- nored the spate of economic indica- tors released last week. Consumer inflation, producer inflation, money supply and trade figures all showed positive developments and boosted hopes for a sooner-than-expected up- turn in the business cycle. But capital market rates were not much affected by the bullish sentiment.

At the end of the week, the bench- mark Eskom 168 had hardened to levels around 16,12% from a previous 16,10%. The government long-stock RSA 150 was also higher at 16,35% from 16,30%.

The Reserve Bank continued with its battle against strong liquidity lev- els and issued two special TB tenders in an effort to drain the market. At the end of the week the money mar- ket shortage was higher at R1,09bn from a previous R843m.

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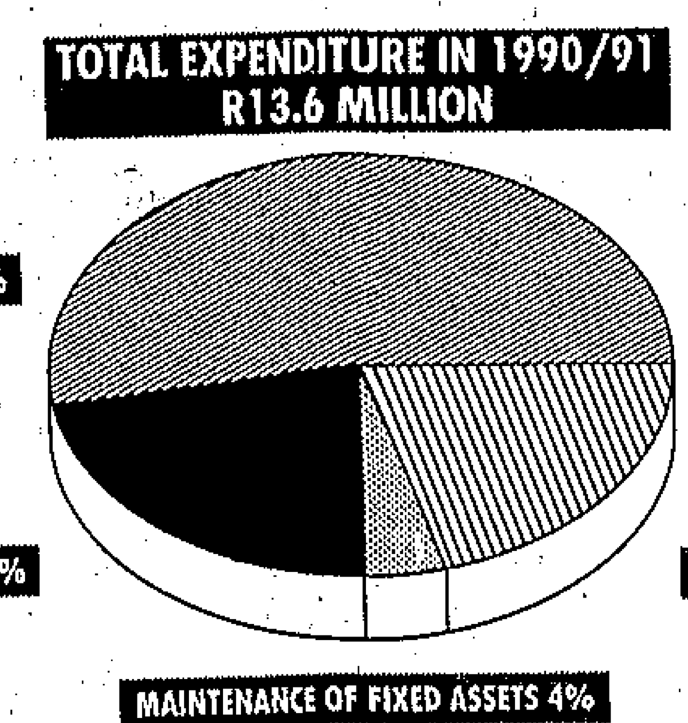
The rising incidence of cancer is a factor affecting business. Even if your employee is not the victim, cancer of a relative or someone close to an employee can cause disruption or loss in productivity.

With funds emanating primarily from individuals, The National Cancer Association has contributed to a dramatic increase in survival rates from 1 in 10 in the early 1900's to 1 in 2 at present.

BUT PREVENTION IS BETTER THAN CURE

Education is our most powerful defence against cancer. We inform both the public and medical profession about the primary causes of cancer and provide guide- lines for a healthy lifestyle that will dramatically reduce the risk of getting cancer.



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Enquiries or contribution should be directe to your nearest NCA offic or to The National Cance Association of South Afric P.O. Box 2000, Johannesbu 2000.

HELP US BEAT CANCER BEFORE IT BEGINS

The National Cancer Association of South Africa

CANCER
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AUDITED GROUP
RESULTS FOR THE

Wildlife to be killed for hungry Namibians

WINDHOEK — President Sam Nujoma said yesterday the drought-stricken nation would soon start killing wildlife to provide meat for hungry Namibians. (221A)

"All natural resources must be utilised to provide food for the needy," Nujoma told a news conference.

The president did not say which animals would be slaughtered, but the most likely targets are antelope such as springbok and gemsbok. The animals are most heavily concentrated in northern Namibia's Etosha National Park. BDay 3/4/92

Nujoma appealed for international assistance and said: "I have no option but to declare an emergency situation." — Sapa.

FM 3/4/92 (221A)

NAMSEA/NAMFISH

More optimistic

FM 3/4/92

Since Namsea's takeover of competitor Sarusas, the organisational structure of this Namibian-based fishing enterprise has become even more complex. (221A)

Direct comparison of the profit for the year to December against the previous period is not realistic and, anyway, the previous accounting period covered 15 months.

The Sarusas takeover was necessary for many reasons (*Fox*, August 2). It involved Namsea issuing more shares, which diluted EPS. But the takeover was primarily motivated by the need to entrench quota rights. The buyer also acquired substantial assets and enlarged capital employed from R10m to R71,7m.

For the past few years, the use of these assets has been inhibited by the state of the Namibian fishing industry. The authorities there were obliged to protect the ravaged, rapidly diminishing resource. Their first step was to slash quotas of hake, pelagic fish and rock lobster.

These curbs, along with the unusually poor state of the lobster resource, depressed earnings capabilities of the Namibian fishing companies. The 1991 pilchard total allowable catch, at 60 000 t, was slightly lower than 1990's 62 500 t and the total Namsea quota was only 3 200 t, against 4 909 t in 1990.

With the Sarusas transaction and four pelagic newcomers introduced into associate company UFE, Namsea acquired the right to process an additional 7 200 t. Associate Seaflower Corp was allocated half the total allowable catch of 100 t of lobsters (1990: 1 200 t), all of which was landed in "a few days," says director Peter (Padda) Kuttel.

Two interesting points emerge from the Namsea income statement. Firstly, in the 1991 financial year, the operating margin declined from 20,5% to 6,7%. Secondly, after all extraneous income, tax, associated company income, extraordinary items and preference share dividends, net income was marginally higher than in 1990. But, because of the additional issued shares, EPS fell from 67c to 46,2c.

At operating level, the Namfish results also show a deterioration in margin, from 22,3% to 15,1%, though this is not as serious as that of big brother Namsea. Namfish's year-end remains December 31 and the issued shares are unchanged.

What did change, also as a result of the pelagic newcomers, was the allocation of participation rights. This resulted in a R1,6m adjustment (1990: negative R523 000) charged as an extraordinary item. Attributable earnings after extraordinary items rose from R1,7m to R3,1m.

Namfish has not been transformed. But it is inextricably linked with Namsea because of their cross-holdings in UFE and Seaflower Corp and by Namsea's effective 38,2% holding in Namfish. Namsea and Namfish have the same directors.

Because wholly owned Namsea subsidiary Sarusas holds 30,8% of UFE, Namsea and Namfish together control about 92% of UFE and 70% of Seaflower Corp. Namfish's only assets are its holdings in UFE, Seaflower Corp and some lesser subsidiaries.

Namfish has been almost wholly reliant on the performance of UFE, which cans fish and processes fishmeal and on Seaflower, which until recently has been the lobster catching and processing operation. Due to the poor lobster catches, it bought a 25% interest in Blue Sea Fishing, through which Seaflower has been awarded a hake quota — a significant development.

Good catches

Overall, Kuttel is enthusiastic about the state of the hake resource, its apparent strength and the way it is recovering from uncontrolled fishing by foreigners. Optimistic that hake quotas will be increased, he is re-activating the hake processing plant in Walvis Bay and building a new plant in Lüderitz.

Kuttel also enthuses about catches of non-quota species which, he says, are exceptionally good — and this includes anchovies. He believes the rock lobster resource is back to normal and there are signs that quota sizes will be increased next season.

Though 1991 was not a good year for earnings, optimism is growing that it could mark the end of many years of lean fishing in Namibian waters. In any event, 1992 will be an improvement. It could be a good time to invest for recovery. It is a toss-up whether to opt for Namsea or Namfish. *Gerald Hirshon*

Namibia will slaughter game for the hungry

221A

Sowetan 3/4/92

WINDHOEK - President Sam Nujoma said yesterday the drought-stricken nation would soon start killing wildlife to provide meat for hungry Namibians.

"All natural resources must be utilised to provide food for the needy," Nujoma told a news conference.

Nujoma did not say which animals would be slaughtered, but the most likely targets are antelope such as springbok and gemsbok.

The animals are most heavily concentrated in northern Namibia's Etosha National Park, considered one of Africa's top game parks.

No hunger-related deaths have been reported in Namibia or elsewhere in Southern Africa, but the region is suffering its worst drought since records began at the turn of the century.

Government officials and aid agencies have estimated the 11 countries in the region will need seven million to 13 million tons of imported food over the next year.

Nujoma appealed for international assistance and said: "I have no option but to declare that an emergency situation has arisen."

Nujoma predicted a year ago that the country was about to become self-sufficient in food. - *Sapa*

DROUGHT

Nujoma asks farmers for food donations

STAR 3/4/92

221A

By Dale Lautenbach
Star Africa Service

President Nujoma . . . large quantities of food will have to be imported.

WINDHOEK — As the worst drought in 30 years continues to grip most parts of Namibia, an emergency situation has been declared by President Sam Nujoma with an appeal to all "patriots" to help feed the nation's most vulnerable communities.

The president's appeal yesterday was directed at farmers, particularly those with game herds who, as citizens of Namibia, might be able to make the nation a gift. Failing this, Mr Nujoma said, they would be offered compensation for their contributions.

"The Cabinet has decided that all natural resources of the country must be utilised to assist to provide food for the needy. In this regard, large numbers of game will have to be utilised to relieve pressure on grazing, and this could be made available to our people," Mr Nujoma said.

The ministries of wildlife, agriculture and fisheries had all been instructed to make food available.

The president said large quantities of food would have to be imported to support both people and livestock. He could not as yet provide an estimate of how much this would be because, if the rains that had been falling in some areas in recent weeks continued, the pressure on grazing would be relieved and less imported fodder would be necessary.

It can be expected that most of the imports will be cereals and Mr Nujoma indicated that the United States, Canada and Asia were possible sources.

This season's crop losses in maize and sorghum are particularly disappointing in view of the great strides the country has made since independence in boosting its cereal production — helped along by enthusiastic government encouragement.

The president has toured the country promoting crop cultivation and is regularly seen, spade in hand, planting maize or sorghum.

"In the 1991 marketing season we nearly achieved self-sufficiency in cereal and staple food production," Mr Nujoma said.

"Again this year, all efforts were made to expand this even more. Various assistance schemes were undertaken such soft loans to farmers as well as physical assistance with ploughing and planting services.

"We had high hopes. All looked well and with an early start in the rainy season, farmers were even more encouraged to expand.

"All our efforts were, however, of no avail and Namibia is today facing a crisis of unprecedented proportions," Mr Nujoma said.

He noted it was the worst drought since 1930. Sorghum production in Owambo was expected to be only 13 600 tons and 3 100 in Okavango. Total maize output would be as little as 17 000 tons of white maize and 1 850 tons of yellow. Last year, white maize production reached more than 40 000 tons.

The Cabinet had also approved an emergency water provision scheme for which R28,7 million had been appropriated.

United Nations agencies had been invited to assist and Mr Nujoma was hopeful that an offer of bilateral emergency aid made recently by the European Commission would materialise.

Education will temper high expectations

Sowetan 8/4/92

(221A)

Sowetan Africa News Service

WINDHOEK - The Prime Minister of Namibia, Mr Heing Geingob, says his country will tackle the developing crisis of expectation in his country through education.

He was asked, in an interview at his office, how he proposes to tackle the "crisis of expectations" problem faced by Namibia - and also Zimbabwe and perhaps in time South Africa - as people begin complaining that independence has not improved their lives.

"Firstly by educating the people," he said. "We are sitting on a volcano that could erupt any day. That's why I appeal to the opposition parties and the newspapers to be careful."

> *'You cannot distribute poverty, you can only distribute wealth. But you must first create wealth to distribute it.'*

Priorities

Geingob listed three priorities in tackling the problem.

Firstly, to reactivate the economy, secondly to narrow the income gap between the richer and poorer sections and thirdly to control public expenditure.

"You cannot distribute poverty," he said, "you can only distribute wealth. But you must first create wealth to distribute it."

To create wealth foreign investment was necessary and for that, incentive packages were necessary.

It was also necessary to get rid of the dependency syndrome inculcated in Namibians by the former administrators, to foster a work ethic and to empower both the people and private entrepreneurs to use their own skills and opportunities to create wealth. The government's role in this was only as a facilitator.

Geingob did not think there was any chance of the "crisis of expectations" problem forcing Namibia to abandon free enterprise and in desperation turn to the socialist policies that have failed throughout the world.

"No, that is a constitutional situation," he said.

"I don't see why we cannot avoid that because what we have done is to create partnerships with business. In the past in Africa we used to regard the multinationals as enemies. Now we see them as partners. The realities on the ground are different. They are the creators - with the workers - of wealth. We (the government) are the distributors of wealth.

HEING GEINGOB . . . sitting on a volcano.

"But the government cannot do everything. For instance, it cannot provide housing for all the people. But there are private developers who can if conditions are right."

Geingob made it clear that he saw foreign investment as more important in the long run than foreign aid.

Illusions

Commenting on the political situation in South Africa, Geingob said his government had no illusions about the major role the Republic had to play in the region.

"That's why we are keeping our fingers crossed that everything goes right in South Africa."

Namibia was also closely watching developments in its other giant neighbour, Angola.

"If things go right everywhere we will be okay. If they don't work out, then we are in trouble."

Asked about smaller countries' fears of economic domination by South Africa, the Prime Minister said he thought Namibia could "hold our own", especially if it found oil.

"They also need us," he said. "It isn't a one-way street."

> *'But the government cannot do everything. For instance, it cannot provide housing for all the people. But there are private developers who can if conditions are right.'*

Unlike some other African leaders, Geingob was not critical of the prescriptive approach adopt-ed by the World Bank and the International Monetary Fund towards helping debt-ridden Third World countries get on their feet.

"They have their role to play," he said.

It was necessary to strike a balance between the needs of the population and the demands of the IMF and World Bank, he said.

Living under the shadow of Big Brother

STAR 8/4/92

22/1

As Namibia enters its third year of independence, its Prime Minister looks back, in an interview with GERALD L'ANGE, Editor of The Star Africa Service, with some irritation at South Africa's attitude, but with optimism for the future.

PRIME Minister Hage Geingob of Namibia thinks the South African Government has not fully lived up to its responsibility to help his country find its feet in the first, shaky years of independence.

In an interview in his office in Windhoek he spoke plainly about his disappointment at Pretoria's failure to give Namibia aid, its refusal to write off the R700 million debt the country inherited at independence and its reluctance to hand over Walvis Bay.

He also expressed strong reservations about the implementation of the Customs Union that Namibia shares, under the domination of South Africa, with several other countries.

At the same time Mr Geingob, who played a leading role in Swapo's long fight against South African domination of his country, defended his government's policy of reconciling the former adversaries and the different race groups in Namibia, and of maintaining close relations with Pretoria.

Despite Swapo's past advocacy of socialist ideas, the Prime Minister expressed unequivocal support for free market economics.

And, in commenting on the efforts to shape a new dispensation for South Africa through Codesa, he emphasised the importance of consensus in the drafting of a new constitution — and of then educating people to understand the constitution.

Namibia was, in some ways, a step ahead of South Africa and the Republic might be able to learn a little from Namibia's experience, he said.

"We have started a process here, where there was apartheid, where there was hatred caused by the South African system. To find one another is important because basically we all, white and black, in this part of Africa yearn for the same things.

"When you don't get together and share your views then you are afraid of the unknown. When you sit down together and argue it out, in the process of drafting a constitution, you realise that you have the same objectives and goals."

He said nobody should feel they were forced to adopt someone else's constitution, as some Zimbabweans felt about the constitution they got from Lancaster House.

"We are very proud of the fact that we drafted our own constitution. It is now not a Swapo constitution or a DTA one but everybody in Namibia is saying: 'It is my constitution'. That is already a unifying factor, creating patriotism in the people.

"Give and take in drafting a constitution is very important."

When it was put to him that constitutions in the end were at the mercy of the armed forces, Mr Geingob replied: "Well, we hope the era of the armies is over now. I think people are tired of those kinds of things. The best thing really is to live by the constitution.

Asked about his government's relations with South Africa, the Prime Minister listed several "irritants". After independence the Swapo government had tried to give goodwill to South Africa, he said, "because we don't have anything else to give".

It had invited President de Klerk to the independence ceremonies despite objections from other African countries and had agreed to maintain diplomatic relations.

"But since we took over, what have you (South Africa) done to also show goodwill? Slapping us with debt. The Walvis Bay question.

"That is a very emotional issue. About 90 percent of those in Walvis Bay are Namibians. It's a colonial situation. Decolonising and writing off the debt would have been a way to show goodwill."

Mr Geingob said his government regarded the joint administration of Walvis Bay that was now being implemented as a temporary measure.

Mr Geingob compared Pretoria's failure to provide aid with the support that other "colonial" countries had continued to give to their former dependencies after independence.

"Everywhere else countries are writing off debts owed by poor countries. Now here is a young country trying — in South Africa's interests, too — to foster race relations where apartheid existed before."

Namibia had retained many whites in the over-large civil service and had provided in the constitution for existing contracts to be honoured.

"That was just to protect the whites, and we ought to be helped in that process. We are not being helped. Instead we have debts and the whole budget deficit. And that's not helpful to our relationship."

Mr Geingob noted, however, that Pretoria had given concessionary terms for the repayment of the debt.

He said another irritant was South Africa's "big brother" role in the Customs Union, which appeared to have been set up primarily to serve South Africa's interests.

He accused the Customs Union of preventing Namibia from providing incentives for the foreign investment that was vital for job creation and thus for prosperity. He indicated that Namibia might seek a revision of the Customs Union if it were not replaced by "another, broader system", possibly on the framework of the Southern African Development Co-ordination Conference (SADCC) or Preferential Trade Area (PTA).

The Prime Minister was asked how he proposed to tackle the "crisis of expectations" problem faced by Namibia — and also Zimbabwe and perhaps in time South Africa — as people begin complaining that independence has not improved their lives.

"Firstly by educating the people," he said. "We are sitting on a volcano that could erupt any day. That's why I appeal to the opposition parties and the newspapers to be careful."

Mr Geingob listed three priorities in tackling the problem: first, to reactivate the economy; second, to narrow the income gap between the richer and poorer sections; and third, to control public expenditure.

"You cannot distribute poverty," he said, "you can only distribute wealth. But you must first create wealth to distribute it."

To create wealth foreign investment was necessary and for that incentive packages were necessary.

It was also necessary to get rid of the dependency syndrome inculcated in Namibians by the former administrators, to foster a work ethic and to empower both the people and private entrepreneurs to use their own skills and opportunities to create wealth. The government's role in this was only as a facilitator.□

Goodwill not reciprocated . . . Geingob.

No abnormal game culling in Namibia

STAR 8/4/92

By Dale Lautenbach
Star Africa Service 221A

WINDHOEK — There will be no abnormal slaughtering of game or livestock in Namibia to meet the nation's needs in the wake of the devastating drought but a managed distribution of the usual resources.

Some South African news reports erroneously interpreted an appeal from President Sam Nujoma that the country's game should be used to feed the nation by giving the impression that game parks in Namibia were about to fall to the butcher's knife.

"What the President said was wrested out of its context," said Pollo Swart, director of Wildlife, Conservation and Research. "He never mentioned culling in game reserves."

Mr Swart said game parks would be handled this year in accordance with his department's management plan which meant that if grazing was poor and it was necessary to reduce herds this would be done as was the normal practice.

He said it was very unlikely that there would be culling in reserves. Game herds in parks were normally reduced by capture and the game sold to farmers.

In respect of commercial game farmers, Mr Swart said they would have to apply for culling permits as usual and these were granted for springbok, oryx and kudu only.

It was the product of this culling that President Nujoma was targeting in his appeal to the nation. He suggested that Namibian "patriots" might donate meat to the nation in its moment of drought crisis, failing which the government would buy the product.

Gys Reitz, spokesman for the Agriculture Union, also said Mr Nujoma's appeal had been misinterpreted in South Africa. There would be no abnormal slaughter of game or livestock, he said.

However, he did anticipate that farmers in areas particularly affected by the drought would have to reduce the size of their herds and it was this meat to which Mr Nujoma had been referring.

Rossing secures a Japanese contract

B/Day 10/4/92

WINDHOEK — Namibia's Rossing Uranium Ltd had secured a five-year contract to supply 1 000 tons of uranium oxide to Japan's Kyushu Electric Power Company from 1994, the company said yesterday. (22/A)

An oversupply of uranium on the world market, attributed to the opening up of East Bloc countries, forced Rossing to cut production to 2 500 tons annually and reduce its staff by a third — laying off more than 750 employees — in 1991.

MD Jonathan Leslie said Rossing's cost-cutting was making the company more competitive in the difficult international uranium market.

If costs could be kept down, there would be a reasonable chance of securing further new business.

"Our aim is to be a world-class, low-cost mine with an assured long-term future," he said.

The Kyushu Electric Power Company supplies power to Kyushu, the most southern of Japan's four main islands, as well as islands off its coast.

The power company, which has nuclear plants at Genkai and Sendai with a combined generating capacity of 2 898 megawatts, is constructing another two reactors at Genkai.

They are scheduled for completion in 1994 and 1997. — Sapa.

Land question a hot issue

Sowetan 10/4/92 (221A)

WINDHOEK - One of the vestiges of apartheid policies in Namibia is the fact that more than half the land is allocated to whites who comprise less than five percent of the total population.

Land reform therefore is potentially as hot an issue in Namibia as it is in Zimbabwe. But Namibia has up to now gone about resolving it in a manner very different from the Zimbabwe government's policy of arbitrary expropriation.

The land reform question was discussed at a consultative conference last year with a representative slice of the Namibian community.

From this, legislation will follow in due course.

In the meantime, a quiet sort of affirmative action, tailored to respond to natural changes of land ownership, is taking place.

In Zimbabwe, 11 years after independence, the festering land issue has erupted in controversy with legislation providing for government expropriation at arbitrarily established prices.

In Namibia, by contrast, those to whom commercial farmland was previously inaccessible are slowly entering the market with the support of Agriculture Bank loans.

Land in Namibia is divided into the so-called commercial area south of the veterinary cordon fence and communal land to the north.

The fence, or red line as it is known, was erected by the former administration to keep diseased cattle and livestock out of the commercial areas.

Pressure

It effectively cuts off the northern third of Namibia and excludes farmers there from the commercial markets.

The white population is no more than five percent of Namibia's 1,4 million people. Because 70 percent of the Namibian population is dependent on agriculture, pressure on land in the northern third is intense.

The Agriculture Bank, a revised version of the Land Bank of the former South African administration, came into operation in January this year.

Five weeks ago, it introduced its first support scheme and according to general manager Mr Permain Erlank, four of the first nine applications have been approved, totalling loans of R1,3 million.

The loans are interest free for the first two years.

The farmer has to prove his bona fides with support from his local chief and there has to be proof that when he moves out, he does so completely.

The government has no desire to see the white absentee landlord problem in Namibia replaced by a similar problem among the wealthier members of the black community.

The main aim of soft-loan scheme is to give the black farmer access to commercial land.

When Finance Minister Mr Otto Herrigel first spoke about the scheme earlier this year, there was clearly a note of excitement in his voice.

Last week Information Minister Mr Hidipo Hamutenya sounded dejected. According to him, the moment the scheme came into effect it was sabotaged by a sudden increase in the price of white-owned land, thereby making the land inaccessible to black farmers once again.

"So it won't work," he said. "The scheme itself, which we were so excited about, has generated its own problems."

Error

Erlank agrees that the land price has indeed been pushed up by opportunistic farmers. But he believes they will soon see the error of their ways and drop their prices again as the bank does not intend handing out loans regardless of the price of land.

"The land price now is too high. The farmers think they can exploit the scheme but we have to protect the applicants because finally they will have to pay back the money and we can't just dump them into debt.

"But within a year, if not sooner, the farmers will know what's what."

Under the scheme, the communal farmer identifies the land he wants to buy and negotiates with the owner. He then approaches the bank for the loan and if the price is too high the loan is refused.

The communal farmer may return to the land owner and say the bank is willing to provide the loan but at a realistic price.

"They'll get the message," said Erlank.

Land prices in Namibia vary enormously, depending on the quality of the land.

In the eastern Gobabis district, which is good cattle country, a fair price is about R100 a hectare whereas in the arid south a hectare may fetch R40.

"I'm sure it's going to work,' Erlank said of the scheme. He also pointed out that there was a complete misapprehension that commercial farmers were suffering as a result of affirmative action directed at communal farmers.

"The commercial farmers have not been overlooked. Loans to them are available at 14 percent now as opposed to 18 percent previously and we have a scheme for a 12 percent loan for infrastructural improvements on farms.

"I think the commercial farmers in Namibia are better off than their counterparts in South Africa." - *Sowetan Africa News Service*

STAR 10/4/92 221A

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"In conformity with the Japanese government's policy of promoting stable and reasonably priced electricity, we place nuclear power at the centre of our generating strategy," the company said in its most recent annual report.

The power company is constructing another two reactors at the Genkai Nuclear Power Plant scheduled for completion in 1994 and 1997.

Kyushu has nuclear plants at Genkai and Sendai with a combined generating capacity of 2898 megawatts. — Sapa.

After-tax profit for Gold Fields Namibia

GOLD Fields Namibia Limited has reported an after-tax profit of R3,9m for the quarter ended March 31 1992 against a loss of R10,2m for the previous quarter.

Tonnages sold dropped slightly, but the cost of sales dropped substantially.

The figures against the December quarter were: 15 928 tons (16 676) and R67,2m (R86,5m). 221A Bday 13/4/92

The tonnage milled dropped to 370 000 tons from 417 000 tons. Production tonnages were 27 909 tons (28 102). — Sapa.

Namibia has defused a hot issue, reports **Dale Lautenbach** of the Star Africa Service

Softly-softly into land reform

STAR 15/4/92 221A

ONE OF the vestiges of South African apartheid in Namibia is the fact that more than half the land is allocated to a white population comprising less than 5 percent of the total.

Land reform therefore is potentially as hot an issue in Namibia as it is in Zimbabwe. But Namibia has up to now gone about resolving it in a manner very different from the Zimbabwe's policy of arbitrary expropriation.

The land reform question was discussed at a consultative conference last year with a representative slice of the Namibian community. From this, legislation will follow in due course.

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In Zimbabwe, 11 years after independence, the festering land issue has erupted in controversy with legislation providing for government expropriation at arbitrarily established prices.

In Namibia, by contrast, those to whom commercial farmland was previously inaccessible are slowly entering the market with the support of Agriculture Bank loans.

Land in Namibia is divided into the so-called commercial area south of the veterinary cordon fence and communal land to the north. The fence, or red line as it is known, was erected by the former administration to keep diseased livestock out of the commercial areas. It effectively cuts of the northern third of Namibia and excludes farmers there from the commercial markets.

This was the work of the Odendaal Commission, which in 1964 divided Namibia into 33,3 million hectares assigned to black homelands or communal areas and 34,9 million hectares to the white commercial farmers.

The white population is, however, no more than 70 000 of Namibia's 1,4 million people. And because 70 percent of the Namibian population is dependent on agriculture, pressure on land in the northern third is intense.

The Agriculture Bank, a revised version of the Land Bank of the former South African administration, came into operation in January. Five weeks ago, it introduced its first support scheme and according to general manager Permain Erlank, four of the first nine applications have been approved, totalling R1,3 million.

At the end of this month a further 31 applications will be evaluated worth R13,7 million.

The loans are interest free for the first two years and then interest rises to a maximum of 14 percent over an extended period. They are designed to attract the larger and stronger of the communal (in other words, black) farmers into commercial areas.

The farmer has to prove his bona fides with support from his local chief and there has to be proof that when he moves out, he does so completely. The government has no desire to see the white absentee landlord problem in Namibia replaced by a similar problem among the wealthier members of the black community.

The soft-loan scheme has a dual aim: to give the black farmer access to commercial land, while in the communal area he vacates, pressure on land is eased and four to five smaller farmers can extend their activities.

When Finance Minister Otto Herrigel first spoke to Star Africa Service about the scheme earlier this year, he was clearly excited.

Last week Information Minister Hidipo Hamutenya sounded dejected. According to him, the moment the scheme came into effect it was sabotaged by a sudden increase in the price of white-owned land, thereby once again making the land beyond the reach of black farmers.

"So it won't work," he said. "The scheme itself, which we were so excited about, has generated its own problems."

Mr Erlank agrees that the land price has indeed been pushed up by opportunistic farmers but he believes they will soon see the error of their ways and drop their prices again as the bank does not intend handing out loans regardless of the price of land.

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GOLD FIELDS NAMIBIA

Dividend drought

FM 17/4/92

Activities: *Namibian mining house which controls the Tsumeb base metal producer and various exploration companies.*
Control: *GFSA 61%.*
(221A)
Chairman: *C T Fenton.*
Capital structure: *16m ords. Market capitalisation: R56m.*
Share market: *Price: 350c. 12-month high, 500c; low, 350c. Trading volume last quarter, 17 000 shares.*

Year to Dec 31	'88	'89	'90	'91
Turnover (Rm)	363	391	338	291
Pre-tax profit (Rm)	89,4	59,2	9,0	(7,0)
Attrib profit (Rm)	59,7	40,2	6,6	(7,1)
Earnings (c)	243	178	36	(44)
Dividends (c)	120	120	35	—
Ore milled (Mt)	1,8	1,67	1,61	1,59

Depressed commodity prices have forced Gold Fields Namibia (G F Namib) to emulate the drought-resistant plants native to that harsh, arid land, and concentrate on survival until better times.

Like the rest of southern Africa, Namibia is waiting desperately for rain, while G F Namib's fortunes depend on a resurgence in base metal prices that was widely forecast to occur last year but has yet to materialise.

Starting to firm

There are indications some base metal prices are starting to firm, ahead of an expected recovery in the US economy, but the prevailing view at Gold Fields of SA (GFSA), which manages G F Namib, is that real benefits won't flow through to producers until 1993.

 FM 17/4/92 (221A)

Reason is the high level of stocks held by consumers that will have to be run down before they start buying seriously again.

Most income comes from wholly owned Tsumeb Corp, producer of copper, lead and silver, but chairman Colin Fenton points out that copper is the price that really counts. It averaged R6 344/t in 1991 (1990: R6 897). Fenton does not expect the 1992 average to get much above R6 300.

According to GFSA statistics the average for the first quarter of 1992 dropped to R6 200 from R6 400 in the last quarter of 1991. That being so, another passed dividend from G F Namib seems inevitable.

G F Namib has been forced to cut exploration expenditure to R5,8m (R6,5m) — a step that cannot have been taken lightly because of the effects on the long-term future of both the group and the country. Namibia desperately needs economic development and mining provides one of the few possibilities.

Work on precious metals and tin stopped. The regional office at Berg Aukas was closed. All effort is devoted to finding extensions of orebodies at Tsumeb's three divisions: Tsumeb, Otjihase and Kombat. Tsumeb remains the priority as extensions for both Otjihase and Kombat have already been found and are being proved up.

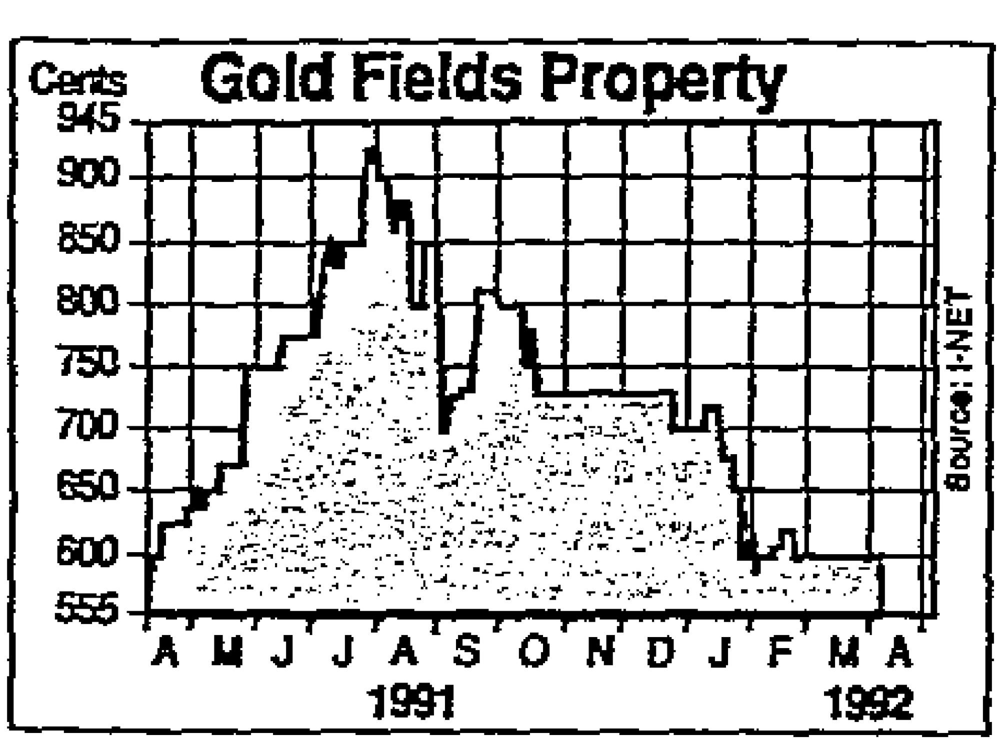
Mill throughput at Tsumeb fell 16% because of production problems. No improvement is expected this year. Kombat should hold production while Otjihase, which is opening a new section, should expand.

Buying in concentrates

Copper production was little changed at 32 929 t (32 689 t) but should rise this year, thanks to Otjihase. Production of refined lead is also expected to rise from last year's 33 367 t (35 134 t). The bulk of Tsumeb's lead is refined from concentrates bought from abroad as it cannot produce enough of its own to run the smelter at economic levels.

Fenton comments that negotiations over the future of the mining industry have been productive. "The Ministry of Mines & Energy and the industry have adopted a pragmatic approach that has resulted in a Mines & Minerals Bill that compares favourably with legislation worldwide and will ultimately encourage foreign investment."

The share has continued the downhill run of the past three years and is at yet another 12-month low. Given Fenton's gloomy forecast there is no reason to buy except on medium- and long-term recovery hopes.



GF Namib's Fenton ... *on top of a treasure house*

GFSA geologists view Namibia as a largely unexplored, potential treasure house. G F Namib is well placed to benefit from any finds.

Brendan Ryan

Namibia's growth path

Sowetan 23/4/92 (221A)

Namibia is heading for resource-led growth once international economy picks up, according to the Economist Intelligence Unit.

It is responding to the challenges of independence more effectively than many African countries have and is laying a sound basis for future growth, according to the latest special report from EIU.

The report, Namibia through the 1990s: Turning Rich Resources into Growth, says the Swapo government is politically stable and, despite initially widespread unrealistic expectations or rapid improvements in living standards, has embarked on a set of pragmatic economic policies capable of achieving such improvements through balanced economic growth.

The report argues that by the mid-1990s the mining industry should recover, adding to the strong development of oil and gas and the fishing industry.

It notes that the government's declared intention to create an attractive environment for foreign investors is central to development of the country's resource base.

Although this environment is still being formed, political stability since independence augurs well for the orderly development of economic policies and incentives, the report states.

The Swapo government has made efforts to reconcile groups which under the South African occupation had been implacably opposed to each other.

Namibia through the 1990s also argues that the government has boosted the chances of stability and growth by eschewing unsustainable increases in public expenditure and by making its redistributive economic goals dependent on prior economic growth.

However, the report believes that the government will need to muster considerable commitment to this policy package in order to surmount the economic difficulties that have beset the country since independence. The small size of most sectors of the economy and the severity of the international recession that restricted demand for Namibian exports and held back investment plans constrained real growth of gross domestic product.

It considers that, even if there is diversified growth in the manufacturing sector, continued expansion of the fisheries sector, and increasing output in the non-livestock agricultural sector by the mid-1990s, daunting challenges will remain.

Nevertheless, it concludes that the country has a strong chance of achieving sustainable economic growth by 1994-95, and that the economy could benefit especially from development of the Kudu offshore gas field and from oil expansion.

NAMIBIA FM 24/4/92 (221A)

Too soon to cry wolf?

It might have seemed an ill portent to name a country after a desert — but the land of Namibia is resource-rich and the coastline teems with potential. Furthermore, it has a tiny population — 1,3m people — and there have been no major political upsets since

FM 24/4/92 (221A)

independence in March 1990. The amiable President Sam Nujoma did not, after all, turn into a Marxist demon.

Which is all very well, but can the country achieve a growth rate commensurate with its aspirations? Can it feed itself? Nujoma recently literally begged for international assistance: "Namibia is today facing a crisis of unprecedented proportions," he said. Estimated maize production this year would be 18 850 t — less than half last year's 40 000 t.

Roger Murray's *Namibia Through the 1990s — Turning Rich Resources Into Growth* — a special report of the Economist Intelligence Unit, fails to find any such crisis, though it warns of the problems that will arise if Swapo fails to deliver growth through its current free-market-orientated policies. It faces an election in 1995.

Murray's analysis considers prospects and options in the three major pillars of the Namibian economy: agriculture, mining and fishing. Manufacturing diversification, of course, will be successful only if there is sufficient investment funded through exports from these sectors, or aid. But exports and aid are alike compromised by the international recession. In addition, Nujoma's "crisis" and the full dimensions of the dependency on SA — including the ramifications of the monetary union — are not sufficiently considered.

Some salient points arise:

☐ The climate for foreign investment has been established by the liberal Foreign Investment Act, which guarantees security of investments and the freedom to repatriate profits and dividends. New company registrations — particularly in the financial sector — have accordingly begun to materialise;

☐ Mining, which has driven the economy for 50 years, continues to be of major importance. While Namibia is blessed with diamonds and uranium, these commodities are exceptionally vulnerable to the world recession — and to the waning of the nuclear industry. But resurgent demand should see opportunities in copper, zinc, lead, gold, silver, pyrite, salt and fluorspar.

Murray points to the good infrastructure Namibia inherited from SA — but does not point out that, in this vast land, it is often inappropriately situated because of the former military priorities. He notes the new stress on exploration — but it really is difficult to see any significant finds in the northerly Kaokoveld being hauled by sand-track and rail to the sole inadequate port of Walvis Bay, whose future remains in the hands of

(221A)

politicians;

☐ Murray says increased food production is a major priority — which is true. But, having said that, God evidently did not intend Namibia to be a fertile land. The investment required in water, grain storage and training could be more than consumed by payments for food imports if the world community does not give priority to Nujoma's desperate and probably premature appeals; and

☐ The original moratorium on fishing proclaimed by Swapo — pending an assessment of resources after severe overfishing — has been replaced by a quota system that is intended to be run on strictly conservationist lines. One should, however, point out that if the need for food and foreign exchange becomes an overriding determinant of policy, management of such a difficult situation could become deleterious to the nation's long-term economic health — notwithstanding the assistance of the UN Food and Agriculture Organisation.

Murray's otherwise excellent analysis does, overall, seem too politically sanguine. It seems more probable that Namibia's fortunes will remain inextricably linked to SA's for the foreseeable future. Thus, as a component of the rand monetary area, Namibia's financial system is in a sense a wing of the SA Reserve Bank. For example, "its foreign exchange transactions have to be conducted in accordance with the exchange control policies of SA . . . and while Namibia can, if it chooses, apply the rules more rigidly, it does not have the scope to apply them more flexibly due to the impact this might have on the external dealings of the rand."

One is not certain how much credibility this concedes to the Foreign Investment Act. A Namibian dollar is to be introduced by the end of the year — and the ideal would be a separation of the new currency from the rand and a liberalisation of exchange controls.

Botswana's experience will, of course, be invaluable in making the decision to opt for monetary independence. But would that be wise if in fact Nujoma is right and there is a crisis in food self-sufficiency? Such a crisis — now or in the future — would widen even further the differential between SA's and Namibia's inflation rates (Namibia's is higher) at the same time that public debt swells with the induction into the civil service of increasing numbers of Namibians.

But if Nujoma is not correct, just what is he playing at? It's too soon for the election.

☐ Murray's report (Economist Intelligence Unit special report No M211) is available from the unit, 40 Duke St, London W1A 1DW, UK. It costs £195. ■

Namibia moves into high-risk industry today (221A)

Sowetan 24/4/92

By DALE LAUTENBACH
Sowetan Africa News Service

WINDHOEK - Namibia has launched itself into the high-risk, high-reward hydrocarbon industry with the signing today of the first exploration licence, awarded to a Norwegian consortium.

Norsk Hydro, Saga and Statoil have committed themselves to a four-year programme during which about R125 million will be spent in exploration drilling and training Namibians. The consortium won the concession over six other bidders.

Minister of Mines and Energy Mr Andimba Toivo ya Toivo cautioned that expectations in Namibia should not be artificially raised. Namibia had no hydrocarbon discoveries apart from the Kudu gas field offshore in southern Namibia.

TOIVO YA TOIVO

"The earth does not give up its secrets easily or cheaply. The real petroleum potential of Namibia has still to be established," said the Minister, joking however with the Norwegian company representatives: "We won't let you go until you find oil."

Mr Thorleif Enger, senior vice-president, exploration and production of Norsk Hydro, congratulated Namibia on its speedy establishment of the exploration environment.

"You have a legal and fiscal framework (for hydrocarbon exploration) that is one of the best in the world. That is quite an achievement for a young nation.

"The Namibian continental shelf is one of the last, vast unexplored areas for hydrocarbons in the world. As such it provides a lot of risk and is costly but also has very interesting possibilities and we are ready to embark on a large investment in our concession area."

The Norwegian consortium, which has substantial offshore operating experience in the North Sea, was awarded rights to the offshore concession area number 1911 off the coast of northern Namibia.

Nam civil service wages under axe

221A

WINDHOEK. — The Namibian government will have to slash the civil service wage bill by 20% over the next four years, a World Bank report warns.

The wage bill cut is just part of the bitter medicine Namibia's financial authorities will have to feed the nation, according to the report titled "Poverty Alleviation With Sustainable Growth".

Public expenditure must be changed from the current excessive renumeration of bureaucrats to capital expenditure underpinning economic growth.

"A cumbersome bureaucracy and attendant inefficiencies are reflected in an excessive wage bill for the general government (estimated at 17% of the GDP in fiscal 1989/90).

Namibian National Planning Commission director-general Dr Zed Ngavirue said the reports marked "the end of the honeymoon period between Namibia and the World Bank". — Sapa

After independence comes 'growth based on resources'

South 25/4 - 30/4/92.

221A

NAMIBIA is heading for resource-led growth once the international economy picks up, says the latest Special Report from The Economist Intelligence Unit (EIU).

The country has responded to the challenges of independence more effectively than many African countries and is laying a sound basis for future growth.

The report, Namibia through the 1990s: Turning Rich Resources into Growth, believes the Swapo government is politically stable and, despite initially widespread unrealistic expectations of rapid improvements in living standards, has embarked on a set of pragmatic economic policies capable of achieving such improvements through balanced economic growth.

The report says that by the mid-1990s the mining industry should recover, adding to the strong development of oil and gas and the fishing industry. It notes that the government's declared intention to create an attractive environment for foreign investors is central to development of the country's rich resource base.

Although this environment is still being formed, political stability since independence augurs well for the orderly development of economic policies and incentives, the EIU report states. The Swapo government has made efforts to reconcile groups which under South African occupation were implacably opposed to each other.

SANDY ECONOMIC ZONE: The Namibian economy will improve once the world economy recovers

The report also argues that the government boosted the chances of stability and growth by eschewing unsustainable increase in public expenditure and by making its redistributive economic goals dependent on prior economic growth.

However, the report believes the government will need to muster considerable commitment to this package in order to surmount the economic difficulties that have beset Namibia since independence in 1990.

The small size of most sectors of the economy and the severity of the international recession that restricted Namibian exports and held back investment plans, constrained real growth of gross domestic product. Real growth in 1990 was only achieved, according to the report, through the inclusion of fishing activities inside Namibia's new exclusive economic zone.

From 1991-92 growth has been further threatened by the downturn in the world uranium market, obliging the Rossing mine — normally the largest single contributor to GDP — to halve production.

The report considers that, even if there is diversified growth in the manufacturing sector, continued expansion of the fisheries sector and increasing output in the non-livestock agricultural sector by the mid-1990s, daunting challenges will remain.

For example, it warns that Namibia will have to compete for global investment resources. In particular, it will have to compete against the claims of two powerful neighbours — Angola and South Africa.

Nevertheless, the report argues that Namibia has a strong chance of achieving sustainable economic growth by 1994-95 and that the economy could benefit especially from development of the Kudu offshore gas field and from oil exploration which begins this year.

It forecasts that from next year positive influences of government policy and an expected upturn in the world economy will outweigh the negative factors that are currently hindering economic growth.

According to the EIU report, the Namibian economy can be expected to grow by an annual average of some 4 per cent in 1993-94, rising to 5 or 6 per cent by 1995.

By DON ROBERTSON

Rossing to sell country club in economy drive

(221A) S Times (BUSS) 26/4/92

NAMIBIA's Rossing mine, once the world's largest uranium producer, is in the final stages of a major restructuring programme.

The company hopes its economy drive will ensure it of a long and profitable life.

Rossing mine was established in 1976 at a cost of $400-million. It now has assets of $1-billion.

Rossing is selling its non-mining activities. It has put its country club and golf course near Swakopmund up for sale.

In the years that Namibia was subject to international sanctions, the company was unable to secure sales contracts. This forced it to cut production in March 1990 from 4 100 short tons of uranium oxide to 3 250. The cutbacks cost 200 jobs.

The then managing director said: "Our priority for the next three years is survival."

Production was cut again last October — to 2 500 short tons — with the loss of 750 jobs. The staff complement is now 1 400.

When Namibia became independent and sanctions were lifted it was hoped that Rossing would be able to penetrate markets which had been closed to it. Political changes in Russia, however, brought considerable quantities of cheap eastern bloc uranium to the market. This means that in the short term Rossing is unlikely to make any additional sales at a profit.

At its current level of production, the mine will be able to meet contracted sales, most of which are for Japanese utilities.

In April, the Arandis township of 800 houses near the mine and about 80km from Swakopmund, was given to the Namibian Government.

The cost of the township is estimated at more than R100-million. It is now administered by the Peri-Urban Council. Houses needed for Rossing employees are leased from the government.

The company also has houses in Swakopmund, but there is no intention to sell them.

The country club and nearby sporting facilities, including the golf course, are worth about R8-million.

The sale advertisement suggests that the country club will go to a group which wants it for its tourist potential.

In March, the Namibian Institute of Mining and Technology, which cost Rossing R6,7-million, was handed over to the government.

Rossing has sold a subsidiary, Damar Clothing at Arandis, to Swakopmund company Denprop on the understanding that it continues to operate in the township and retains all staff members.

In an effort to ensure the existence of the township, Rossing encouraged a consortium of investors from Hong Kong and China to establish a clothing factory, Pacific Best. It came into production last month.

The mine's production cuts will be a blow to the government. For the past few years, Rossing has been responsible for a third of Namibia's exports and about 13% of gross domestic product.

In 1990, it paid about R100-million in tax and spent about R400-million in Namibia.

Rossing's problem is not isolated. The Uranium Institute says 94% of jobs in the American industry were lost in the past 10 years. Canada cut production by 25% in 1990. Uranium prices are now at their lowest ever in real terms.

Namibia, Iran may trade beef for oil

STAR 28/4/92

221A

WINDHOEK — Namibia and Iran are examining the feasibility of a beef-for-oil trade, according to Iranian Deputy Minister of Development Davood Djafary.

Mr Djafary is part of an Iranian delegation visiting Namibia. Also among them is a veterinarian who is examining Namibian beef with a view to Iranian religious and health requirements.

The visit follows one by President Sam Nujoma to Iran recently.

Mr Djafary told Namibian television that Iran had much to offer Namibia apart from oil. It had an important industrial base and Iran could examine technology transfer to Namibia.

But the drought in Namibia — which affects the beef industry — remains the major government concern.

A United Nations World Food Programme assessment says 332 720 Namibians will be directly affected by the drought and the country will need 125 000 tons of imported food. — Star Africa Service.

Sowetan 30/4/92

221A

Namibia battles drought

Sowetan Africa News Service

WINDHOEK - The Namibian government has introduced subsidy schemes aimed at encouraging farmers in drought-stricken areas to sell cattle.

Deputy Agriculture Minister Mr Kaire Mbuende said yesterday that the subsidies of R121 for large adult animals and R25 for small stock were applicable only in areas worst hit by the drought.

These areas were mostly communal where small black farmers run their herds as opposed to the so-called commercial farmland owned predominantly by white farmers.

Mbuende said the scheme hoped to encourage farmers to sell their heavier cattle to take this pressure off the grazing land.

□ BROADCASTING

Namibia airwaves become liberated

Gthen 3/5/92

2214

NOT long ago, Namibia was a broadcasting backwater.

If you wanted to listen to the radio, you listened to the Namibian Broadcasting Corporation (NBC). And if you wanted to watch TV, then you tuned to the NBC – there was one channel, take it or leave it.

But things are changing.

Satellite dishes now mark the skyline, and in thousands of houses, a TV decoder sits blinking beside the television.

South African pay TV M-Net has arrived, and other private broadcasters are on their way.

Their path has been paved by the Namibian Broadcasting Act which opens the airwaves to private and public broadcasters.

NBC is now faced with the prospect of competing in an open market.

At independence, the NBC inherited a broadcasting monopoly from the then state-controlled South West African Broadcasting Corporation.

The new government immediately turned the NBC into an autonomous parastatal run by an independent board.

Top management was streamlined, but former SWABC staff remained in key middle-management positions, and have slowed the pace of change, as NBC's head of programmes Uazuvara Katjivena explains.

"Many in NBC's management hierarchy today still believe that whites make up the bulk of TV licence payers, and thus have a right to dictate programme content."

M-Net makes no bones about the fact that it is out to entertain and make money and the NBC does not have money to compete for the rights to top sporting events or the latest Hollywood movies.

Instead the Corporation is emphasising its duty as a public broadcaster to "promote national unity" by informing, and educating as well as entertaining the Namibian nation.

"Having just emerged from more than a century of colonial domination, during which indigenous cultures were banished to tribal homelands to wither and stagnate, a Namibian culture needs nurturing," says Katjivena.

The NBC has a vital role to play in the process.

Not least through the NBC's radio services, which reach 95 percent of Namibia's predominantly rural population.

Politicians, says Katjivena, become carried away with the belief that what they say, see and hear on TV is the yardstick by which they can measure their influence on the people.

"If TV-centric politicians were aware that their audience, although financially strong, was in no way representative of those who determined the outcome of the democratic elections, they would instead focus their attention on the radio," says Katjivena.

With its state subsidy already shrinking, NBC is relying more and more on Namibia's small but affluent private sector – which the paid-for channels will be milking for subscriptions.

"There are a lot of priorities in this country," says NBC Director-General Nahum Gorelick, "and broadcasting doesn't fall into the Government's main priority area."

Such is the price of autonomy in a broadcasting free market – both of which are novelties in this part of the world. – AIA

Namibia's black gold hope beckons

(221A)

Sowetan 6/5/92

As Namibia gears up to seek oil wealth off its shores there is still no certainty that any will be found - and no unanimity that it will be an unmitigated blessing if it is. DALE LAUTENBACH of the *Sowetan* Africa News Service reports.

'We must remember that the earth does not give up its secrets easily or cheaply.'

WINDHOEK - Namibia has wasted no time in exploring its potential oil resources. Two years after independence, the first exploration licence has been signed and sealed.

But not everyone in the government believes that the finding of "black gold" will end Namibia's economic problems.

"Oil can be a bad thing," says Dr Leake Hangala, permanent secretary of Mines and Energy.

"People have the illusion that if you have oil you have money but you mustn't rely on it. Those who have found oil have tended not to develop and the most important thing in Namibia is diversification and, in our case, agriculture.

"As a geologist I want to be optimistic but we don't want to create false hopes. We know what our words might mean so we want to be cautious."

His words echo that of his Minister, Mr Andimba Toivo ya Toivo.

While clearly excited at the recent ceremony during which Namibia granted the first oil exploration licence for an off-shore concession to a Norwegian consortium, there was no eureka in the Minister's message.

"We must remember that the earth does not give up its secrets easily or cheaply," he said.

"Namibia has no hydrocarbon discoveries apart from Kudu."

The Kudu gas field is Namibia's other energy prospect, besides oil.

Talk of Kudu as the great Namibian hope has been going on for so long, though, that there are sceptics. The first exploration well was drilled in 1973 with the involvement of the big US company Chevron.

In 1986 and 1987 a further two wells were drilled and again Kudu looked promising.

Held back

"Sanctions held Kudu back," said Hangala, referring to the economic embargo against South Africa that spilled over into Namibia before independence.

Whether it is feasible to produce the gas and what would then be done with it is now the subject of intense negotiations.

"We're talking upstream and we're negotiating downstream," he said.

In the business of liquefied natural gas (LNG) this is apparently the way things are done as, unlike selling oil on the spot market, a market must be secured for the gas before production begins.

Upstream means the exploration and possible production from the gas field itself and in this respect Hangala expects the first exploration licences to be signed within three months.

At the same time the government is looking at downstream potential or the utilities that would use the gas.

Prime Minister Mr Hage Geingob visited Bahrein and the United Arab Emirates recently, where it was agreed with a UAE-based corporation that the feasibility of a gas-fired aluminium smelter be studied.

"An aluminium smelter is certainly a possibility," says Hangala.

"Forty percent of the cost of producing aluminium is the power."

He mentions other possibilities: A petro-chemical industry, fertiliser and direct utilisation.

"A giant like South Africa might welcome an environmentally friendly commodity such as this. It is the commodity of the future."

It is also, he notes, a good prospect for Namibia as its potential offshoot industries could provide much needed jobs for Namibians.

The Petroleum (Exploration and Production) Act of 1991 provides in respect of both oil and gas for four-year licences renewable twice for two-year periods.

The first oil licence for block 1911 granted to the Norwegian consortium of Norsk Hydro, Statoil and Saga should be followed soon by the signing of another three or four licences in this, the first round of the bidding, according to Hangala.

"We can't handle more than 10 in a round and a round is a year or two."

High praise

The blocking of concession areas both off and onshore was done by Hangala's Ministry last year. The legislative package they have drawn up has been praised as workable and realistic by the first licensee.

Mr Thorleif Enger, senior vice-president, exploration and production, of Norsk Hydro, congratulated Namibia on its speedy promotion of oil exploration.

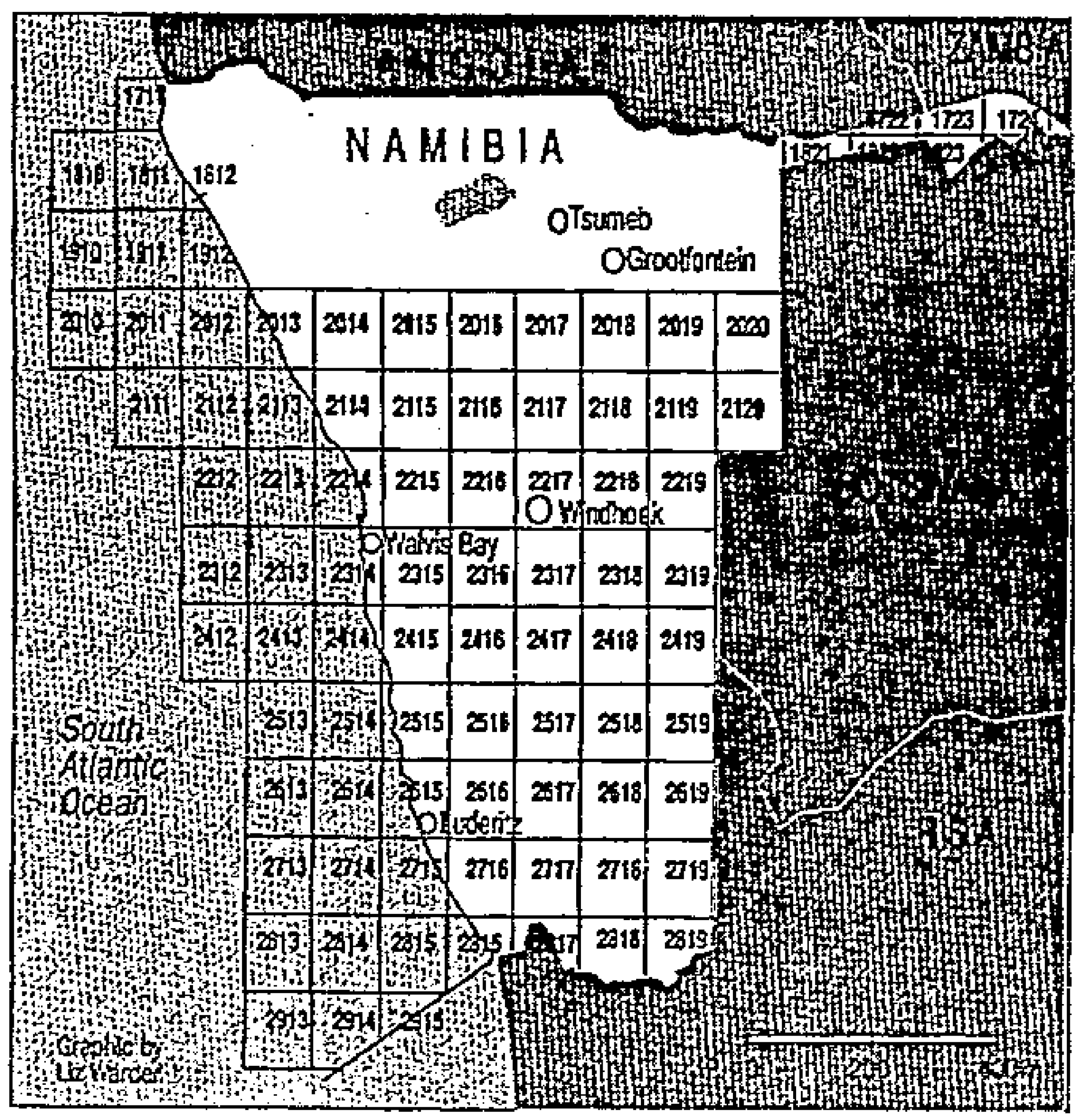
"You have a legal and fiscal framework (for exploration) that is one of the best in the world," he said. "That is quite an achievement for a young nation."

In the notoriously tough oil business, where the companies which make the enormous exploration outlays are not going to do business anywhere where they do not get a good and secure deal, his words must have been encouraging.

Namibia's oil prospects have been the subject of wide and not always well-informed speculation. Because Angola to the north has oil, it has been argued Namibia must have the same. And geological similarities have been drawn with the Brazilian continental shelf.

Namibia is now at the very start of the process.

"If we found oil next year, given the best possible scenario it would take 10 to 12 years for it to be of any benefit to Namibia," says Hangala.



All of Namibia except the densely populated northern section and the Etosha nature reserve has been marked out in oil exploration concessions. Only one - no 1911 - has so far been awarded but others are expected to follow soon.

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Shrinking coins leaving motorists out of pocket

STAR 7/5/92

221A

By Dale Lautenbach
Africa News Service

WINDHOEK — The diminishing value of the rand is a familiar problem to South Africans and Namibians alike, but now that the coins themselves are shrinking in size, Namibians could be out of pocket in one of several ways.

Parking meters in Windhoek take the old-fashioned 10c and 20c pieces, and a number of frustrated drivers aired their irritation on Namibian Radio this week when they lost their new diminutive coins into the yawning slots designed to take the old money.

That's one way of losing money. Another is to stalk off and leave the meter unfed thereby risking a ticket.

In Windhoek, though, this is not a great risk as the city does not have hungry meter maids who adorn your car with pink paper one millisecond after the red flag shows.

A third way of losing money, albeit indirectly, is that the Windhoek municipality should fork out the R400 000 necessary to change all the meters. That would seem logical to people who think in rands and cents, but one of these days Namibians will have to think in Namibian dollars and their own parking coinage.

A Namibian currency is expected within a year, meaning new meters all over again.

Nelius Kruger, spokesman for the municipality, said the issue was being investigated.

One option was to close the old 10c slots once these old coins had ceased circulating. That would leave the meters available for 20c pieces only.

"But what happens when those run out?" asked Mr Kruger.

What he did not know, and one wonders how many Namibians have caught on, is that the new 5c piece slides in very nicely thank you where the old coin of twice that value went.

Half-price parking might be Namibia's only solution to the problem.

Namibian stance on Walvis hardens

STAR 7/5/92

221A

By Dale Lautenbach
Star Africa Service

WINDHOEK — President Sam Nujoma says Namibia will not accept any attempt by the South African Government to link the resolution of the conflict over Walvis Bay to internal developments in South Africa, reflecting a hardening of the Namibian position.

Mr Nujoma was speaking at a state banquet this week in honour of President Ibrahim Babangida of Nigeria who is in Namibia on a four-day visit.

Referring to negotiations between South Africa and Namibia on the subject of the disputed enclave, Mr Nujoma said: "My government will not accept any attempt by the South African Government to create a new linkage, this time between Walvis Bay and the off-shore islands negotiations, and the current political and constitutional developments in that country."

Mr Nujoma's reference to a "new" linkage clearly harked back to a previous linkage which dogged Namibia when the South African Government linked the withdrawal of Cuban troops from Angola to Namibian independence.

Until now it has been widely understood in Namibia that the South African Government was holding out on the settlement of the Walvis Bay dispute for a decision by a more representative South African dispensation, such as an interim government.

However, there has been public pressure in Namibia that the government should take a harder line in the negotiations, and Mr Nujoma's message seemed to reflect this.

Mr Nujoma urged General Babangida, as both chairman of the Organisation of African Unity and Nigerian leader, "to keep this issue as one of the priorities on Africa's agenda".

"It is only with the return of these territories that the decolonisation of Namibia can be considered as having been completed."

General Babangida in his reply praised Namibia as "the shining symbol of Africa's march towards emancipation".

Namibia, Nigeria sign joint accord

WINDHOEK — Namibian Foreign Minister Theo-Ben Gurirab and his Nigerian counterpart Maj-Gen Ike Nwachukwu yesterday inaugurated a joint commission on economic, scientific and technical co-operation. 221A

Nigerian head of state Gen Ibrahim Babangida and Nwachukwu arrived in Nambia on Tuesday for a four-day state visit. — Sapa. BDay 7/5/92

Nigeria donates R1,5m drought aid

DALE LAUTENBACH
Argus Africa News Service

(221A)
ARG 9/5/92

WINDHOEK. — Nigerian President Ibrahim Babangida has donated R1,5-million to drought relief in Namibia at the end of a four-day state visit.

The Nigerian head of state and his Namibian counterpart, President Sam Nujoma, yesterday signed a series of agreements to further bilateral trade and co-operation between the two countries, but no details were announced.

Namibian Foreign Minister Mr Theo-Ben Gurirab said the pursuit of bilateral relations with Nigeria was couched not only in the philosophy of co-operation, but in terms of the Economic Community for Africa treaty signed in Arusha last year in an African attempt to respond to world trade blocs.

Opening the Namibian International Trade Fair earlier, President Babangida said: "We must pool our resources to build an economically viable continent."

He said it was dishonest for Africa to bemoan its economic circumstances without developing realistic strategies to cope with its problems.

"Africa must be integrated into the mainstream of the international system."

He called on the international community to redress the trade imbalances and protectionist practices that predjudiced Africa.

Fishing policy revamped

Bloday 15/5/92 (22iA)

WINDHOEK — A new fishing policy to ensure better control over catches and develop a truly Namibian fleet has been announced in Windhoek.

The new measures are to encourage Namibians to invest in the industry.

Fisheries and Marine Resources Permanent Secretary Calle Schlettwein said foreign vessels, Namibian-based vessels and Namibian vessels would catch fish under different conditions. "The more Namibian the vessel is the more favourable the conditions are," he said.

Incentives are being created to make Namibian vessels competitive with foreign fleets. Where foreign vessels will be granted licences for one year only and pay a R800 levy per ton, Namibian vessels will be licensed for seven years paying a R400 levy per ton.

The report said the unpopular royalty rebate system had also been revised.

The aim of the policy — which is flexible, allowing for adjustments to accommodate changes on the international market — is to make the fishing sector the most important pillar of Namibia's economy.

The ministry will strive to maintain a sustainable fish resource, promote onshore processing of products and consumption as well as enhance employment opportunities for Namibians. — Sapa.

Emotions sway poll on Walvis's future

ARG 18/5/92

(221A)

Staff Reporter

WALVIS BAY businessmen fear incorporating the enclave into Namibia would result in the town's economy plummeting and the harbour deteriorating.

More than half Walvis Bay's residents polled are in favour of incorporation, and most South African citizens living there are against it.

However, a spokesman for the town clerk said opposition to incorporation had nothing do do with economics.

"It's simply that most whites and coloureds here are South Africans and want to remain part of South Africa, whereas the blacks are mostly Namibians and want to be part of Nambia."

The poll by South African Communication Services showed that 80,6 percent of white and 67 percent of coloured residents were against incorporation, while 77 percent of black residents, most of them Namibians, were in favour of it.

More than half the community of 21 000 is black.

A prominant Walvis Bay businessman, who asked not to be named because the matter was "very sensitive", said the main fear was that Namibia was simply too poor to keep up the high standards of the harbour, which was not only the lifeblood of Walvis Bay, but of Namibia.

He said general opinion was that a joint administration would be more fruitful than a complete takeover.

The South African and Namibian governments are considering proposals made after two years' negotiations on a joint administrative authority for the enclave.

NAMFISH/NAMSEA FM 29/5/92

Missing the boat?

Namsea (221A)

Activities: *~~Catching and~~ processing fish.*

Control: *Arun Holdings (26,4%) and Natfish (16%).*

Chairman: *L A Eldoy.*

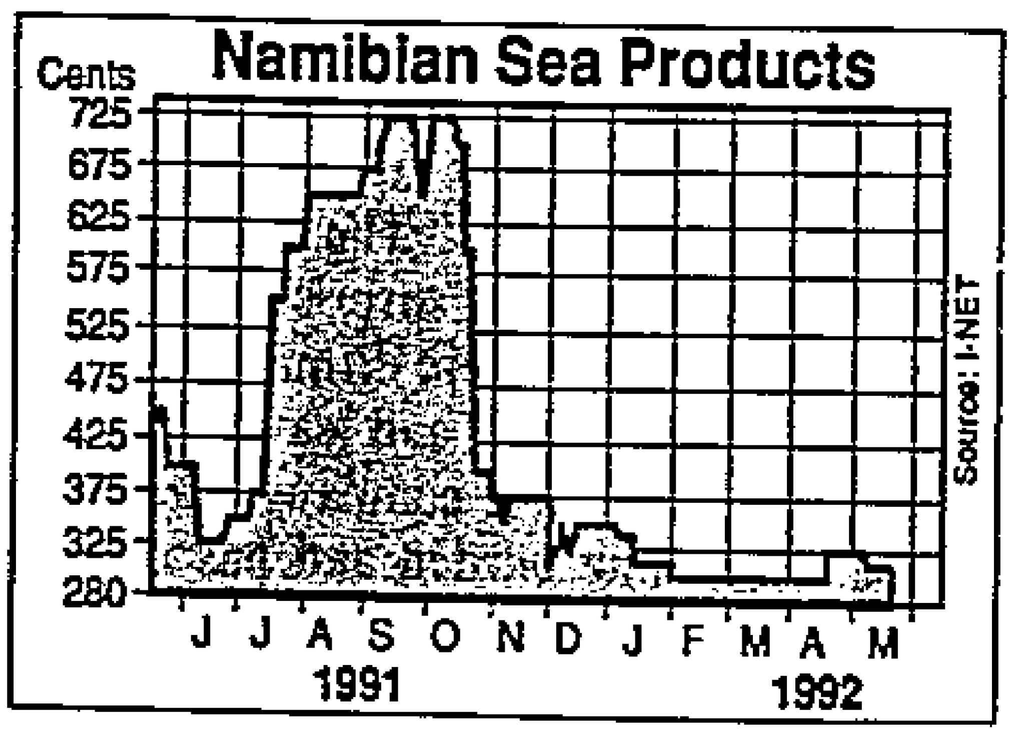
Capital structure: *10,9m ords. Market capitalisation: R33,7m.*

Share market: *Price: 310c. Yields: 3,2% on dividend; 14,9% on earnings; p:e ratio, 6,7; cover, 4,6. 12-month high, 125c; low, 300c. Trading volume last quarter, 124 000 shares.*

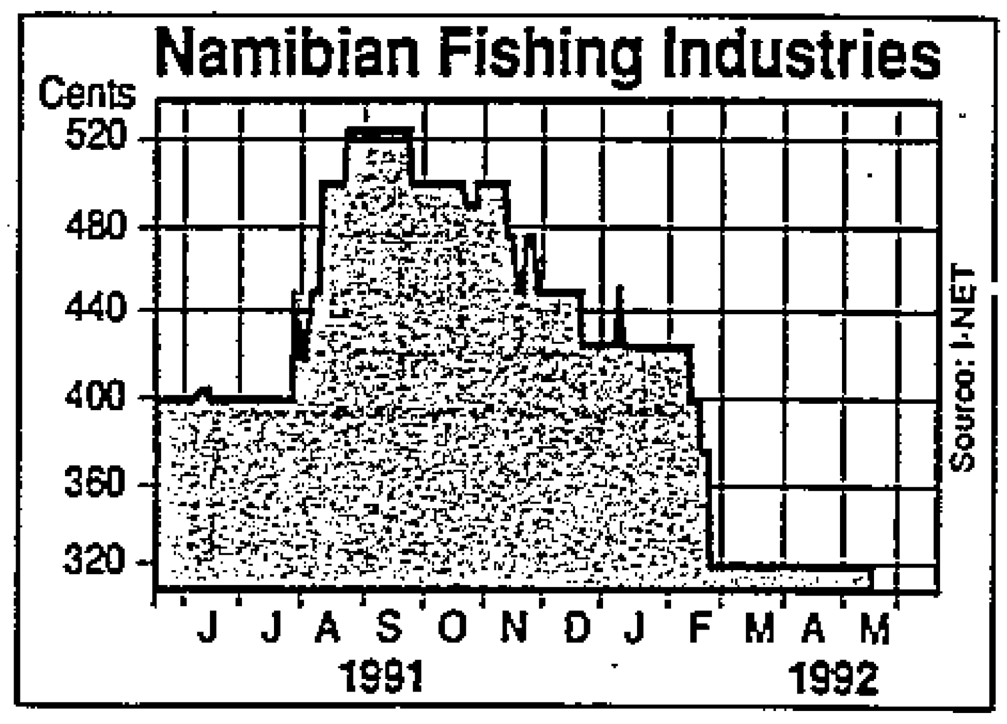
Year to Dec 31	'88	'89	†'90	'91
ST debt (Rm)	3,4	0,9	—	—
LT debt (Rm)	2,3	—	0,3	—
Shareholders' interest	0,55	0,68	0,79	0,77
Return on cap (%)	50	49	34	4,5
Turnover (Rm)	13,8	8,1	17,1	39,7
Pre-int profit (Rm)	13,6	8,9	4,2	3,4
Pre-int margin (%)	96	154	21	8,6
Earnings (c)	230	164	67	46
Dividends (c)	200	155*	—	10
Net worth (c)	333	267	205	537

† 15-month trading period.
* Excludes special dividend 55c (1988: 20c).

The market seldom misses the boat but on this occasion it may have. If fishing in Namibian waters improves even slightly Namfish



FM 29/5/92 (221A)



Namfish

Activities: *Catching and processing fish.*

Control: *Arun Holdings 73%, ultimately Namnor As.*

Chairman: *L A Eldoy.*

Capital structure: *3,2m ords. Market capitalisation: R10,2m.*

Share market: *Price: 325c. Yields: 12,3% on dividend; 19% on earnings; p:e ratio, 5,2; cover, 1,6. 12-month high, 625c; low, 325c. Trading volume last quarter, 10 000 shares.*

Year to Dec 31	'88	'89	'90	'91
LT debt (Rm)	0,6	0,5	0,4	0,4
Shareholders' interest	0,4	0,6	0,8	0,9
Return on cap (%)	29	23	23	5,9
Turnover (Rm)	20,5	10,8	11,7	11,6
Pre-int profit (Rm)	7,0	3,0	2,5	1,8
Pre-int margin (%)	34	28	22	15
Earnings (c)	266	130	72	62
Dividends (c)	915*	125	20	40
Net worth (c)	273	259	289	839

* Incl special dividend 675c.

and Namsea are undervalued.

Namsea's takeover of main competitor Sarusas was well documented (*Fox* April 3). As a result, its capital structure has changed considerably. Issued ordinaries now total 10,9m, up from 4,2m, and EPS is diluted accordingly. Reduced quotas, though caught in full, led to lower operating income and pre-tax profits. Hence the lower EPS reflected in the annual report presents a gloomy picture to the prospective investor.

Namfish's results are also well down. They are simply a function of a fishing season inhibited by reduced quotas and very poor rock lobster catches.

However, in expanding and consolidating their influence in Namibian waters, both decided to revalue subsidiaries and associates, written down over many years to ridiculously low valuations. The reassessments have caused nondistributable reserves in Namsea to jump to R22,3m from R729 000 and in Namfish to R16,2m from R438 000.

Pelagic and rock lobster catches are processed respectively by United Fishing Enterprises (Namsea 77,53%, Namfish 14,38%) and Seaflower Lobster (35% each). The 1992 pilchard quotas, announced three weeks ago, in aggregate are 36% higher than in 1991. This is significant because high-quality catches are being made close to port, which enhances the quality — and value — of the processed fish.

The 1991-1992 total allowable lobster catch for the whole industry was reduced to a mere 100 t (1 100 t) of which 50 t was allocated to Seaflower and caught in five weeks.

After representations to the Namibian Ministry of Fisheries & Marine Resources, new concessions were granted to Seaflower. In 1991 it received a 500 t long-line concession for hake. For 1992 a trawl concession for 5 000 t was granted. It was also awarded a tuna licence for one vessel.

A suitable trawler has been bought to operate through Blue Sea Fishing, in which Namfish acquired a 25% stake, and to process the catch a white fish plant is to be established at Luderitz.

The authorities are pleased with the way the pelagic and hake bio-mass is recovering from rape by the international community. The signs point to faster revival than was thought probable. Lobsters are also plentiful but, for reasons that can't be fully explained, most remain undersized. When this phenomenon abates the lobster fisherfolk's harvest should be plentiful.

It is too early in the year to make definite predictions about earnings potential. But, apart from lobster catches, which will in all likelihood remain relatively inconsequential, fish catches have been extremely satisfactory and quotas should be easily attained. This should bring a marked improvement in earnings for both Namfish and Namsea.

Since the deal with Sarusas, Namsea shares have fallen from a high of 725c to 310c as Sarusas shareholders dumped their "gift" of additional Namsea shares over and above the 500c cash they received per Sarusas. But NAV is now 537c, with the prospect of increasing EPS and dividend. The shares are now in firmer hands and the realisation of good prospects could push up the price.

An even better case can be made for Namfish. Prospects for earnings improvement are as good as Namsea's. It has fewer shares in issue but, more especially, NAV is 839c, of which 268c is cash; so 325c appears cheap.

Fishing will be a pillar of the Namibian economy and the authorities can be relied on to do all they can to promote its wellbeing. Fishing shares have never been for the faint-hearted because of the inherent risks. Nevertheless, both Namsea, with its larger cross-holdings in the industry, and the more basic Namfish look underpriced. *Gerald Hirshon*

HAIB FM 29/5/92.

Heavy weather

(221A)

Getting this copper project in Namibia off the ground is taking longer than expected as developer Glenn Laing battles to find the financial backing needed by his Revere Resources. At the beginning of March, Laing hoped to be able to announce a rights offer from Haib, which is listed in the mining

FM 29/5/92. (221A) FOX

exploration sector, within about a month.

However, at present, Revere Resources still owes R1,2m to George Swanson for purchase of the mineral rights over Haib as well as R60 000 to listed Benguela Concessions for the purchase of the Mervest cash shell, through which Haib was listed.

Swanson should have received his money by end-February but Laing says he sought, and was granted, an extension until June 2, for which he paid Swanson R60 000. Laing adds a further extension was asked for and granted for another R50 000 and the deal renegotiated to make the date of payment dependent on getting finance in place.

That makes payment open-ended, which seems punitive for Swanson. It is understood that he is most unhappy. Swanson wouldn't comment and referred queries to his lawyer in Cape Town, who could not be reached.

Laing says delays have been caused by political developments in SA as well as the time taken by the World Bank to carry out a due diligence examination. He says he needs to raise R8m for the first stage, of which he's looking to the World Bank for R6,5m.

He says negotiations to find backers for the rest of the money were affected by the Potchefstroom by-election and referendum.

"None of our prospective foreign backers were prepared to take a decision ahead of the referendum and negotiations were put on ice. Further, developments in SA since then have made some potential investors very nervous. Times are really tough," he sighs.

Revere Resources' income has also been hit by the damage caused to the pillar mining operations at Rand Leases by the severe seismic event early in March (see p64).

Laing plans to tackle Haib in two stages, the first a small operation on the estimated 2,4 Mt of oxide ore close to surface. He then intends finding a heavweight mining partner to fund the US$100m he estimates he will need to go after the more than 374 Mt of deeper, sulphide ore.

Brendan Ryan

Bright future for Namibia

Sowetan 1/6/92 (221A)

WINDHOEK - Despite the present serious drought, medium and long-term agricultural prospects for Namibia are bright, British Parliamentary Secretary for Agriculture, Lord Howe, said at the weekend.

He was addressing a media conference on Saturday at the end of a two-day fact-finding mission to Namibia to explore areas of cooperation in agriculture and fisheries.

Howe said Britain had supported moves by Namibia to obtain the rights to export 60 000 tons of beef to the European Economic Community.

"If the standard of animal husbandry can be improved across the board to the levels we have seen today, which are excellent, then surely there is immense scope for livestock farming to improve still further," he added. - *Sapa.*

Namibian mines to get tax concessions

221A

STAR 12/6/92

WINDHOEK — Mining companies in Namibia are among those taxpayers given the biggest boost in the country's 1992-93 budget announced yesterday.

Most will get tax cuts under a system previously applied to gold and uranium mines and which will now be applicable to all mining companies except those mining diamonds.

They will, however, be subject to a minimum tax rate of 25 percent, while a surcharge of five percent will be abolished.

Diamond mines will continue to be taxed at the present rate of 50c of each rand of taxable income, plus a surcharge of 10 percent.

Own currency

Finance Minister Gert Hanekom also said in his budget speech preparations for issuing Namibia's own national currency had reached an advanced stage.

In due course the new currency would circulate in Namibia side by side and on a par with the South African rand.

This did not imply the country would withdraw from the Common Monetary Area, nor that the South African currency would be withdrawn from Namibia, nor that exchange control would be instituted between the two countries.

Company tax would be cut from 42 to 40 percent and non-resident shareholders' tax would be lowered from 15 to 10 percent to attract foreign investment.

Dividends on all shares and other investments, apart from deposits in building societies, would be tax free.

This step was expected to encourage investand to "speed up the establishment and functioning of a local stock exchange."

Namibia had made considerable progress with its balance of payments in 1991, although the current balance remained under strain.

Enhanced export performance in some sectors, mainly diamonds and fishing, had helped.

The overall balance on the current account was transformed from a deficit of R595 million in 1990 to a surplus of R228 million.

With the help of an adviser from the International Monetary Fund, procedures were being streamlined and budgetary monitoring was being tightened to promote an atmosphere of strict fiscal discipline.

Namibia plans total budget of R3,5bn

221A CT 12/6/92

WINDHOEK. — Namibian Finance Minister Gert Hanekom yesterday said in his budget speech the country's total estimated expenditure for the 1992/1993 financial year would be R3 544m of which R699m would be for capital expenditure and R43m for statutory expenditure.

He added a surplus of some R220m had been carried over from the previous financial year and the net deficit would amount to R347m.

Hanekon said this would be recovered by borrowing on local and foreign markets. Negotiations for loans totalling about R100m from donor countries and development banks were in progress, he said.

The Ministries of Education and Culture and Health and Social Services are to get the largest slice of the budget, with R684m going to education and R424m to health.

All discriminatory tax provisions in respect of married women have also been removed. Married women now beocme taxpayers in their own right, must register as taxpayers and will qualify for all the benefits applicable to married men.

General Sales Tax was not increased and the maximum income tax rate was reduced to 40% from 42%. Dividends — except those payable to building societies — are now also expempt from tax.

The minister expressed the hope that this would speed up the establishment of a local stock exchange, adding that it should also act as an incentive to investors.

Hanekom said while some individual sectors of the Namibian economy were showing substantially improved achievements, others continued "their lacklustre performance".

He added that the economic climate remianed subdued and reflected conditions in the rest of Southern Africa and the world.

On domestic production he said: "The rate of expansion in real economic activity in Namibia in 1991, as measured by the increase in real gross domestic product was 5,1%."

Fishing he said had showed an increase of 56% while diamond mining increased by 84%. — Sapa

Namibia to retain SA rand together with new currency

B/Day 26/6/92 (221A)

WINDHOEK — The introduction of Namibia's own currency gave the country the "best of two worlds", Finance Minister Gert Hanekom said yesterday.

Speaking at a media briefing at which the new Namibian dollar bank notes were unveiled, Hanekom said Namibia would have the benefit of belonging to the Common Monetary Area (CMA) and the freedom to make other choices if circumstances arose.

"I want to state categorically that the introduction of an own national currency does not imply that Namibia will withdraw from the CMA or that SA currency will be withdrawn from Namibia or that exchange control will be introduced between the two countries," he said.

Such steps would require separate decisions based on circumstances at the time, "circumstances which do not exist and are not foreseen at the present time".

The Namibian dollar will circulate side by side and on a par with the rand, and will be introduced at a future date to be decided by the cabinet.

A Swedish company, AB Tumba Bruk, has been awarded the contract to print the first issue of the bank notes.

There is estimated to be between R300m-R400m in circulation in Namibia at present.

The famed Nama leader Kaptein Hendrik Witbooi appears on the front of all three denominations of the new notes which have the national coat of arms on the reverse side.

The 10 dollar note, on a blue background, also has Springbok on the front, the 50 dollar, on a green background, kudu and the 100 dollar, on a red background, bears the oryx.

Meanwhile, the Bank of Namibia has launched a competition for designs for the new 5 cent, 10 cent, 50 cent, one dollar and five dollar coins.

The themes for the one and five dollar coins are the Bataleur Eagle and Fish Eagle respectively. Participants may use their imaginations on possible themes of Namibian plants, agriculture, mining, fishing, mountains, buildings and so on for smaller denominations.

The competition is open to anyone inside and outside the country and there is a R1 000 prize for each winning design. — Sapa.

A HIGHLIGHTS

SA influences rates in Namibia

FINANCIAL institutions in Namibia are considering a 0;5 percent reduction in the prime rate to 18,5 percent after the Bank of Namibia dropped the lending rate from 18,5 to 17,5 percent. Sowetan 3/7/92

Banking sources said Namibia was different from South Africa where the prime rate will drop by one percent after the Reserve Bank announced a decrease in the bank rate.

The Clearing Bankers Association of Namibia said inflation was also a critical factor.

A drop in lending rates may help recession.

Sources also pointed out that as Namibia uses GST, the prime rate reduction had to consider South Africa's VAT system. 221A

Thus, in real terms, a ,75 reduction in the Namibian prime rate was par with a one percent reduction in South Africa. - *Sowetan Africa News Service*

Revere sells Haib venture at a loss

JONO WATERS

(22/A)

GLENN Laing has been forced to sell Revere Resources' 80% stake in the Namibian Haib copper venture because it had failed to raise the capital needed to develop a large mine to work Haib's ore reserves.

BDAY 13/7/92

Revere has sold Haib to Pretoria-based Mega Holdings for R550 000 cash. The figure comprises R107 000 for Revere's 107,5-million shares in Haib (0,1c a share) and R442 000 for taking over Haib's loan account with Revere.

In terms of the agreement, Mega has also assumed responsibility for R1,2m owed by Revere to George Swanson for the purchase of the Haib mineral rights.

Revere made a loss of R497 000 on the sale of Haib.

Laing said yesterday the sale was part of the consolidation of the group's interests. He believed Haib was a good investment as a low-cost producer, with proven reserves of low-grade copper sulphide ore, but blamed institutional reluctance to invest in anything but blue chip shares for Revere's failure to raise development capital for Haib.

Mega says it plans to develop Haib as a low-cost, low-capital oxide mining and leaching operation which will produce an initial 100 tons of copper a month. It is

☐ To Page 2

Haib

BDAY 13/7/92

(22/A)

☐ From Page 1

intended to increase monthly production to 450 tons at a later stage.

Mega hopes to raise R1,6m development capital from Haib's 20% minority shareholders by selling them 4-million new Haib shares at 40c apiece. Haib's shares traded at 7c on the JSE on Friday.

Mega is owned by Corne Kooiman and Louis Mienie, neither of whom has much experience in operating successful mining companies.

Kooiman tried to start a granite company with money raised from small investors just over a year ago. The venture went bankrupt and the Board of Trade and Industry is investigating the matter.

Kooiman was also involved in a film venture with an individual named Ghurkov, a self-styled Bulgarian venture capitalist, who skipped SA with about R20m just over two years ago. He allegedly also bought a house from Jan Lombard, the son of the former Reserve Bank deputy governor, in exchange for shares in Mega. The subsequent sale of the house was apparently not reflected in Mega's accounts.

Haib is the latest problem Revere has had to deal with in less than a week, and adds to the list of troubled ventures Laing has been involved with in the past year.

Last Thursday, New Arbor Colliery was liquidated in the Rand Supreme Court. New Arbor was indirectly wholly owned by Foston through its wholly owned subsidiary Rappfos. Laing owns 70% of Foston, acquired in 1991 for R916 000 (or 3,5c a share).

Arbor's liquidation was a direct result of the Rand Supreme Court order in June directing Rappfos to pay R460 000 it owed to mining contractor Andru Mining for mining Arbor. Counterclaims of R4,3m by Rappfos against Andru were dismissed by the court.

Laing said Arbor had been liquidated to put an end to the claims and counterclaims. He believes Foston is healthy.

A seismic event in April stopped operations at veteran gold mine Rand Leases, another Revere operation, for over a month. Mining operations resumed in May.

Drought shuts Namibia schools

CT 15/7/92 (221A)

NAMIBIA's main storage dams are 26,8% full, compared with 42,2% a year ago, and animals have begun dying because of the drought, according to the early warning and food information unit of the Ministry of Agriculture, Water and Rural Development.

"The shortage of water in rural areas is particularly serious, causing closure of schools and widespread hardship in many areas," the unit said in its quarterly bulletin.

After a "disastrous" rainy season that ended with showers in many places in April, "no rain has been recorded apart from small amounts in the far south in June".

About 500 cattle and 3 000 small stock deaths had been reported in the Damara region in the west.

● President Robert Mugabe embarks on a four-month tour of Zimbabwe today to try to drum up support from the hungry and angry.

Foreign aid organisations say virtually half Zimbabwe's population of 10 million needs food relief, but only about two million get it now.

● Kenya has been hit by an acute shortage of essential foodstuffs, specially maize and sugar, causing prices to soar and the reported looting of stores thought to be hoarding supplies.

The United Nations said yesterday it was giving another 31 000 tons of food to drought victims in Kenya, usually a land of plenty in a sea of need. — Sapa-AFP-Reuter

AFRICA NEWS Jewish Deputies seek u

Africa in brief

Sowetan 22/7/92

Illegal gem trade

WINDHOEK - President Sam Nujoma is to discuss allegations of Angola's illegal diamond trade affecting Namibia with Angolan President José Eduardo dos Santos, State House spokesman Daniel Smith said in Windhoek yesterday.

He said Nujoma would raise the matter through regular government channels or when they next meet. Diamonds are Namibia's largest single foreign exchange earner, contributing R1,2 billion of the R3,3 billion in total export earnings for the last financial year. (22IA)

Rwanda ceasefire

KAMPALA - Rwanda and its rebel foes will meet in Ethiopia next week to discuss the details of a ceasefire shattered only hours after it was supposed to end a 21-month tribally based war. Sowetan 22/7/92

A Rwandan embassy official said his government would send a delegation to Addis Ababa to hold talks with the rebel Rwanda Patriotic Front starting on July 27. (1D)

The talks will be held four days before full implementation of an internationally-brokered ceasefire, to be monitored by a 50-man military observer force from Zimbabwe, Senegal and Nigeria.

Moshoeshoe home

MASERU - Former King Moshoeshoe has returned to army-ruled Lesotho calling for reconciliation and democracy, but a potentially explosive dispute about the role of the monarchy remains unresolved. Sowetan 22/7/92

"A chief is a chief by the will of the people," Moshoeshoe told journalists on Monday on his return from two years' exile in Britain, under an agreement brokered by the Commonwealth.

"Bring rain! We are starving," shouted ecstatic supporters when Moshoeshoe left his limousine to ride with blanket-clad horsemen into his drought-stricken village of Matsieng. Moshoeshoe (54) vowed to campaign for human rights and assist the mountain state's scheduled transition to democratic civilian government after six years of army rule.

Peace signals studied

TUNIS - Senior Palestine Liberation Organisation leaders met yesterday to co-ordinate their response to peace overtures by new Israeli Prime Minister Yitzhak Rabin.

"The leadership must assess the situation after the Israeli elections which created new conditions to deal with," said PLO executive committee member, M Abba. - *Sapa-Reuter-AFP.*

'Water from sea' tests in Walvis

(22.19)

Arg 23/7/92

WINDHOEK. — Walvis Bay authorities are to begin tests on desalinating sea water for town use in August, deputy town engineer Andre Brummer has said.

Speaking from the 1214sq km South African port enclave, Mr Brummer said the Department of Water Affairs had already drilled two salt water boreholes and testing would start next month.

"From that we can determine the biological and chemical analysis of the water and the type of filtration needed," he said.

Walvis Bay, with a population of about 27 000 and a consumption of 3,8 million cubic metres of water annually, draws its water from boreholes in the Kuiseb River delta.

Mr Brummer said the water table in the delta area, which also supplied nearby Swakopmund and the Rossing Uranium Mine in Namibia, had dropped since 1978.

The proposed desalination scheme would have an annual capacity of between five and 10 million cubic metres, Mr Brummer said.

"Walvis Bay would be the first town in South Africa to use desalinated sea water, though this process is used on a smaller scale by individual companies," he said. — Sapa.

Namibia hits at Norway

ZZIH

CT 7/8/92

WINDHOEK. — Namibia criticised Norway yesterday for withholding aid.

The Norwegian government said on Wednesday it would withhold the funds because Namibia had bought President Sam Nujoma a jet for $30 million (R80m) — twice the amount Norway gives the country in annual bilateral aid.

Namibian Prime Minister Mr Hage Geingob said Namibia would not interfere in the affairs of other sovereign states and expected to be treated in the same way. "There should be mutual respect when it comes to domestic affairs and that is the basis on which relations are entered into," he said. — Sapa-Reuter

Zimbabwean farmers ponder a 'Great Trek'

8/0A4 7/8/92

HARARE — Talk of a new "Great Trek" by white Zimbabwean farmers facing nationalisation of their land overshadowed their annual congress yesterday.

The phrase was used by Acting President Simon Muzenda, who said farmers planning to move into Zambia and Mozambique were "overreacting".

But 4 000-strong Commercial Farmers' Union deputy director Jerry Grant said land reform plans had caused farmers "to look north and east for opportunities".

Muzenda, who opened the congress on Wednesday night, said cries of anguish by white farmers over government plans to nationalise about half their land had created a climate of "persecution".

Reviewing the industry, Grant said attempts to ensure farmers' security of tenure and the right of appeal to the courts over compensation had been only partly successful.

It was ironic neighbouring countries had "welcomed the prospect of attracting commercial expertise to their impoverished agricultural industries".

Zimbabwe's large-scale commercial farmers, almost all of them white, pride themselves on their productivity.

Some 200 of them, representing all districts, swapped their traditional shorts and open-necked shirts for suits and ties and headed for town in their Mercedes-Benzes and pickup trucks for the annual talk shop which ended yesterday.

This year there were two main topics — the worst drought on record and the recently passed Land Acquisition Act, which enables the government to acquire 5-million hectares for resettlement of peasants from overcrowded communal lands.

Some 4 000 farmers own around 28% of the land in a country of 10-million people.

They produce 81% by value of all crops and livestock marketed in the country's agriculture-based economy.

When talk of moving to neighbouring countries first surfaced, President Robert Mugabe said: "Let the whole shoot stop farming. The people of Zimbabwe will not perish as a nation".

But yesterday confrontational rhetoric was replaced by attempts at bridge-building. Muzenda said there was "enough land in our country for Zimbabweans who genuinely want to make a living from farming", and Agriculture Minister Kumbirai Kangai said the government would nationalise under-utilised land first to avoid loss of production. — Sapa-AFP.

Namibia moves to liberalise transport laws

8/0A4 7/8/92

WINDHOEK — The Namibian Cabinet has approved draft legislation to amend the Road Transport Act to liberalise certain transport operations in the country, Information Permanent Secretary Bob Kandetu said yesterday.

The Cabinet has also mandated the works, transport and communications ministry to work towards removing restrictive provisions in the legislation giving rise to a monopoly. 221A

About 50 large trucks jammed central Windhoek for an hour last Friday while the Namibia Truckers' Association handed a petition to President Sam Nujoma.

The NTA, representing small operators, claimed there was collusion between large operators regarding the allocation of transport permits. — Sapa.

Renamo 'no' on offer to end fighting

8/0A4 7/8/92

ROME — President Joaquim Chissano of Mozambique said yesterday he had offered rebels an immediate cessation of hostilities to end 16 years of civil war, but that this had been rejected by Renamo.

Chissano, who met rebel leader Afonso Dhlakama in Rome on Wednesday for the first time, said negotiators were instead drawing up a calendar for a general ceasefire that could be signed at an African summit within the next few months. It was possible, he added, a ceasefire calendar would be approved by the two sides later yesterday.

"I proposed an immediate cessation of hostilities. A truce is the wrong word, as it implies a pause before the fighting resumes... but Dhlakama rejected this," Chissano said in a media interview.

"I told him my armed forces were willing to stop immediately. I said my officers were ready... but he said his men were not prepared... and probably not disposed to obey.

"I told him it was better to have a few ceasefire violations here and there, even if it involved clashes between entire battalions, rather than go on with generalised fighting and the systematic killing of innocents." — Sapa-Reuter.

Sweden joins Norway in cutting aid to Namibia

BDA 7/8/92. 221A

STOCKHOLM — Sweden said yesterday it had excluded Namibia from receiving drought relief aid after reports that it had spent large sums on a presidential plane.

Sapa-Reuter reports that foreign ministry official Kaj Persson said: "Buying that plane indicated that Namibia did not lack money. Furthermore, Namibia wasn't that severely hit by the drought."

Sweden's long-term bilateral aid to Namibia of $20,4m a year was unaffected, he said.

On Wednesday, Norway said it would not give Namibia any special drought relief.

The Norwegian government said in Windhoek yesterday that it found it "difficult to respond" to the appeal for drought aid because of the Namibian government's priority in purchasing the R75m executive jet and the fact that the drought was more severe in other parts of southern Africa.

However, ordinary development assistance would not be affected.

In response, Namibian Prime Minister Hage Geingob said Namibia would not interfere in the affairs of other states and expected to be treated similarly.

BILLY PADDOCK reports that Namibian Finance Minister Gert Hanekom said it was regrettable that Norway and Sweden had made a linkage between the purchase of an aircraft and drought relief.

"We have provided for drought relief in our budget and I think we will be able to manage although obviously we were relying on some relief from donor countries," he said.

"The decision to buy the aircraft and the signing of contracts was done a long time ago and certainly before we had any idea that we were facing a drought. What are we to do? Dishonour the contracts?"

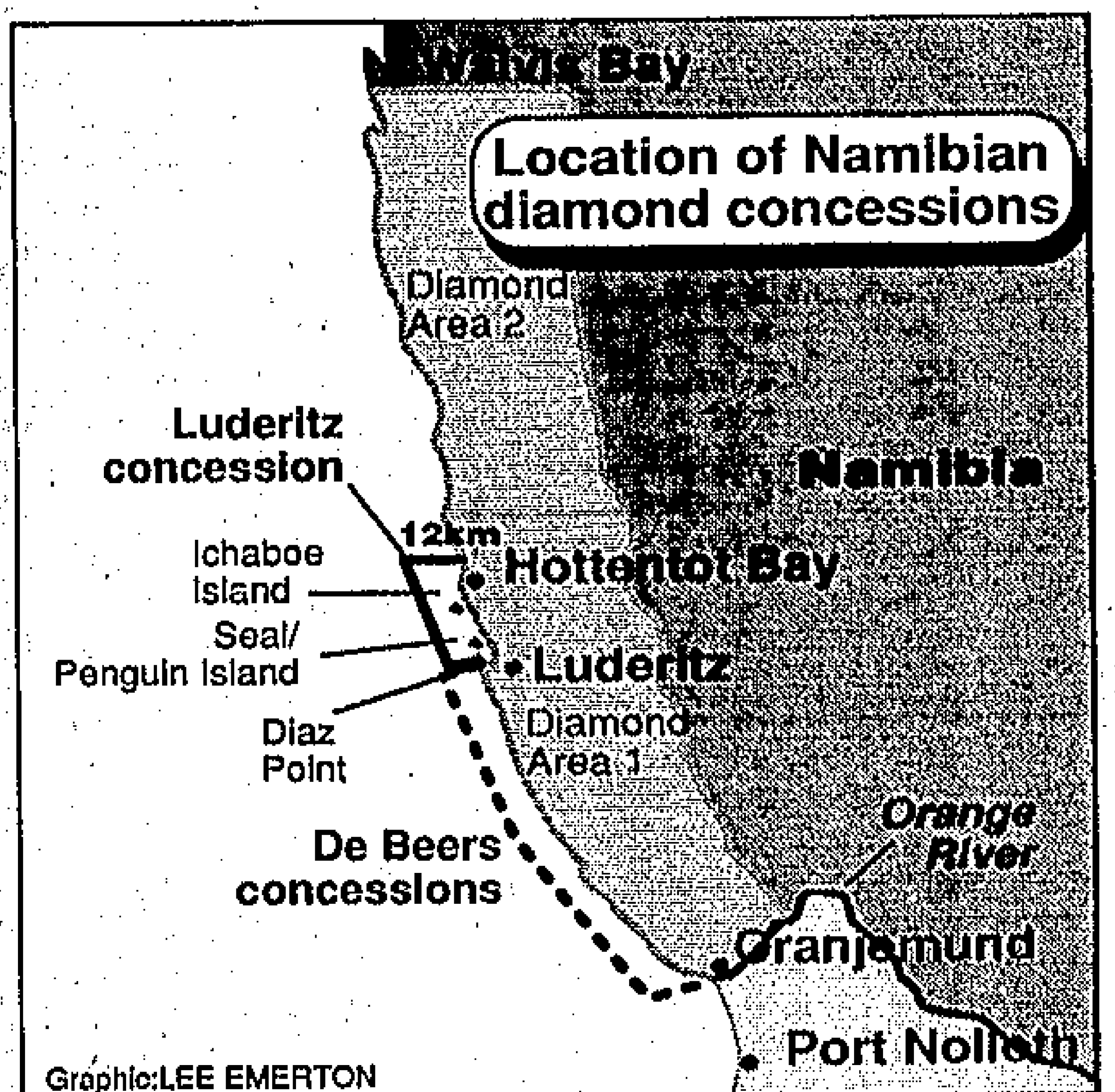
BUSINESS

SA team hunts Luderitz's gems

221A

BDAY 11/8/92.

JONO WATERS



Graphic:LEE EMERTON

A CONSORTIUM of SA businessmen has bought the Luderitz sea diamond concession off the coast of Namibia and north of concessions owned by De Beers.

The deal is the latest attempt by entrepreneurs to exploit the rich diamond deposits off the Namibian and SA coasts.

Sea diamond mining is potentially very profitable, but it is also high risk because of the bad weather in the area and need for expensive technology.

The 660km² Luderitz concession has been inactive for more than a year. It has large proven marine diamond deposits, a spokesman for the consortium said at the weekend. Geophysical surveys had shown a 7km² area with 400 000 tons of diamondiferous gravel at a grade of 1,73 carats a ton.

The consortium will be incorporated as a Namibian company with a view to obtaining a listing on the Namibian and Johannesburg stock exchanges.

Financial advisers Vector Financial Services (Vector), are trying to raise several million rands to get the project started, and hope to attract a SA mining house interested in diversifying into diamonds as a main financier. Vector director Chris Shone said Vector was negotiating with several groups.

An analyst said at the weekend that the venture was feasible, as shown by De Beers' success in its marine diamond operations.

Although sea diamond mining in shallow water was risky, advanced technology for extracting diamonds in the shallow to mid-depth zones was now available.

Market sources said that small sea diamond mining companies, Ocean Diamond Mining (ODM) and Benguela Concessions, were also in the market looking for money. ODM has the rights to two concessions around the SA islands within the Luderitz concession, while Benco have several concessions on the southwest SA coast.

The consortium's concession stretches 60km from Diaz Point in the south to Hottentots Bay.

Sea diamonds are thought to originate from diamond-bearing kimberlite pipes in the centre of southern Africa.

The pipes were formed through volcanic eruptions about 80-million to 100-million years ago. In the past 60-million years the Orange River has entered the Atlantic at different points, leaving a diamond rich sediment along the coast.

Many of the stones are gem quality because poor-quality stones have not survived in the turbulent sea.

Namibia in talks on Kudu gas field

(221A)

CT 15/8/92

WINDHOEK. — The Namibian government is negotiating with an unidentified oil company for exploitation of its giant Kudu offshore gasfield, mining sources said yesterday.

One source said export from an offshore wellhead, a pipeline to the industrial heartland around Johannesburg and a gas-fired power plant were among options being discussed.

● Meanwhile in London oil prices showed signs this week that they had found a floor after a bout of midsummer weakness.

Brent futures traded barely changed yesterday in a range between $19,97 to $20,11 and brokers said they saw psychological support at $20 with technical support 10c to 20c lower. — Sapa-Reuter

Namibia in talks over Kudu gasfield

221A

BDAY 17/8/92

WINDHOEK — The Namibian government was negotiating with an unidentified oil company for exploitation of its giant Kudu offshore gasfield, mining sources said at the weekend.

One source said export from an offshore wellhead, a pipeline to South Africa's industrial heartland around Johannesburg and a gas-fired power plant were among options being discussed.

The sources said an announcement could be made before the end of the year if discussions continued to go well.

The Kudu gasfield lies about 100 to 160 km (60 to 100 miles) off the southern end of Namibia's Atlantic coast.

Deputy Minister of Mines and Energy Jesaya Nyamu said the field was estimated to hold at least 5-trillion cubic feet and possibly 20-trillion cubic feet of gas.

A mining industry source said the government had started negotiations with one of several companies that applied for the licence to exploit the field in block 2814A.

"Just to finish the exploration could cost $100m so its a matter of identifying markets for the gas," the source said.

The field, believed to be the biggest off the African coast, was discovered in 1973.

The UN blocked further exploration by SA until 1987, when two further test wells were drilled to depths of over 4 300m.

Namibia became independent in 1990 and licence applications were invited last year under new energy legislation passed by the government. — Sapa-Reuter.

Namibian stake in CDM discussed

MATTHEW CURTIN

TALKS aimed at giving the Namibian government a stake in diamond producer Consolidated Diamond Mines (CDM), De Beers' wholly owned Namibian subsidiary, began in Windhoek yesterday. (221A)

When agreement is reached, it may give the Namibian government an equity stake in CDM similar to the joint control arrangement De Beers has with the Botswana government. Debswana, which owns Botswana's three diamond mines, is jointly owned by the government and De Beers. BDAY 20/8/92

Analysts are unsure how the Namibian government will pay for a future stake in CDM, assuming that De Beers does not give it away for free, a move tantamount to nationalisation.

They note that in 1987 the group and the Botswanan government agreed that the government acquire 22-million newly issued De Beers shares. In return, De Beers received part of the country's diamond stockpile accumulated in the early '80s when the Central Selling Organisation (CSO) reduced its purchases from producers because of the slump in the diamond

To Page 2

Namibia

BDAY 20/8/92 (221A)

From Page 1

trade.

Unlike the case of Debswana, the Namibian government owns no diamonds with which to pay De Beers, but the current talks may centre on devising new tax and royalty formulas for the diamond industry.

The Namibian government has shown no interest so far in nationalising the country's mining industry, dominated by CDM.

Mining is the country's largest contributor to GDP, and CDM contributes at least a third of export earnings.

Yesterday's negotiations were officially launched by President Sam Nujoma. Prime Minister Hage Geingob and De Beers chairman Julian Ogilvie Thompson introduced their teams, headed respectively by mines and energy ministry permanent secretary L S Hangala and De Beers director Peter Gush.

The parties said in a joint statement that initial talks, held in closed session, were "frank and productive".

They said "negotiations would lead, with all deliberate speed, to the signing of a comprehensive, equitable and enduring agreement between government and De Beers, reflecting both the prerogatives of Namibia's newly won sovereignty and the imperatives of industry, stability and prosperity". All future talks would be held in confidence, and appropriate joint statements would be made from time to time.

The talks come at a time when the De Beers is under severe strain because of the depressed diamond trade and an explosion of diamond smuggling, worth hundreds of million of dollars, in Angola.

The CSO has applied contracts in sales clauses with the diamond producers it serves, whereby it will reduce its offtake of diamonds by 25% from September.

De Beers successfully renegotiated sales contracts in 1991 with Debswana, Australian producer Argyle, and with state mining companies in Angola and Zaire. At least 80% of diamond trade passes through the CSO, but there is continual speculation that diamond producers not wholly owned by De Beers would like more freedom to sell diamonds on the open market rather than through the CSO.

Namibia De Beers in crucial talks

Sowetan 20/8/92

221A

Sowetan Africa News Service

■ Namibia and De Beers begin negotiations on a new sales and working arrangement:

WINDHOEK - Negotiations for a new deal between the Namibian government and the country's principal diamond miners, De Beers Centenary, began on a cordial note yesterday.

President Sam Nujoma urged both sides to be "patient, flexible, responsible and realistic".

"I am sure that we will remember who is most expert in diamonds and I am sure that you will remember who governs this country," said Nujoma. "Together we will prove that those who predict failure or prefer conflict are wrong."

Mr Julian Ogilvie Thompson, chairman of De Beers who led his industry's delegation at the opening of the talks, thanked Nujoma for the "balanced" message.

"We greatly appreciate the spirit of national reconciliation with which you have approached this and indeed all other matters in your country."

The negotiations are aimed at a new agreement between De Beers through its CDM operation in Namibia and the Namibian government. This will be the first agreement between these two parties as the present CDM operation here is one which predates Namibia's independence in March 1990 and the exclusive sales contract between CDM and the Central Selling Organisation in London expired at the end of last year.

Observers think it unlikely, however, that Namibia will seek to go entirely outside the CSO.

SA, Namibia deal on Walvis

CT 22/8/92 (221A)

WINDHOEK. — Namibia and South Africa have formally agreed to the implementation of a joint administration for Walvis Bay, and officials will meet in two weeks to discuss details, Foreign Affairs Minister Mr Pik Botha said yesterday.

"There are only a few practical matters that must be ironed out," he told a joint briefing with Namibian Foreign Affairs Minister Mr Theo-Ben Gurirab at Windhoek International Airport.

"This is a joint effort and we need to appoint a management committee," Mr Botha said, adding there were also issues like funding and premises that needed to be dealt with.

Welcomed

This would be discussed at a meeting of a joint technical committee, established to investigate joint administration, when it met in a fortnight.

Mr Botha spent yesterday morning in Walvis Bay meeting representatives of different communities.

"I am very happy to say that the decision-makers in Walvis Bay welcomed this plan and have also invited Mr Gurirab to Walvis Bay as soon as he can fit it in," Mr Botha said.

Joint admin details 'to be worked out'

Negotiations over the disputed 1 214km² SA port enclave, geographically part of Namibia and home to its fishing industry, began after independence in 1990.

In terms of Namibia's constitution and United Nations resolution 432 of 1978, Walvis Bay and 12 off-shore islands must be reintegrated with Namibia.

The enclave was annexed by Britain in 1878 and transferred to the Cape Colony in 1884. In 1922 it was transferred to the then-South West Africa and in 1977 its administration was transferred back to the Cape Province.

The mechanism to investigate joint administration, the Joint Technical Committee, was initiated last December.

Since then Namibians have become increasingly impatient at the lack of progress over negotiations on the future of the port, most of whose inhabitants are Namibian citizens.

Mr Botha said he could not give any idea of a timeframe.

"That will depend on the future. This is just a beginning and it augurs well for the future," he said, adding inside SA attempts were being made to draw up a new constitution.

Mr Botha, who was accompanied by deputy director-general of Foreign Affairs Mr Derek Auret and South Africa's representative in Namibia Mr Stephan Aldrich, was met on the tarmac by Mr Gurirab, Information and Broadcasting Minister Mr Hidipo Hamutenya, Justice Minister Mr Ngarikutuke Tjiriange and Deputy Justice Minister Mr Vekuii Rukoro.

Mr Gurirab said both governments also recognised that they had to work together to create conditions for a "brighter and better future" for the sub-region.

Impressed

"In this we should all do everything possible to remove all those problems of the present and of the past that are likely to create tensions and misunderstanding."

Mr Botha said he was impressed by Mr Gurirab's realism and his concept of the demands of the future for those in Africa and Southern Africa. — Sapa

Joint control of Walvis Bay agreed

NAMIBIA and SA have agreed to the joint administration of Walvis Bay and officials will meet in two weeks to discuss details, Foreign Affairs Minister Pik Botha said on Friday.

"There are only a few practical matters that must be ironed out," Botha told a joint briefing with Namibian Foreign Affairs Minister Theo-Ben Gurirab. C/PRESS 23/8/92

"This is a joint effort and we need to appoint chief executive officers and managers of a management committee," Botha said, adding there were also issues like funding and premises that needed to be dealt with. ([redacted]) (221A)

Negotiations over the disputed South African port enclave, geographically part of Namibia and home to its fishing industry, began after independence in 1990. ([illegible])

In terms of Namibia's Constitution and UN Resolution 432 of 1978, Walvis Bay and 12 offshore islands must be reintegrated into Namibia.

Namibia govt moves deposits

8/0A9
25/8/92

WINDHOEK — The Namibian government was transferring deposits of about R260m from commercial banks to the Central Bank of Namibia, Nambc radio news reported yesterday.

In future all government funds would be deposited in the central bank.

Finance Minister Gert Hanekom said he had halted transfer of the last R60m following a request by Clearing Bankers' Association president Danie de Lange. According to the association the transfers were affecting the commercial banks "adversely at this stage". 221A

There was nothing to prevent commercial banks from approaching the central bank for investment funds and for direct loans, Hanekom said. — Sapa.

NAMIBIA FM 28/8/92

Hot spot

221A

Namibia's five commercial banks are not happy. The two-year-old government is moving its deposits from their coffers to the central Bank of Namibia. This ends an arrangement which made large sums available to the banks, on tender, at approximately Namibian money market rates.

Now the central bank has a slice of the action.

Bankers say the government's cash has been withdrawn from circulation and possibly invested abroad, making less money available. The local Clearing Bankers Association complains this has increased already high local interest rates and harmed the depressed economy.

Cynics point out August is traditionally a hard month for bank liquidity, with many companies' tax payments due. Normally Namibia has surplus funds which are often invested in SA.

At issue is about R200m-R300m, fluctuating up to R500m, of central government funds. The local money market is small (R2bn-R3bn), so interest rates are rapidly affected.

Since independence, Namibia has been setting up a central bank with an independent board of directors. First Finance Minister Otto Herrigel had strong differences with the bank over how autonomous it should be and resorted to limiting its resources and powers. A series of clashes led to the resigna-

FM 28/8/92 **ECONOMY & FINANCE**

221A

tion of governor Wouter Benard, who was seconded by the IMF from the Netherlands. His resignation was not accepted, but last August, nine months later, his contract was not renewed. His former deputy, Erik Karlsson, supplied by the Swedish International Development Authority, has been acting governor. A Namibian may eventually take over the job.

Herrigel's uncompromising style led to his own resignation in April and this was accepted. His successor as Minister, Gert Hanekom, seems to get on better with the central bank. He says he began switching the funds in May. Instead of giving the bank a R4m subsidy, he offered the central bank the money at a renegotiable 2%-3% below money market-rates. This would give the central bank fuller control of monetary policy. ■

Sasol gets Namibian oil exploration licence

STAR 28/8/92.

221A

WINDHOEK — Sasol has taken a first step in expanding operations beyond South Africa with the award yesterday of a licence to explore for oil off the coast of Namibia.

The licence, granted to subsidiary Sasol Mining, is the third awarded by the Namibian government for oil exploration in its territory.

Announcing the deal yesterday, the Namibian deputy Minister of Mines and Energy, Jessaya Nyamu, said: "The award of this licence signifies the beginning of a vibrant chapter in our emerging bilateral business relationship, which is indicative of the growing confidence between our people."

The 11 000 sq km licence area 2012 is situated southwest of Terrace Bay on the northern Namibian coast.

Sasol Mining is expected to spend about R27,5 million on exploration and over R1 million on training Namibians in the first four years.

Sasol said yesterday the agreement was expected to be signed in Windhoek next month.

Work is due to begin as soon as the agreement is signed.

Mr Nyamu said, in response to a question, there was no contradiction in Namibia entering into an agreement with SA, despite calls by other countries for non-involvement.

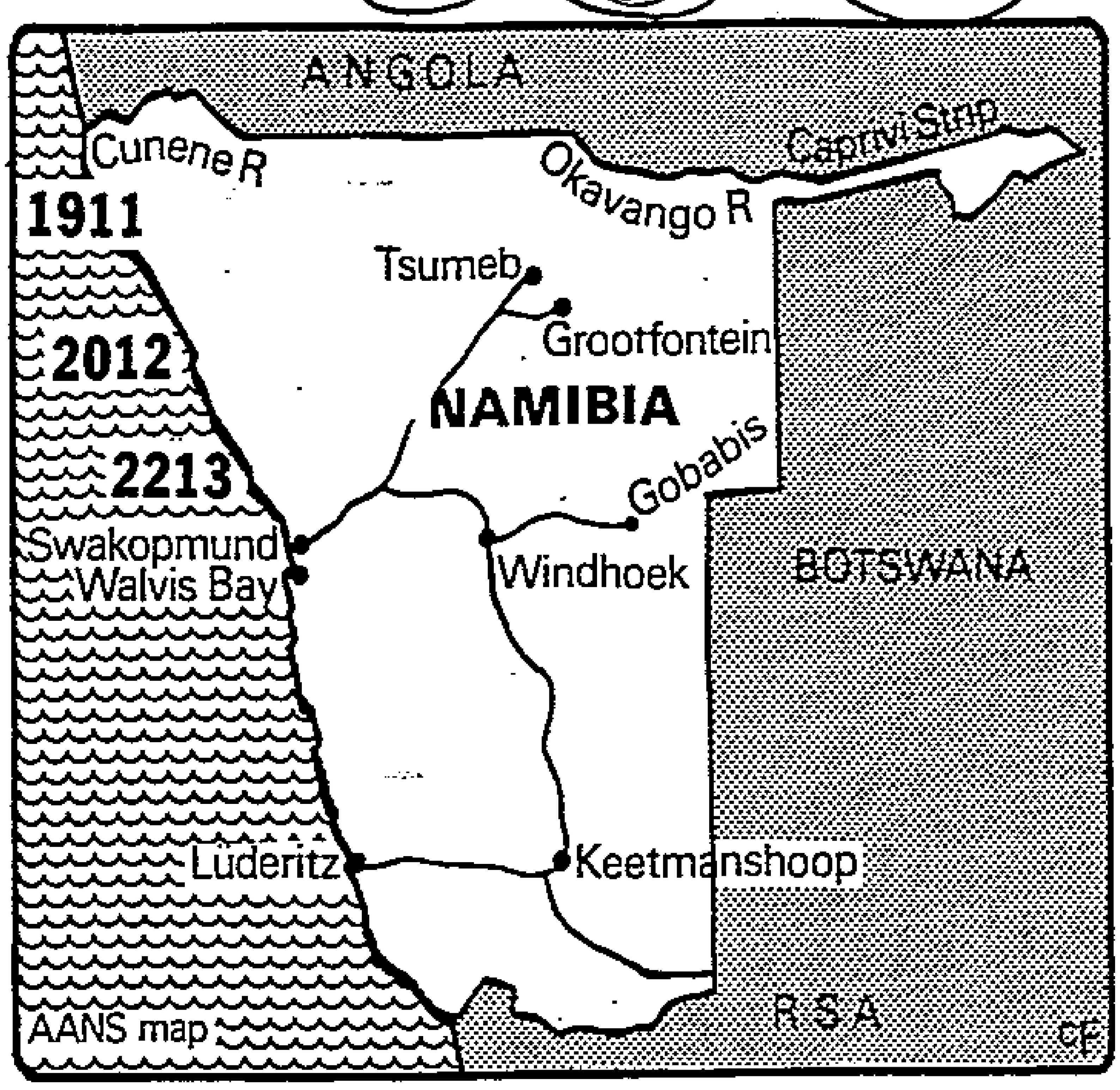
He said it was understood and accepted, by bodies including the Organisation for African Unity, that Namibia was an "exception" when it came to sanctions against SA because of their linked economies.

"It would not make practical sense," he said.

Namibia earlier signed contracts with a Norwegian consortium, which has already begun seismic work close to the new licence area, and with Canada's Ranger Oil and Britain's Hardy Oil & Gas, which will be exploring inshore close to Walvis Bay in block 2213.

Geologists are optimistic that the exploration activities will eventually yield viable oil reserves off the Namibian coast.

The presence of oil to the north, off Angola, and Namibia's giant Kudu gasfield to the south, with reserves estimated at up to 560 billion cu m, are among factors indicating large oil reserves off the Namibian coast, they say.



The Sasol exploration block 2012 is 11 000 sq km in extent sited between two other blocks already allocated.

A study of the complementary South American coast, and results of a basic seismic survey conducted under SA supervision in 1989, confirm this view.

Klaus Endresen, whose Norsk Hydro Namibia heads a consortium including Norways's Statoil and Saga Petroleum, and which was granted the first licence in April, said: "The enthusiasm to explore this area reflects the fact that a lot of companies are confident of the Namibian continental shelf, particularly when you take the low oil prices into account."

But he warned that the exploration of this coast would not be completed this century.

Mr Nyamu said the Norsk consortium had beaten five others to the licence for block 1911, an 11 000 sq km sector near the northern border with Angola.

A total of 18 companies were bidding for search rights.

Mr Endresen said Norsk would install five Norwegian technicians and sophisticated equipment to interpret the results of a detailed seismic survey launched last month by subcontractors Western Geophysics of the US.

"This is no half-hearted operation. We are creating a completely autonomous office. All the interpretation will be done in Namibia. We are very serious." — Sapa-Reuter.

Sweeping changes made to Namibia's taxation system

WINDHOEK — Separate taxation for married women, new income tax rates, adjusted abatements and a 5% drop in non-residential shareholders' tax are among the changes to the Namibian tax system introduced in the national assembly this week. (221A)

Income tax deputy director Harry Kruger said dividends, except those payable by building societies, would be tax-exempt in the hands of individuals.

Non-residential shareholders' tax has been reduced from 15% to 10%. BIOAM 3/9/92.

Another important aspect in the Income Tax Amendment Act of 1992 passed last week was the abolition of the 100% write-off procedure for capital items like machinery and vehicles.

In future the cost of acquisition will be equally spread over three successive years, allowing a third of the cost to be written off over three consecutive years.

Provision was also being made for the approval of benefit funds and provident funds. Benefits received from benefit funds, such as medical or accident funds set up by employers, would be tax free. Provident fund benefits would be taxable.

Kruger also said the allowable amount for contributions to an retirement annuity, provident or pension fund had been increased to R15 000 per taxpayer. — Sapa.

Namibia's fisheries sector is recovering

22 ifA

BDay 3/9/92

WINDHOEK — Namibia's overexploited fisheries sector is making a steady recovery and is expected to contribute more than 9% to the country's GDP for 1992.

The projected R446,3m (9,45% of GDP) is over eight times more than the R50,5m (2,11% of GDP) fishing contributed in 1989.

Fisheries and Marine Resources Minister Helmut Angula said in Windhoek the increase was the result of a strict conservation policy, resulting in a natural increase and better quality fish, and the introduction after independence in 1990 of royalties for the first time on hake and horse mackerel.

Heavy exploitation during the boom years of the '60s and '70s by Spain, the Soviet Union, Portugal, East bloc countries, SA and others resulted in a marked decline in fish stocks.

At independence Namibia declared a 200 nautical mile exclusive economic zone along its 2 400km coastline and began implementing measures to protect its fish.

Research in a White Paper on fisheries suggests resources, in the long term, could yield between 1,3-million and 1,5-million tons a year with a value of about R1bn.

Angula said improvements in pilchard stocks had allowed a total allowable catch (TAC) of 80 000 tons for 1992 compared with 30 000 tons in 1989.

Hake, which he said "is recovering best", had a TAC of 326 000 tons in 1989 when hundreds of vessels from ICSEAF countries fished off the Namibian coast.

"That was dramatically reduced to 50 000 tons ... in 1990," he added.

Today the hake quota was 90 000 tons.

The pelagic industry operates out of Walvis Bay and Luderitz.

Hake is caught by trawlers and processed by factory ships out at sea. At independence these trawlers were 100% foreign-owned. Now 36% are Namibian vessels.

Some 90% of the fish canned at Walvis Bay is sold to SA.

Since March 1990 vessels have had to be registered in Namibia. Of 208 vessels fishing in Namibian waters, 129 are Namibian.

Concern at the lack of a fisheries policy was expressed by many who said year-to-year quota allocations made it difficult to plan ahead. Chamber of Commerce chairman Stephan Hrywniak said: "We definitely need some long-term planning."

Angula said adhering to the strict conservation policy was paramount. — Sapa.

Fly to London with Air Namibia for just R2 649

(224A)

STEPHANE BOTHMA

AIR Namibia said yesterday it was offering return fares from Johannesburg to London via Windhoek from R2 649. BDay 4/9/92

The fares become effective on October 5 and were a significant saving on existing Iata prices, Air Namibia GM Keith Petch said from Windhoek.

The airline also announced "spouse fares" in both first and business class which allow wives or husbands of passengers to pay 50% of the usual price.

Air Namibia launched a weekly service to London on July 5, departing from Windhoek on Sunday nights after the arrival of connecting flights from Johannesburg and Cape Town.

Return flights from Heathrow arrive on Tuesdays to connect with flights on the same day to destinations in SA.

The connecting flight from Johannesburg to Windhoek is included in the overall fare.

The airline was satisfied with the response it had received since the introduction of the route, and the way it was developing, Petch said.

He believed the airline would attract both business and leisure travellers, many of whom would then remain with Air Namibia as regular customers.

The Johannesburg-London route is served by SAA, which offers 12 weekly flights, and also by British Airways, which flies the route 10 times a week.

Namibia shakes up taxes

(221A)
ARG 5/9/92

WINDHOEK. — Separate taxation for married women, new income tax rates, adjusted abatements and a five percent drop in non-residential shareholders tax are among the changes to the Namibian tax system introduced in the National Assembly.

Deputy Director of Income Tax Mr Harry Kruger said dividends, except those payable by building societies, would in future be tax-exempt in the hands of individuals.

Non-residential shareholders tax has been cut from 15 percent to 10.

The new Income Tax Amendment Act also changes write-off procedures for capital items such as machinery and vehicles.

In future, the cost of acquisition will be equally spread over three successive years, allowing a third of the cost to be written off each year.

New tax rules will also apply to benefit funds and provident funds.

Benefits received from benefit funds, which are medical or accident funds set up by employers, will be tax free, but provident fund benefits in a sum will be taxable.

Mr Kruger said the allowable amount for contributions to a retirement annuity, provident or pension fund had been increased to R15 000.

"Lump-sum contributions and arrear contributions will not be allowed in future," he said. — Sapa.

STAR 9.7.92

Sasol signs oil accord

WINDHOEK — The Namibian government and Sasol signed an agreement yesterday for the South African company's first venture into offshore oil exploration.

Sasol is the third company, and the first from Africa, to be awarded an oil exploration licence since Namibia opened its bidding last year.

The company is to spend at least R27,5 million in the first four-year phase in its search in a 11 500 sq km area off the northern Namibian coast.

221A

MD Paul Kruger said at the signing ceremony that the first seismic survey work on a 4 000 sq/km area would begin before the end of the year.

Sasol would also soon establish a Namibian company, he said. — Sapa.

NEWS ROUND-UP

Namibia to cull 460 animals for needy

S Times 13/9/92 (221A)

THE Namibian government is to cull 460 animals — including 20 giraffe — and can the meat for the needy as part of its drought relief efforts.

Information and Broadcasting permanent secretary, Bob Kandetu, said about 200 oryx, 200 springbok, 20 giraffe, 10 eland and 30 kudu would be culled at research stations.

The government is ignoring a huge outcry over its decision to cull the giraffe, ostensibly due to lack of grazing. Conservationists and animal protection groups point out that giraffe feed mainly on leaves.

Mr Kandetu said: "The culling is in line with a cabinet decision in March that meat from extra game on state lands be made available to the needy during the drought."

GATT membership for Namibia

CT 16/9/92 (221A)

GENEVA. — Namibia yesterday became the 105th member of the GATT, the world trade body said.

Mineral-rich Namibia has been applying GATT rules on a de facto basis since gaining independence in March 1990, the General Agreement on Tariffs and Trade (GATT) said in a communique.

Last year Namibia had exports amounting to $1,184bn, led by diamonds, uranium and manufactures, including processed fish and meat.

Imports, valued at $1,238bn, consisted of food and beverages, machinery and electrical goods, vehicles and transport equipment, as well as mineral fuels and lubricants.

BIPA 16.9.92

Namibia joins GATT

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Last year Namibia had exports of $1,184bn and imports valued at $1,238bn.

Toxic probe in Namibia

221A

WINDHOEK - Inspectors from the International Atomic Energy Agency are probing possible toxic dumping in Namibia, Prime Minister Hage Geingob told the *Namibian* newspaper yesterday.

Geingob said the team of three arrived at the weekend and would spend a week in the country investigating possible dump sites.

Namibia is known to be attractive to Western firms with waste to dump.

SWeekly 24/9/92

Team in Namibia to see toxic dump sites

STAR 24/9/92

(221A)

WINDHOEK — Inspectors from the International Atomic Energy Agency (IAEA) are probing possible toxic dumping in Namibia, Prime Minister Hage Geingob told the Namibian newspaper today.

Mr Geingob said the team of three arrived at the weekend and would spend a week in the country.

Namibia is known to be attractive to Western firms with waste to dump, as its 1,4 million population is scattered across vast desert tracts in a territory of some 825 000 sq km.

The team, accompanied by permanent United Nations representatives in Namibia, will concentrate its search on the remote Skeleton Coast in the north-west, where firms might have dumped secretly.

Mr Geingob said since independence in March 1990 his government had turned down multimillion dollar offers if Namibia were prepared to take toxic waste.

"We are not interested in this money as we know this kind of dumping will destroy our posterity," he said. — Sapa-AFP.

FM 25/9/92 ECONOMY & FINANCE

NAMIBIA FM 25/9/92

Cash crunch

(221A)

Namibia's finance authorities are increasing government securities available on local money markets to give commercial banks more scope for secured borrowing. But long-term government stock to be introduced from October is not likely to help a liquidity crisis that is holding interest rates on rands in Namibia higher than those in SA.

The problem arose in May, when Finance Minister Gert Hanekom started moving R240m of government surplus funds from matured short-term deposits at the five commercial banks into the Bank of Namibia. The central bank is believed to be building foreign exchange reserves and one local newspaper claimed last weekend it has invested R244m through the Public Investment Commissioners in SA. The latest monetary statistics published, for end-July, show central bank foreign assets climbing to R224m, from R114m in June, and this may be in preparation for introducing the Namibian dollar currency next year and making it freely exchangeable with the rand.

Banks that had grown reliant on the government's money say the switch was too much for the small local money market. The Ministry met Bank of Namibia acting governor Erik Karlsson and the banks last month and solved the crisis by offering funds to banks in need until mechanisms are in place for them to turn to the Bank of Namibia.

Before independence, Namibia was treated as part of the SA banking system. Now its banks are encountering the problem that SA institutions are imposing country limits on lending — in line with country risk.

The commercial banks' overseas assets are shrinking — the end-July figures show them down to R330m, from R777m a year before.

One target for Hanekom is to try to bring home premium and other income SA assurance companies are still taking south. He says he will use market forces, not legislation. First lure is to be an increase in the monthly issue of R10m or R5m in 90-day Treasury Bills, offered on tender and oversubscribed up to five times. (221A)

The government says that next month it will also try an initial offer of about R25m in two- or three-year stock, issued either on tender or at fixed rates. It could increase the amount on offer later, as the forecast budget deficit for the year to March 1993 is R567m, of which, Hanekom says, R347m will come from internal borrowing as well as foreign soft loans (in the last budget year forecast borrowing was not needed).

Namibian stock exchange plans are nearly complete and could soon attract funds. ■

Toxic waste probe in Namibia

22IA

S/Times 2/7/92

Sunday Times Reporter
Swakopmund

GEIGER-counter readings taken at Mile Eight near this Namibian coastal town indicate that there are definite signs of radioactivity in the area.

The tests were conducted by a German television crew sent to Namibia to investigate whether any German companies were involved in establishing toxic waste dumps.

Videotapes to be screened in Germany early next month indicate that radiation levels on the beach at Mile Eight are unacceptably high.

Experts

It is claimed that the radioactive material found on the beach is identical to that found in certain defective nuclear reactors in the former East Germany.

Meanwhile, three experts from the International Atomic Energy Agency are believed to be near Swakopmund to check on possible toxic dumping sites on the Namibian coast.

It is believed that Namibia has been targeted as a prime site for toxic waste dumping by certain European companies, and that material may have been secretly buried or dumped in the sea off the coast.

27/9/92 B(DAY)

Govt stock issue (22/A)

THE Namibian government would enter the capital market with a R50m government stock issue in October, the finance ministry said in Windhoek yesterday.

The stock will have a maturity of two years and will be redeemed on October 15 1994. An application for a listing on the Namibian Stock Exchange is to be made.

Namibia launches 1st stock exchange

2214 CT 1/10/92

WINDHOEK. — The Namibian Stock Exchange was officially launched here yesterday and is due to have five companies with a market capitalisation of about R200m listed by the end of the year.

"What we are doing today is we're getting the vehicle ready making known the facility is there," said consultant Wikus Hanekom of stockbrokers George Huysamer and Partners.

"The listing of shares is something that doesn't happen overnight but we hope to list the Namsea and Namfish group within about six weeks and three more dual listings before the end of the year."

Namibian bourse opening to little clamour

B/DAY 1/10/92. (221A)

JONO WATERS

THE Namibian Stock Exchange opens its doors today — without any listings.

The first local listing is expected only early next year. However, at least three companies are expected to list within the year. Trading on the stock exchange, officially opened last night by Finance Minister Gert Hanekom, will start this month.

Exchange chairman Hans-Juergen Steuber said: "Never has there been a better time for sophisticated investors to sink a conservative portion of portfolios into emerging markets."

An example of this was the number of listings on the Botswana Stock Exchange increasing to 12 from five in the last three years.

Cost savings would entice the investor to the Namibian exchange rather than the JSE, he said.

Attractions included: a non-negotiable commission on a sliding scale of 1% for transactions up to R10 000 to 0,2% on R1m or more; a levy of R15 rather than the R30 on the JSE, and no marginal securities tax.

The rules of the exchange are based on the rules of the JSE with minor adjustments.

Domestic savings will initially provide most of the funds to be channelled into investments and act as a stimulus for growth in the country, he said.

The computer-based screen trading system was designed for the exchange by an SA company.

Toxic plan scuttled (22/9)

W/mail 2/10-8/10/92

■NAIROBI: The United Nations says an international outcry has scuttled a secret scheme by European firms to dump 10 million tons of toxic waste in Somalia.

African and Western governments were outraged last month by media reports that a Somali claiming to be a government minister had signed a 20-year dumping contract with the companies, which include a Swiss-based firm.

New exchange gets rolling in Namibia

ARGUS 3/10/92 22IA

WINDHOEK. — The Namibian Stock Exchange (NSE) was officially launched in Windhoek on Wednesday and is due to have five companies with a market capitalisation of about R200 million listed by the end of the year.

"What we are doing today is we're getting the vehicle ready ... making known the facility is there," said consultant Wikus Hanekom of stockbrokers George Huysamer and Partners.

"The listing of shares is something that doesn't happen overnight, but we hope to list the Namsea and Namfish group within about six weeks and three more dual listings before the year's end."

The first original listing was due by next March, and at least three Namibian companies are expected to be listed during the course of 1993.

Mr Hanekom said for the NSE to break even it would need to trade between R1 million and R2 million worth of shares a month.

According to a NSE press release, cost savings will be a major factor for Namibian and other companies to trade their shares on the NSE rather than on the Johannesburg Stock Exchange. The expected NSE market capitilisation of R200 million is roughly equal to that of the 243rd largest company listed on the JSE.

"A non-negotiable commission will be on a sliding scale starting at 1 percent up to R10 000 to 0,2 percent on R1 million or more.

"The fees that have to be paid to the NSE will be lower with a minimum fee of R15 a transaction compared to the minimum fee of R30 to South African brokers. In addition, Namibia does not have a marginal securities tax, which is charged of all purchase transaction in South Africa."

Performing the official opening, Finance Minister Mr Gert Hanekom said the NSE enjoyed the government's full support, adding that his ministry had worked through Stock Exchange Executive Committee proposals on tax incentives.

"We view tax incentives as imperative to ensure the success of the stock exchange and a Bill for certain tax incentives to the NSE will be tabled before the National Assembly in the near future."

Bay of peace closer to rule by Namibia

S/Times [Cape Metro] 18/10/92. 221A

Special Report: DIANA STREAK
Pictures: TERRY SHEAN

SIX years ago, Freddie Herzberg stood in shock among the dead and injured after a bomb planted by a Swapo guerilla exploded in his butchery in Walvis Bay, killing five people.

Today Mr Herzberg has rebuilt a bigger, better shop and his constructive outlook which brought him through that ordeal is shaping his attitude to the possible inclusion of the South African enclave into Namibia under a Swapo government.

The Joint Administrative Authority (JAA) controlling Walvis Bay and 12 offshore islands, to be in place by November 1, is seen by most Walvis Bay residents as an interim measure leading eventually to Namibian control.

Nestling between the icy Atlantic ocean and the sunbaked Namib desert, this is the only deep water port along the coastline, and most of Namibia's imports pass through it. A flat South African enclave surrounded by the fledgling state, Walvis Bay is of vital importance to Namibia's fishing and shipping industries, the mainstays of the town's economy.

HEAVEN ON EARTH . . . Mr Ebrahim Pochee with daughter Nasreen, left, her schoolfriend Candida Theron and his cousin Safeeya Nanabhay

Two kinds of white people live in Walvis Bay:

- South African civil servants and migrant fishermen, and
- Hardcore residents, many of whom were born in Walvis and consider themselves Suidwesters or — grudgingly — Namibians.

The huge majority of blacks, who make up more than half the population of about 25 000, consider themselves Namibians.

Curiously, Walvis Bay is listed in both South African and Namibian telephone directories.

Although many residents are dubious about Namibia's ability to run things and maintain "standards", there is an acceptance that South Africa will inevitably relinquish control.

KEY PORT . . . port manager Captain Jens-Dieter von der Fecht, right, and mayor Buddy Bramwell

FREDDIE HERZBERG Confident about future

Trust

George Witham has lived in Walvis Bay for 62 of his 86 years. It doesn't worry him at all that Namibia will take control of the area.

On the other hand, Jan Wilkens, who has been town clerk of Walvis Bay for 34 years, is dead against incorporation into Namibia.

For him, the spectre of communism still looms large, and he doesn't trust the JAA.

mibian government were enemies not too long ago, and I don't see how the Windhoek regime can suddenly be seen as friendly. As recently as last March, a survey showed that 80 percent of whites in Walvis wanted to stay under South African control, but now I don't see that happening," said the career public servant who retires shortly.

Businessmen generally believe the JAA will be good for Walvis.

Chamber of Commerce spokesman Stefan Hrywniak says the town's geographical location is its biggest single asset, and points out that, unlike many other African states, Namibia has fared well since independence.

Ebrahim Pochee moved his family to Walvis last year, after a lifetime of annual fishing visits. It was the quiet way of life that persuaded him to turn his back on Johannesburg and open a fast-food outlet in the enclave.

"This place is heaven on earth. There's no crime, there's no one running around with AK 47s. I think we'll see a lot more Indian people settling in Walvis Bay, both because of the quality of life and because of the deteriorating political situation in South Africa," he said.

Tension

Harbour master Schalk de Wit is one of many residents whose allegiance is to Walvis Bay rather than to South Africa or Namibia.

"Our car registration is CWB. Do you know what that stands for? Coloured, White and Black. The new South Africa could learn a lot about race relations from this town," he says sagely.

Boatbuilder Harold Blum, who has lived in Walvis for 32 years, is resigned to becoming a Namibian.

"What option have we got? They will give Walvis Bay away eventually. At lease we have no unrest here, no stone throwing, no racial tension. The only question is whether incorporation will be good for the economy or not," he said.

His concern is shared by Mr Justus Grebe, who campaigned for the National Party in the Namibian elections, and has since become a Namibian citizen.

"Walvis has to become part of Namibia at some stage," he predicted.

Town councillor Nico Retief — who is "proud to come from this area" — believes some people would leave Walvis Bay if it were placed under full control of Namibia, but he wouldn't be one of them.

"This is a great country. I have no intention of leaving. If I have to renounce South African citizenship to stay here I will have no problem doing that, and I don't think anyone in South Africa could blame me."

Mayor Buddy Bramwell believes the logical conclusion to the JAA is that Walvis will become part of Namibia.

"But that's going to be decided by the politicians in the end. The people won't have any say in the matter. In the old days, we saw ourselves as Southwesters, and I think most of us still feel part of Namibia," he said.

A staunch rightwinger, who did not want to be named as he is a public servant, said he, too, would stay in Walvis.

"There's nothing waiting for me on the other side of the Orange River. If I have to choose between living under a Swapo government or an ANC one, I'll take Swapo any day. At least we already know where we stand with them."

Bustling

Walvis is like any small South African town, dry and featureless apart from the encroaching sand dunes, busy harbour and lagoon which is home to hundreds of migratory flamingos and pelicans and the palm trees which line some of the straight, flat streets.

The once bustling SADF base now houses only a few hundred troops, and for the rest, Walvis offers a handful of one and two star hotels, a black township, a coloured township, a white working class suburb and a "millionaires row" along the lagoon.

Yet those who live there defend the quality of their life as superior to anything in "the Republic", which is how they uniformly refer to South Africa.

COMPANIES

Engen teams up with Chevron

WINDHOEK — Chevron of the US and Engen yesterday signed an agreement with the Namibian government to begin offshore petroleum exploration.

This is the fourth oil exploration licence Namibia has granted this year.

The consortium, 60% Chevron Overseas (Namibia) and 40% Engen through its subsidiary Eagle Energy (Namibia), is to spend about R55m and drill two test wells during the first four-year period.

Chevron Corporation vice-president Richard Matzke, who signed the agreement on behalf of his company, said seismic work was to begin within the next few weeks and Chevron would open a Windhoek office before the end of the year.

The 10 850km² exploration area, block 2 815, is off the southern Namibian coast adjacent to the Kudu gasfield Chevron discovered in 1974. B(DA) 21/10/92

The consortium is also to spend about R550 000 on training Namibians each year of the contract.

Matzke paid tribute to the agreement negotiators in the Namibian government.

"What you have done is sent an unmistakable message to the whole world that Namibia is a good place in which to invest," he said. [redacted] [redacted]

Chairman Bernard Smith signed the agreement for Engen. 221A

Namibian Mines and Energy Minister Andimba Toivo ya Toivo said his government attached great importance to the presence of Chevron and Engen in Namibia because of the long-standing historical bond between the parties and with Africa in general. [redacted]

"Now, more than ever, it is vital that we maintain and develop these links to our mutual benefit," he said.

Chevron also has interests in Nigeria, Congo, Zaire and Angola.

Namibia has granted exploration licences to a Norwegian consortium, a Canadian-British consortium, and Sasol. — Sapa.

Nujoma jets into trouble

IN WHAT officials have termed "unfortunate timing", Namibia took delivery of a new presidential jet just as it was appealing for international aid to deal with a worsening drought. (221A)

News of the purchase from France of the $30-million (about R84-million) Falcon 900B for transporting President Sam Nujoma and other government leaders provoked an outcry in local newspapers. South 24/10-28/10/92

The affair also embarrassed the government with its donors. Some governments — including Norway, Sweden and Germany — suspended or considered cutting drought relief assistance.

Compiled by Quentin Wilson

Tiniest stock market in world opens

(22-1A)
ANG 24/10/92

The Argus Africa News Service

The traditional bell marking the opening of trading was rung in the Namibian Stock Exchange in Windhoek this week. The whole exchange is contained in a personal computer.

WINDHOEK. — The smallest stock market, the new Namibian Stock Exchange, this week made its first deal minutes after listing its first share. The traditional bell was duly rung to mark the start of trading in shares of furniture and car dealing group Nictus Limited.

Instead of a mad rush of brokers on the stock exchange floor, all that could be heard was the quiet beeping of the single personal computer that contains the whole exchange.

Around it, top figures from Windhoek's business community gathered in the office of the country's only stockbroker to sip champagne.

The new stock market is one of a new breed of stock exchanges aiming to boost investment and savings in southern Africa.

Its first target is to dual list many of the five Namibian companies which, like Nictus, are already traded on the Johannesburg Stock Exchange.

The Namibian government also took advantage of the launch to issue R50 million worth of tax-free government loan stock to tenderers earlier this month. This stock was also listed this week but there were no deals.

Local companies are keen to join the exchange, including fishing firms which can win lucrative quotas once they have raised enough capital to buy a boat and other fish-processing equipment.

Offering their shares to local and international investors may be one way of gathering the funds.

Future companies to be listed could include banks and insurance, fishing, farming and mining companies.

Oil exploration is another Namibian boom industry and this week the fourth oil exploration agreement was signed with subsidiaries of Chevron Corporation of the US and Eagle Energy, part of South Africa's Engen. Executives said they hoped to list a local company.

But Namibia's lone stockbroker, Wikus Hanekom of George Huysamer and Partners, said trading on the first day was still "quiet".

The exchange has been developed by the business community and 33 companies each put up R10 000 to finance it. It works on a single personal computer in the Huysamer office with a security locked programme developed by a local computer software company.

The system cuts dealing costs below the rates on the bigger South African market and inquiries have come from Botswana, Kenya and other countries with new exchanges.

The Namibian government fully supports the new exchange and has already put in place tax advantages such as allowing foreigners to invest using the financial rand and a low 10 percent rate of tax on dividends to non-residents and no tax to locals. More tax lures are promised.

One of the main targets of the new exchange is southern Africa's insurance companies. Each year millions of rands in Namibians' life insurance, pension and other savings are invested in South Africa.

Now Namibia's business world hopes some of that money will be available to expand local businesses. Foreign funds looking for fast-growing emerging markets may also be interested.

Botswana revamps exchange controls

B/DAY 12/11/92.

GABORONE — The Bank of Botswana says the government has approved changes in exchange control policy and regulations governing internal portfolio investment and local borrowing by nonresident-controlled companies.

"These changes are intended to facilitate development of the financial sector and the stock market, and to encourage much needed inward foreign investment into Botswana," the central bank said.

Nonresident-controlled companies incorporated in Botswana could now invest in the securities of companies quoted in the Botswana share market without financing such acquisitions with nonresident-source funds. The authorities had ensured local investors would not be crowded out.

The aggregate of inward and internal portfolio investments by nonresidents and nonresident-controlled companies couldnot exceed 49% of the "free stock", defined as total stock issued and paid up less stock held by direct investors.

Further, a nonresident or nonresident-controlled company could not hold more than 5% of the free stock of a company listed on the Botswana share market.

Because of the change, the eligibility of nonresident-controlled companies for local financial support would be determined by applying the 4:1 debt-to-equity limitation after deduction of internal portfolio investment holdings.

In addition, the limit for approvals by authorised dealers of the initial tranche of local financial support that could be afforded by residents to nonresident-controlled entities or unincorporated branches of nonresident-owned entities had been raised to 500 000 pula from 300 000.

The purpose for which local financial support might be used had also been extended to include working capital, construction of new plant and buildings, and purchase of machinery and equipment.

The use of local borrowing for acquisition of existing assets such as land, and the purchase of a going concern was not allowed, the central bank said. — Reuter.

Court rejects Namibian sea boundary

WINDHOEK — The Windhoek High Court has upheld an objection to Namibia's northern sea boundary lodged by three Spanish trawlermen charged with illegal fishing in Namibian waters.

Fisheries authorities arrested the Spanish Xeitesino for trawling inside Namibia's 200-mile exclusive econonomic zone, south of Angolan waters, on July 30.

When the case opened on Monday, defence counsel Andries Blignaut SC questioned the legality of the sea border.

He said, according to news reports, that neither a technical committee of the Namibian cabinet nor the cabinet itself had the authority to determine the northern sea border of the exclusive economic zone. He argued that the border determined by cabinet or a technical committee had never been promulgated. 221A

Judge T Frank ruled on Tuesday, after argument, that the boundary line drawn on a map handed in to court had no legality.

B/DAY 12/11/92.

The State was given until today to amend the charge sheet. — Sapa.

Disabled rob food trucks

CHIMOIO — They are called "mutilados" — disabled veterans armed with huge rocks who sometimes block the Beira Corridor to rob food relief trucks.

Feeling abandoned by the Mozambican government, they do not pay much attention to a fragile ceasefire between the government and Renamo.

The periodic looting on the Beira Corridor illustrates Mozambique's shaky security conditions and mounting tension despite the October 4 ceasefire agreement.

Security in the corridor is likely to deteriorate even further this month when Zimbabwe withdraws its troops.

Drought-stricken central Mozambique depends on the corridor for food deliveries, as does Zimbabwe. Each week about 20 000 tons of food passes through the central provincial capital of Chimoio.

The mutilados are mostly demobilised government soldiers who believe officers stole their disability pensions to buy into the transport businesses that have proliferated since improvements to the Beira Corridor by Western donors. B/DAY 12/11/92.

Zimbabwe is to withdraw its last 5 000 troops from Mozambique by Sunday. After that, police and army units will be left to patrol the Beira Corridor under the supervision of six unarmed UN observers. — Sapa-AP.

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BANKING FM 20/11/92

Of age

(221A)

The SA-based former subsidiary of the Commercial Bank of Namibia has severed direct ties with its Namibian parent and branched out under the name of the International

FM 20/11/92 (221B)

Bank of Southern Africa — SFOM (Ibsa). It will specialise in corporate banking, particularly trade finance.

European banking group Societe Financiere pour les Pays d'Outre Mer (SFOM), major shareholder in both the Namibian and SA-based operations, will take up 82% of the shares in Ibsa, with Dresdner Bank taking the balance. This will provide an initial R25,8m in capital and another R10m in second-tier capital will be available later.

Ibsa MD Franz Kipping says the move was prompted by changes in banking law, in SA, since Namibia's independence, with the introduction of the Deposit-taking Institutions Act SA early last year. Kipping says SFOM also "sees SA as pivotal in the development of financial markets in the region and wants a more direct involvement."

SFOM is a Swiss-registered, Paris-based international banking group jointly owned by Banque Nationale de Paris (which holds 48,4%), Banque Bruxelles Lambert (25,8%) and Dresdner Bank (25,8%). It holds interests in a number of African banks and is represented in 80 countries worldwide. It has a capital base of SwissFR5bn, with 6 200 employees.

Kipping says the extra capital, which will increase SFOM's balance sheet four times, "allows us to talk to the major corporates." He feels SFOM's network of associated financial institutions in Africa and the presence of SFOM's shareholders in over 80 countries worldwide will give the bank a competitive advantage in trade finance and international banking. ■

DECOVO INVESTMENTS

22117

A tangled web

Activities: *Makes furniture and has 27% interest in a Namibian cement producer.*
Control: *Directors 90%.*
Executive chairman: *M Delport; MD: M Jooste.*
Capital structure: *12,7m ords. Market capitalisation: R10m.*
Share market: *Price: 80c. 12-month high, 160c; low, 80c. Trading volume last quarter, 10 000 shares.*

Year to Dec 31	†'89	‡'89	'90	'91
ST debt (Rm)	8,6	18,8	16,9	16,4
LT debt (Rm)	1,1	6,8	34,1	9,8
Debt:equity ratio	1,77	3,21	7,04	0,56
Shareholders' interest	0,30	0,21	0,10	0,60
Int & leasing cover .	—	0,91	0,55	—
Return on cap (%) ..	—	7,7	2,0	—
Turnover (Rm)	35	45	40	56
Pre-int profit (Rm) ...	(1,6)	2,9	1,3	(6,3)
Pre-int margin (%) ..	—	6,4	3,2	—
Earnings (c)	(18,5)	(2,16)	(36,0)	(77,0)
Net worth (c)	35	50	42	143

† 12 months to March 1989. ‡ Annualised 9-month trading period.

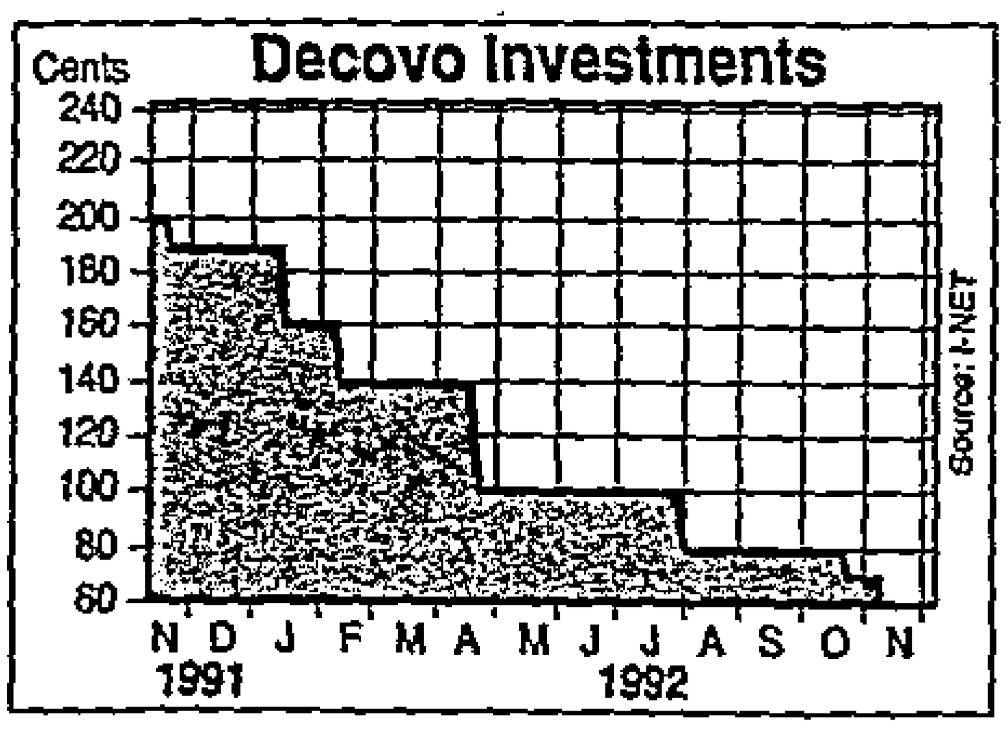
What a tangled web Decovo wove last year. It changed its name, sold assets, acquired an associate and had a rights issue.

Decovo (then called Gomma) sold its operating activities to Gommagomma Holdings (GHPL) for R17m in January 1991, in exchange for GHPL shares giving Gomma a 51% stake in GHPL. Toyota holding company Wesco paid GHPL R13m for the other 49%. Gomma's only asset then was the holding in GHPL and its only liability a R10,8m loan from holding company Decagon.

In May, it lifted issued shares to 60m and then consolidated them 1-for-5. It acquired, for another 13,5m shares, Decagon's 27% of Cement Industries, a private company and Namibia's only cement producer.

To reflect the changed business the name was changed to Decovo. A rights issue in June raised R11,6m. This was used to reduce interest-bearing debt. In September, Decovo issued 1m shares to acquire Bakker & Steyger — delisted in 1978. GHPL took it over for more shares of its own, raising Decovo's stake to 56,8% and diluting Wesco accordingly. The deal makes Gommagomma Holdings SA's second biggest furniture manufacturer.

Though the recent interim for financial 1993 shows a marginal improvement — loss per share is 34c compared to 1992's 39c — interest paid for the six months already exceeds that for the whole of 1992. Chairman



Michael Delport says no quick recovery of the furniture industry is expected.

This year, he adds, modest capital expenditure has been budgeted for, a major sales drive has been undertaken and rationalisation of the expanded activities between Gommagomma and Bakker & Steyger remains a high priority.

The share has tumbled from 250c to 80c in a year. Until profits appear, there's little incentive to hold it. *Kate Rushton*

NICTUS FM 20/11/92 2214

Multiple problems

Activities: *Furniture, motor and property interests in Namibia and SA.*
Control: *Directors 49,9%.*
Chairman: *P J de Witt Tromp; MD: N C Tromp.*
Capital structure: *7,1m ords. Market capitalisation: R2m.*
Share market: *Price: 28c. Yields: 7,1% on dividend; 24,6% on earnings; p:e ratio, 4,1; cover, 3,2. 12-month high, 55c; low, 35c. Trading volume last quarter, 34 000 shares.*

Year to June 30	'89	'90	'91	'92
ST debt (Rm)	6,1	7,3	9,1	6,2
LT debt (Rm)	2,2	1,8	1,7	1,6
Debt:equity ratio	1,0	1,2	1,3	0,92
Shareholders' interest	0,37	0,39	0,37	0,43
Int & leasing cover ..	0,69	0,77	1,17	1,32
Return on cap (%) ..	4,3	6,3	9,5	10,9
Turnover (% change) .	12,1	0,22	(2,3)	9,8
Pre-int profit (Rm) ...	0,95	1,3	2,1	2,1
Earnings (c)	(6,8)	(4,9)	6,9	6,4
Dividends (c)	2,0	—	2,0	2,0
Net worth (c)	114,3	110,0	114,7	119,1

This Namibian retailer has suffered from a mixture of the effects of transition to independence, a poor economic environment and restructuring its businesses. The four sectors are: household furniture retailing (50% of turnover); motor retailing (30%); carpet retailing; and immovable property.

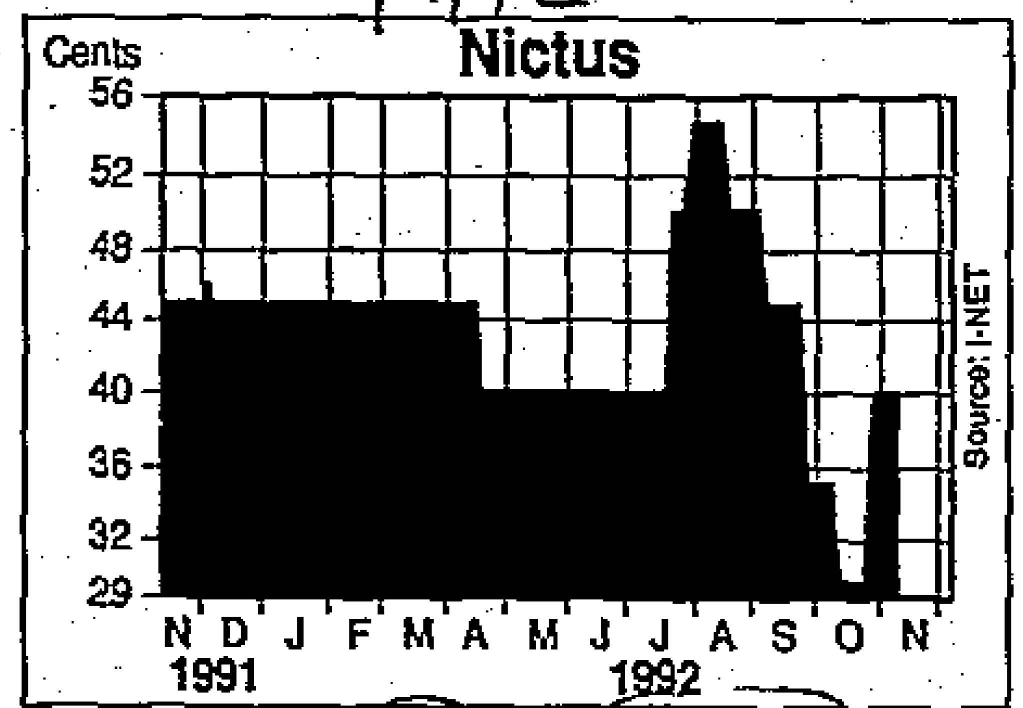
Earnings and turnover chart an erratic path. Despite a drop in turnover of 2,3% in 1991, earnings improved dramatically, thanks largely to a deferred tax credit, which represented more than a third of net income. According to MD Nico Tromp, there are no significant tax losses to carry forward from Namibian operations but there are from SA.

In 1992 pre-tax profit rose 66% on a 9,8% increase in turnover and 10% fall in interest charges. The only significant rise in operating costs was an increase of 50% in directors' salaries, taking managerial expenses to more than a quarter of total operating expenses.

High gearing has made interest charges a perennial problem. In 1992 net interest absorbed three-quarters of pre-interest profit; this has steadily been reduced from nearly 1,5 times pre-interest profit in 1989.

Steps have been taken to reduce the cost of debt servicing. Working capital has been pared from R14,4m to R11,3m, with falls in stocks and debtors. This has allowed a cut in the debt:equity ratio to 92%, by a reduction of short-term debt. Gross cash flow has been turned around from a negative R400 000 in

FM 20/11/92



2214

1989 to a ~~positive~~ R570 000 ~~in 1992~~, but still provides only 7% debt cover.

The share price is a 76% discount to NAV. The p:e ratio, dividend yield and dividend cover are nominally attractive, but the risk remains high interest charges, low interest cover and tough market conditions.

Volumes are low and the share traded within a price band of 30c-55c since early 1990; recently it fell to 28c. Performance against the JSE Industrial Holdings index has been weak. There is time to watch Nictus, since 1993 promises to be another period of consolidation. Last month the share became the first listing on the new Namibian Stock Exchange, and this could attract more investment interest.

Louise Randell

Namibian bank regrets resignation

Bdny 20/1/92

WINDHOEK — Central Bank of Namibia acting governor Erik Karlsson expressed his regret yesterday at the resignation of the bank's board member John Kirkpatrick.

He said in a statement in Windhoek that Kirkpatrick's strength and knowledge had contributed significantly to developing the central bank.

"I further regret, but understand fully why events culminating in the recent decision taken with regard to the City Savings and Investment Bank application . . . bore heavily on his decision," Karlsson said.

Kirkpatrick resigned on Monday after he and Karlsson were reportedly outvoted in a decision, by three Namibian government officials, to approve an application to establish the proposed City Savings and Investment Bank.

The decision, he said, was in conflict with the provisions of the Banks Act.

Kirkpatrick said it appeared that more than 75% of the capital would be held by foreigners, which was not in the best interests of Namibia.

"I believe that the decision of the board was politically motivated and not granted on merit."

The proposed bank is to be funded by Namibia Consolidated Investments (65%), Nigerian-based Bank of Africa (30%) and Kalahari Holdings (5%). — Sapa.

FM 27|11|92 (221A)

NAMIBIA (221A) FM 27|11|92

Hornet's nest

The Namibian Central Bank's 3-2 board vote to approve an application from City Savings & Investment Bank has cost it the services as director of one of Namibian banking's more experienced figures. Lawyer John Kirkpatrick, chairman of Standard Bank Namibia before joining Bank of Namibia, quit on November 17. He is still chairman of Rössing Uranium, a director of parastatal National Fishing Corp and senior partner of the Lorentz & Bone law firm.

Breaking banking confidentiality, he issued a press release accusing fellow directors of having "little if any knowledge about banking" and said the approval was "politically motivated, not based on merit."

The row damages the credibility of Bank of Namibia, set up in July 1990 with a board of: Kirkpatrick; Ministry of Finance budget expert Paul Hartmann; Bience Gawanas, a qualified advocate and now a top public servant; Petrus Damaseb, permanent secretary in the Office of the PM; and deputy governor (now acting governor) Erik Karlsson, of Sweden, formerly with Lesotho's central bank. Wouter Benard was seconded by the IMF as governor.

The board backed Benard in resisting pressure from ex-Finance Minister Otto Herrigel. But the clashes, and Benard's outspoken replies, meant one of the two would have to go. In July 1991, it was Benard, followed by Herrigel, who resigned in April.

In mid-1992, the board intervened in a simmering row between the aspiring bank and former Registrar of Banks Ed Nolan, also IMF-supplied. City Savings had been trying for over a year to lodge an application. It protested when it was told to wait for regulations and claims Nolan went out of his way to impose extra conditions.

Driving force behind the bank is Aron Mushimba, a new face who rose to wealth through Namibianisation of fishing quotas and is President Sam Nujoma's brother-in-law.

The five existing banks agree Namibia has too many banks. Mushimba accuses them of recruiting Nolan to block competition from a well-connected bank run by black Namibians. He says other banks are SA- or European-owned and none offers the merchant banking services he hopes to provide, particularly for the fishing industry.

But Windhoek's business world is abuzz with rumours about the Namibia/Hong Kong/Nigeria/SA consortium behind the new application. According to the public file application, key shareholder is Namibia Consolidated Investments, with 65%. Its shareholders are Mushimba (20%); SA lawyer J A du Toit (25%); Grand Chase Investments, apparently based in Hong Kong and controlled by Michael Yates (21%); and other Namibians, such as university vice-chancellor Peter Katjavivi (who resigned from the board of European-controlled Commercial Bank of Namibia).

Merchant Bank of Africa (Nigeria), based in Lagos, has 30% of the bank and Kalahari Investment Holdings (owned by Swapo) 5%. Namibians had neither control of the company nor a majority of the board.

The auditor asked by the Central Bank to check the application expressed strong reservations about the bank's capitalisation and ownership. Kirkpatrick insisted in his press release it was over 75% foreign-owned.

Damaseb replies that the meeting which approved the first-stage application made it clear the bank would get provisional permission to operate only once it made changes to the board's satisfaction.

Damaseb accuses Kirkpatrick and Karlsson of using the political card as blackmail, saying a memo from Nolan (who has also resigned and is due to leave soon) had hinted that, as Swapo members, he and Gawanas would be suspected of having an interest. They offered to recuse themselves (other reports say they threatened to walk out). Apparently, Kirkpatrick said he did not question their integrity and it would not look good if the only two black directors were absent when the decision was made.

Before City Savings can open its doors, it will still need provisional registration. Damaseb says it will have to make changes. A likely one is capitalisation. It must deposit R10m and ensure Namibians are in control. Mushimba says money is no problem. He is recruiting more Namibian black business figures as directors and says the process will take six months. ■

New officials at Bank of Namibia

WINDHOEK — President Sam Nujoma has announced the appointment of a new governor, deputy governor and director to the central Bank of Namibia.

Finance Minister Gert Hanekom told a media briefing on Wednesday acting governor Erik Karlsson, a Swede, was to fill the top post, with Namibians Thomas Alweendo deputy governor and former Tsumeb mayor Toni Botes the new director.

Botes replaces John Kirkpatrick, who resigned on November 17 after he and Karlsson were outvoted in a decision to approve provisional registration for the proposed City Savings and Investment Bank.

Kirkpatrick called the decision politically motivated, saying it appeared more than 75% of the proposed bank's capital would be held by foreigners. The decision was taken, he said, by board members with little, if any, banking knowledge.

Hanekom said the application would have to be changed before the new bank could be given permission to operate.

"There will be a change to the capital structure," he said, adding this had already been agreed on, and would have to conform to the letter of the Banks Act.

All five directors had decided the application needed amending.

"The question was when," Hanekom said.

The proposed bank is a joint venture between Namibia Consolidated Investments (65%), the Nigerian-based Merchant Bank of Africa (30%) and Kalahari Holdings (5%). — Sapa.

22/A

BIDAY 27/11/92

$72m damages claim to be made against Benco

LINDA ENSOR

221A

CAPE TOWN — Summons is to be issued this week by Namibian Minerals Corporation against Benguela Concessions (Benco) for a claim for damages amounting to $72m.

BIDAY 1/12/92

The claim arose out of an alleged repudiation of an agreement.

Last week Benco announced a $60m diamond exploration deal with Broken Hill Proprietary company of Australia, which has been kept informed about the impending legal action.

Benco chairman John Gurney said the corporation's action would be opposed as no agreement had been signed, though this was denied by London-based Yorkton Securities corporate finance director Peter Miller.

Yorkton was involved in raising $20m on the international market for the proposed joint venture between the Gibralter-based corporation and Benco. The venture involved the mining of deep sea diamonds off the Namibian and SA coastline where the concessions were owned by Consolidated Diamond Mines.

Miller said the central issue for the court to decide was whether or not an agreement had been signed between the corporation's Alistair Holberton and Benco chairman, former Shell MD John Wilson.

TOP 100 RANKED BY BIGGEST INCREASE IN SALES OVER ONE YEAR

Year-on-year percentage change in turnover excluding turnover of associated companies

Yearend cut-off date: November 92.

No.	Share Name	Financial yearend	
1	NAMIBIAN SEA	Dec 91	190,1%
2	PEPKOR	Feb 92	117,9%
3	RAINBOW	Mar 92	116,7%
4	FENIX	Dec 91	99,6%
5	PREMIER GROUP	Apr 92	92,8%
6	RUHOLD	Feb 92	74,6%
7	ROYFOOD	Aug 92P	72,3%
8	HORTORS	Mar 92	67,7%
9	MINVEST	Jun 92	60,2%
10	KUDU	Jun 92P	55,2%
11	ROYAL	Aug 92P	54,9%
12	MANRO	Dec 91	54,8%
13	SHOPRIT	Feb 92P	54,2%
14	MALBAK	Aug 92P	51,9%
15	MNET	Mar 92	50,3%
16	SPUR	Feb 92	50,0%
17	ALEXNDR	Jun 92P	49,7%
18	BIDCORP	Jun 92P	44,8%
19	PRESMED	Feb 92	44,8%
20	AF CABLE	Sep 92P	44,5%
21	COASTAL	Feb 92	41,9%
22	REUNERT	Sep 92P	41,5%
23	SPESCOM	Apr 92P	39,7%
24	MICOR	Jun 92	39,0%
25	TIWHEEL	Jun 92P	35,8%
26	ROYCHEM	Aug 92P	34,6%
27	SONDOR	Mar 92	33,0%
28	HOLDAINS	Aug 92P	31,7%
29	SAFCOR	Jun 92	30,9%
30	IMPHOLD	Jun 92	30,7%
31	SA DRUG	Aug 92P	30,7%
32	CURRIE FIN	Jun 92P	30,7%
33	RANDCOL	Sep 92P	30,3%
34	W B HOLD	Dec 91	30,1%
35	CLICKS	Apr 92	30,0%
36	SPL	Feb 92	29,9%
37	SUN BOP	Jun 92	29,5%
38	SA BREWS	Mar 92	28,3%
39	PANPROP	Jun 92P	27,9%
40	UNITRAN	Jun 92P	27,3%
41	M&R HOLD	Jun 92	26,9%
42	MAST	Feb 92P	25,9%
43	TRENCOR	Jun 92	25,9%
44	KAROS	Mar 92P	25,1%
45	CROOKES	Mar 92	24,2%
46	BEARMAN	Jun 92	23,6%
47	CONS MRCH	Jun 92P	23,4%
48	FOODCRP	Aug 92P	22,8%
49	MULTISOURCE	Feb 92	22,6%
50	BARNETS	Jun 92P	21,9%
51	AUTOPAGE	Feb 92	21,8%
52	ARIES	Dec 91	21,4%
53	TVL CLOTH	Jun 92P	21,0%
54	BOWCALF	Dec 91	20,6%
55	SHIELD	Feb 92P	20,5%
56	METCASH	Apr 92	20,3%
57	TIMES MEDIA	Mar 92	20,3%
58	CLYDE	Feb 92	20,2%
59	SUNCRUSH	Jun 92	20,2%
60	LITHO	Feb 92	20,1%
61	PEP	Feb 92	19,8%
62	BRIST IN	Feb 92	19,4%
63	SPECLTY	Feb 92	19,4%
64	Q DATA	Jun 92	19,2%
65	SILTEK	Jun 92P	19,0%
66	URQHART	Jun 92P	19,0%
67	GROUP 5	Jun 92	18,7%
68	TELJOY	Mar 92	18,3%
69	MACADAM	Feb 92	18,3%
70	ADCOCK	Sep 92P	18,3%
71	ABI	Mar 92	18,2%
72	HLH	Mar 92	18,2%
73	METAIR	Dec 91	17,9%
74	KOPP	Jun 92	17,9%
75	MIDAS	Feb 92	17,6%
76	EVERITE	Jun 92P	17,5%
77	ALEXWYT	Jun 92	17,5%
78	UTICO	Dec 91	17,5%
79	ISCOR	Jun 92P	17,0%
80	TOCO	Mar 92	17,0%
81	CTP	Mar 92	16,7%
82	MATH & ASH	Jun 92	16,5%
83	CONGELLA FED	Dec 91	16,0%
84	OHIO	Feb 92	15,9%
85	KH PROPS	Sep 92P	15,8%
86	FEMCOTEC	Dec 91P	15,7%
87	TIGER OATS	Sep 92P	15,4%
88	KERSAF	Jun 92	15,3%
89	OCFISH	Sep 92P	15,2%
90	NORISTN	Dec 91	15,2%
91	WOOLTRU	Jun 92	15,2%
92	OMNIA	Dec 91	15,1%
93	LANGEBERG	Sep 92P	14,9%
94	GRINTEK	Jun 92	14,8%
95	ALLWEAR	Feb 92	14,7%
96	MORKELS	Mar 92	14,6%
97	KLIPTON	Jun 92	14,4%
98	SAMANCO	Jun 92	14,3%
99	CURNOW	Dec 91	14,1%
100	PICK 'N PAY	Feb 92	13,9%

The table does not include non-operating pyramid companies, gold mining companies, insurance companies and banks.

Where the company yearend is indicated with a "P", the results are based on the latest preliminary results.

Source: I-NET.

Namibian tops the list on turnover

221A

S/Times (Bus)

By CHERILYN IRETON 6/12/92

COMPANIES which increased sales most in the past year are highlighted in this table.

Food producers and retailers feature strongly, and almost all of the Top 100 companies posted real sales growth.

Top honours go to Namibian Sea, which could be excluded on the basis that it is a non-South African company.

HANDSOME

This is the second year in a row that the fishing group has posted a handsome increase in turnover. Last year it was 11th in this table, with a sales rise of 91,3%.

Best of the South African companies is Pepkor, which more than doubled sales in the year to February to slightly more than R4-billion. Subsidiary Shoprite came 13th.

Chicken producer Rainbow also had an outstanding year in terms of sales, clocking in third. Premier was fifth this year. 221A

NOW WITH EVERY IOL POLICY

BILLY PADDOCK

Namibia talks of expropriating land

NAMIBIA is considering expropriating land of absent foreigners, including South Africans, and transferring it to disadvantaged farmers in the territory.

In terms of a report tabled in the national assembly last week by Prime Minister Hage Geingob, this 7,344-million-hectares includes foreign-owned land, state land, multiple farms, under-utilised land and abandoned land. 221A

The report was drawn up by a committee of state officials and outside experts "to explore land reform", attorney-general Hartmut Ruppel said yesterday.

The constitution provided for two conditions: expropriation would have to be proved to be in the public interest and "just and fair compensation", translated as market value, would have to be paid.

He said the report emanated from a land conference that was held about a year ago. The committee had fine-tuned the decisions taken, and explored them further to come up with proposals for government to make a more informed decision.

Extensive consultation would still take place and Ruppel hoped people would be spurred to engage in constructive debate on the "sensitive and emotive issue".

Sapa reports that the report also allows for foreign investors to lease land on a long-term basis.

Land seizure threat

Own Correspondent

JOHANNESBURG. — The Namibian government is seriously considering expropriating land from absent foreigners and transferring this to disadvantaged farmers in the country.

In terms of a report tabled in the national assembly last week by Prime Minister Mr Hage Geingob about 7 344 million hectares of land which includes foreign-owned land, state land, multiple farms, under-utilised land and abandoned land is affected.

Attorney-general Mr Hartmut Ruppel said yesterday that in terms of the constitution any expropriation would have to be within the public interest and that "just and fair compensation must be paid". He said this translated into the government having to pay market values ~~for the~~ properties expropriated.

221A CT 7/12/92

Namibia cuts civil service

WINDHOEK. — The Namibian cabinet has frozen all vacant public service posts — about 11 000 — with immediate effect, news reports said here yesterday. ET 17/12/92

According to official figures, the Namibian public service has about 72 000 approved posts of which about 61 000 are filled.

Information and Broadcasting Minister Mr Hidipo Hamutenya said that the decision was taken at a cabinet meeting held to discuss improving the civil service and reducing government expenditure. 221A

Civil servants are to be encouraged to go on pension early in line with public service rules and within the framework of the labour code.

● The Mint of Finland has been awarded the contract to produce Namibia's own coinage, expected to be introduced next year. — Sapa

NAMIBIA - GENERAL ECONOMICS

1993

R840 000 deal in Namibia

WINDHOEK — The Namibian Stock Exchange has conducted its biggest deal since it opened with a British company investing R840 000 in Namibian Fishing Industries, broker, Wikus Hanekom says. (22/1/93)

Namfish is one of four companies listed on the NSE since its launch on September 30 last year. The others are Nictus, Namsea and Stanbic. All are also listed on the Johannesburg Stock Exchange.

Hanekom says that when Namifish joined the NSE on November 10, shares were trading at under R5. The British investor paid R7 a share, which represented an increase of more than 40 percent in two months. Before the deal the shares were trading at R6,50. STAR

"This indicates a shortage of supply in these shares and also that the market is revaluing Namibia's fishing industry," Hanekom says. — Sapa. 12/1/93

BDay 22/1/93

'Yes' to Namibia

THE Preferential Trade Area authority, meeting in Lusaka yesterday, deferred accepting Zaire into the regional economic grouping after objections from Angola, which claimed that Zaire was supporting Unita. 221A

Namibia's application was approved at the meeting.

A Nigerian soldier, part of the UN peacekeeping force in Somalia, keeps an eye on a crowd of protesters in Mogadishu yesterday as barricades of tyres burn around him. Picture: AP

Namibian minerals attracting attention

BDM 25/2/93. 221A

WINDHOEK — Geologists are beating a path through the dry mountains of Namibia's northwest Kunene region, wilderness home to nomadic Himba herders and site of a recent major lead-zinc find.

Their quest was but a dream before Namibia's independence in 1990 when the area was a battleground where Swapo and the SADF battled each other.

Now, it highlights growing world mining interest in the mineral-rich country which the government hopes to nurture at an investment conference from March 17 to 19.

At least 200 foreign mining representatives, including delegates from Canada, Europe, southern Africa and the US, are expected to attend the conference, the first since an operating code was painstakingly mapped out for the industry.

"This conference is coming at a time when all the rules are set out," said Steve Galloway, deputy director of investment promotion in the Ministry of Trade and Industry.

"We have already had a fair amount of investment inquiries, but now the mining legislation is in place and the tax amendments have gone through," he said.

He said the government would unveil an investment incentive package "in the next couple of months".

Namibia's Mineral (prospecting and mining) Act of 1992 was enacted after lengthy consultation with local and international companies.

Favourable tax laws for mining were also introduced last year.

Galloway said exploration activity had increased since independence, although spending on prospecting had fallen to R20m in 1991 from R67m in 1989.

In Kunene, Anglo American, Rand Mines and UK-based Rio Tinto Zinchave teams of geologists and support staff searching for base metals, industrial minerals, sodalite and platinum group elements.

Further afield, Goldfields Namibiais prospecting for base metals near its existing copper mine in the Otavi mountains. Anglovaal is searching for copper, base metals and gold at Rehoboth, south of Windhoek, while Rossing Uranium is test marketing a major graphite discovery near Otjiwarongo, 240km north of Windhoek. — Reuter.

CDM cuts back on mining jobs

WINDHOEK — De Beers Centenary AG's wholly owned Consolidated Diamond Mines (CDM) said 834 jobs at its various operations had been terminated.

The company said no more involuntary redundancies would be needed in the main mining area after a strong response to offers of voluntary redundancy or early retirement. 221A

CDM said a total of 653 employees had opted for voluntary redundancy and 181 at three satellite mines had been retrenched.

CDM spokesman Dave Fanshawe said the company was cutting its work force to 5 000 from 6 000. BDay 9/3/93

This follows De Beers' Central Selling Organisation's decision to cut deliveries from producers by 25% last year in response to poor diamond markets.

"While the loss of job opportunities is regretted, it should be noted that only 3% of the total work force was involuntarily retrenched," a statement said. — Reuter.

Exploration hots up as mines are badly hit

STAR 19/3/93.

221A

THERE is a silver lining to the clouds hanging over Namibia's mining industry. Rock-bottom world mineral prices and poor diamond markets have led to more than 2 000 layoffs in the past two years, while one of the country's biggest mines is set to close this year. But exploration and other interest is strong, especially in parts of the country previously unsafe because of war.

Mining remains the biggest contributor to Namibia's economy as measured by gross domestic product. According to 1991 figures from the Ministry of Finance, diamonds contributed R705 million and other mining R379 million to GDP (at factor cost) of R5 414 million.

In September poor demand for diamonds, and a flood of gems smuggled from Angola, led to De Beers, the world's diamond cartel, cutting supplies to the market. This meant its Central Selling Organisation cut 25 percent off the amount of diamonds it bought from the group's producers, such as Consolidated Diamond Mines which is a mainstay of Namibia's economy. CDM, which had just boosted production to record levels, responded by cutting down the workforce from 6 000 to 5 000 although by March 10 only 181 had been sacked and most had taken voluntary redundancy.

It mirrors the pattern at Rössing Uranium, where in 1991 more than 800 workers were laid off as uranium oxide prices slumped and the mine cut production to some 2 190 short tons, less than half of capacity. A fluorspar mine is similarly battling for survival, hit by global environmental moves away from chloro-fluoro-carbon (CFC) gases and by Chinese competition.

Tsumeb Corporation Ltd copper mine, owned by Goldfields Namibia, announced recently that by the end of 1993 the giant De Wet shaft would also close. The mine is the mainstay of Tsumeb town, but the company says another mine at Tschudi should take over at lower levels of production and no mass redundancies are planned.

As the mines cut back, hitting government tax revenues and national exports, so the interest picks up in finding new deposits. Navachab gold mine, opened in December 1989, is proving a profitable producer, Rössing is test-marketing graphite from a giant deposit and another mine is looking to market industrial mineral wollastonite.

Exploration is booming, and 41 exclusive prospecting licences were granted in 1992 with companies investigating mainly for base metals, industrial minerals, sodalite, nickel and platinum group minerals, as well as dimension stones such as marble and granite, and gold, silver and uranium. Exploration spending was R20,5 million, down on previous years after expensive test-mining of seabed diamonds switched to production spending and produced 260 298 carats in 1992.

In the northwest Kunene a significant lead-zinc discovery has been made at Tsonguari and the area is promising if enough finds can be made to develop infrastructure. The region hosts teams from Rand Mines, Anglo-American Corporation and Rio Tinto Zinc (which last year took over exploration from its local subsidiary Rossing Uranium).

Goldfields is searching around the doomed Tsumeb and the functioning Kombat copper mines, investigating near its Matchless copper mine near Windhoek and also looking in the far south near Iscor's Rosh Pinah zinc mine.

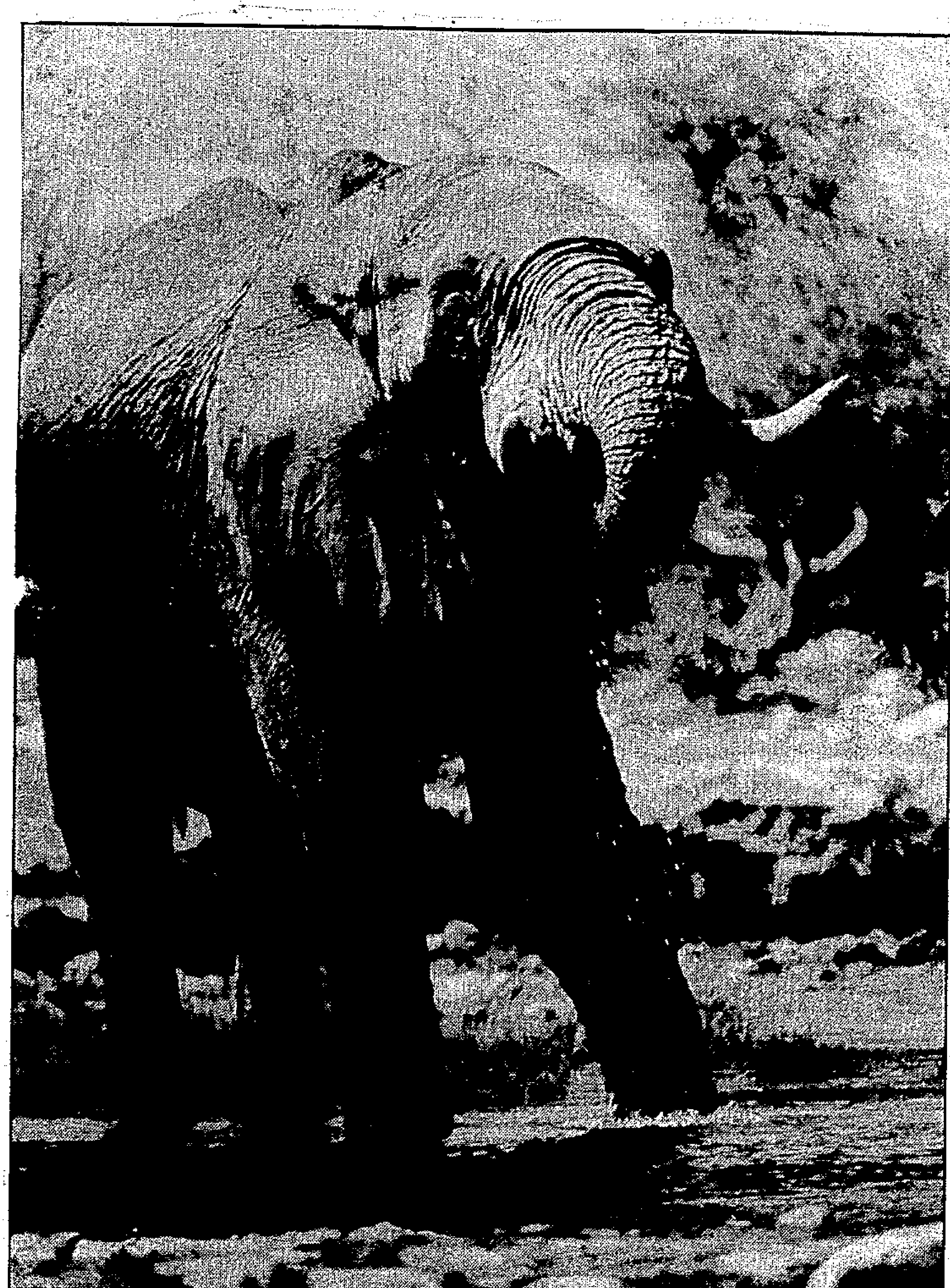
Anglovaal is back after nearly 30 years to search the central area while Iscor is searching the far south.

THE rush of interest received a further boost on March 9, when the European Commission announced a R150 million grant to Namibia's Mines and Energy Ministry. The money comes from the Sysmin facility of the European Development Fund, designed to help countries whose export earnings have been hit by mineral price moves. Some R31 million will go on detailed aeromagnetic and other surveys and R9 million on developing an existing Namibian Institute of Mining Technology built and donated by Rossing.

But the rest will be lent to mining projects at low rate of interest and should provide a much-need jobs and investment boost at a critical time.

Star 221A

19/3/93



Awesome . . . at Ethosha, it is possible to get close enough to animals at the waterholes for superb photographs. And at the Okaukeujo rest camp a floodlit waterhole brings lions, rhinoceros and elephants to within metres of the bungalows day and night.

Namibian mining to be boosted by govt

(221A)

BDAY 19/3/93

WINDHOEK. — The Namibian government intends giving the mining industry the same attention given to fisheries and petroleum development to get them on an "even keel", Prime Minister Hage Geingob said this week at a mining investment conference in Namibia attended by about 300 participants.

Geingob said in spite of the country's "star performers" uranium and diamonds being in a trough in the minerals market cycle, Namibia produced other minerals, including silver, gold, copper, lead and zinc.

Prospecting activities were "on an upswing".

In 1992, 41 new exclusive prospective grants were applied for compared to about 30 in 1991, Geingob said. In addition, 514 new claims were registered and 294 new prospective licences issued.

"Clearly, there is a great deal of untapped potential and it is my hope this conference will give it the added impetus." He said the EC's significant contribution of 40-million ecu (about R150m) last week had already started this process.

Geingob also said the Namibian government hoped to announce soon fiscal and other incentives for enterprises promoting value adding and manufacturing of mineral products in Namibia. — Sapa.

Australia's Western Mining exploration director Roy Woodall said yesterday that for developing and developed economies alike natural resources were no longer the key to wealth.

Information, knowledge and a trained and literate population were real sources of strength.

He said mineral resources could provide initial financial resources and incentives to "kick start" an economy, if the wealth generated was used to provide community infrastructure, housing, education and basic health services. — Sapa.

Spotlight on foreig

By David Pieters

NAMIBIA'S ability to attract fresh foreign and domestic investment over the three years since independence has been an unqualified success.

In seeming contradiction to the government's efforts to lessen dependence on the South African economy, most onshore investment has come from South Africa, while the biggest inflow of offshore investment — in the petroleum exploration sector — has come from northern hemisphere multinationals.

The trend for increasing fixed capital formation since independence in most public as well as private sectors is clear, despite production cutbacks and large-scale retrenchments in the mining sector.

Indeed, the same recessionary pressures that have caused the mining sector to contract, have driven some overseas and regional industrialists outwards in search of new markets, and Namibia has benefited from this.

GDP growth for 1992 could turn out to be anything between zero and an optimistic 2 percent, depending on whether the projection comes from a government spokesperson or from one of its private sector detractors.

Growth

It is a sure bet, however, that capital inflows into the fishing, property, tourism, mercantile and minerals exploration sectors, together with large-scale public works and donor-driven spending programmes domestically and in neighbouring states, will sustain GDP growth above the zero axis.

In the first year of independence, 570 new companies (R18,06 million nominal share capital) registered; 276 (R8,3-million) registered in the previous calendar year.

Noticeable concentrations of nominal share capital were in commerce, services and finance, to which fishing and mining have since been added.

Nationalities of directors, in order of numerical preponderance, were South African, British, German and Namibian. Other nationalities on the boards of external companies are Norwegian, American, Zimbabwean, French, Dutch, Chinese, Swiss, Portuguese, Italian, Australian and Zambian.

While the rush is now over, the increase in the country's total number of registered companies from some 2 000 at the beginning of the 1980s to over 5 000 today is hard evidence of considerable regional and international investors' interest.

■ **TRADE:** In the manufacturing and mercantile sectors, South African firms continue to land the lion's share of Namibian government contracts for specialised equipment, household appliances, foodstuffs, textiles and motor vehicles.

They, together with Namibian wholesalers, are active participants in foreign-funded public procurement programmes in Angola with an estimated total exceeding $100-million (over R300 million).

The supermarket chain Shoprite Checkers Properties is in the process of acquiring two properties in Swakopmund for a shopping centre.

■ At an Indian Trade Fair in Windhoek, several expressed an interest in setting up manufacturing business enterprises, targeting leather and textiles. Indian companies regularly bid on government tenders for textiles and Tata Namibia for heavy vehicles. Tata has broached plans for establishing an assembly plant in the country, although the SACU's blockage of Citroën's similar plans at Gobabis may have prompted hesitation.

■ Foreign business delegations pass through Namibia daily. Last month, a delegation from Saudi Arabia called at Walvis Bay, where Windhoek and Pretoria have set up a Joint Administration. The visitors expressed interest in aviation, trade, industry and tourism. The first steps towards starting an export programme of mutton-on-the-hoof to Saudi Arabia got under way last year.

■ In January, 11 representatives from the London Chamber of Commerce came to Windhoek in search of trade openings in tourism, construction, civil engineer-

Treasure hunt . . . drill

Deep-sea treasure

FISHING companies have begun diversifying their production lines to meet the more sophisticated requirements of the European market for fish in flat cans, as opposed to the traditional round pilchard tins sold on the local and South African consumer markets.

Live lobsters are being airfreighted to Paris and a number of aquaculture and seaplant recovery projects have been initiated or expanded.

At least two factories have embarked on canning tuna for export, traditionally the domain of Cape Town canneries.

Three of the major South African-held groups that still dominate the inshore sector have changed ownership since independence — United Fishing Enterprises (Namsea/Namfish), Tunacorp and Etosha (formerly Ovenstones).

But most of the development thrust has been in the deep-sea sector. The government last month commissioned its R9-million Marine Research and Information Centre on Swakopmund's beachfront, further development of which provides for a new-generation aquarium and auditorium, constituting a further boost for coastal ecotourism.

The establishment last year of the National Fishing Corporation is in line with the state's policy of direct participation in this strategic sector to facilitate high-risk development projects.

The capital structure of the corporation, which includes two captured Spanish pirate trawlers.

Leading private sector investment in the fisheries, however, is the Spanish-based multinational, Pescanova, which has not only become part of this sector's new landscape, but has been its biggest agent of change. It acquired land in Namibia's only undisputed fishing port, Luderitz, at independence, as the first step in a R170-million development programme.

Small towns

SMALLER towns have displayed initiative.

Projects at Okahandja, 70 km north of Windhoek, include an orange and a vegetable farm, a wire factory, expansion of an existing furniture factory, a packaging material factory, a mill importing timber

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From crocs to ostriches

NAMIBIAN entrepreneurs have displayed remarkable mettle in developing new agricultural export products over the past two years

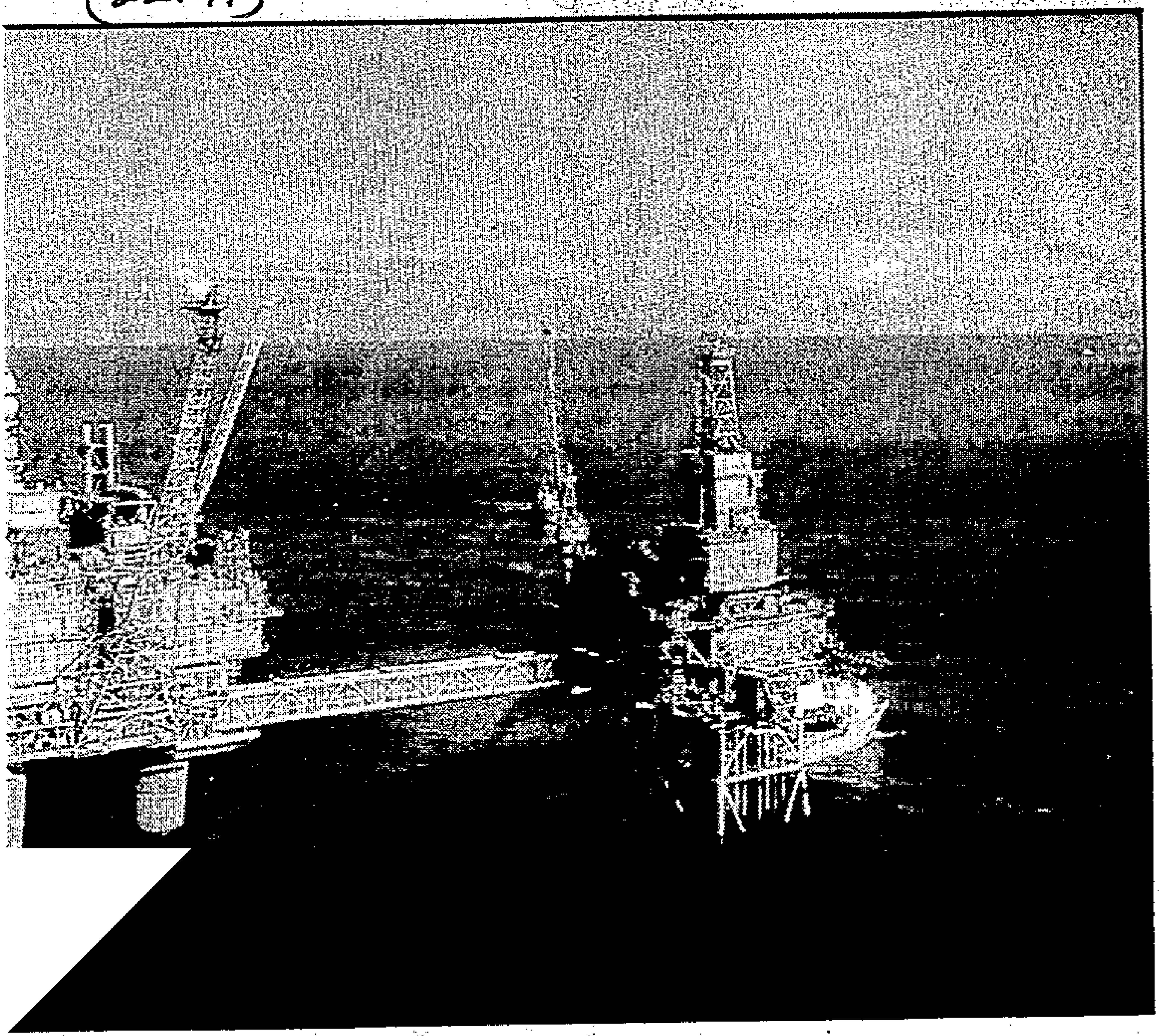
number of hotels and restaurants in Namibia and South Africa with crocodile meat.

The export of fresh fruit to Europe has been another agri-

NamibRa
Game Ra
Probably the largest private na
Let us "WING YOU IN" to a
Feel the desert wind caress your
Drive over the dunes and view p
Climb the highest dunes at Soss
Ride the wind in a balloon.
COME VISIT US AT NAMIB

n investment

(221 A)



.ig facilities of Norsk Hydro, which has acquired exploration rights off the Namibian coast.

Offshore exploration

SOUTH African, Norwegian, British, Canadian and US companies are involved in the first four offshore licence areas awarded by the government.

The Mining Ministry's first bidding round in March 1991 attracted 18 applications for 11 different exploration license areas along the Namibian coast.

Later that year, Namcor (formerly Swakor, with Soekor parentage), put out a tender for a Kudu Gas market study.

Estimates of the Kudu Gasfield's reserves along the south coast have ranged between five and 30 trillion cubic feet.

The first licence area outside Kudu was awarded to the Norwegian consortium Norsk Hydro. Norsk Hydro's programme involves three test wells over four years.

Licence area 2213 was awarded to the Canadian-British consortium Ranger Oil and Hardey Oil and Gas in June.

Sasol from South Africa was awarded licence area 2012. License area 2815, adjacent to Kudu, was awarded to Chevron.

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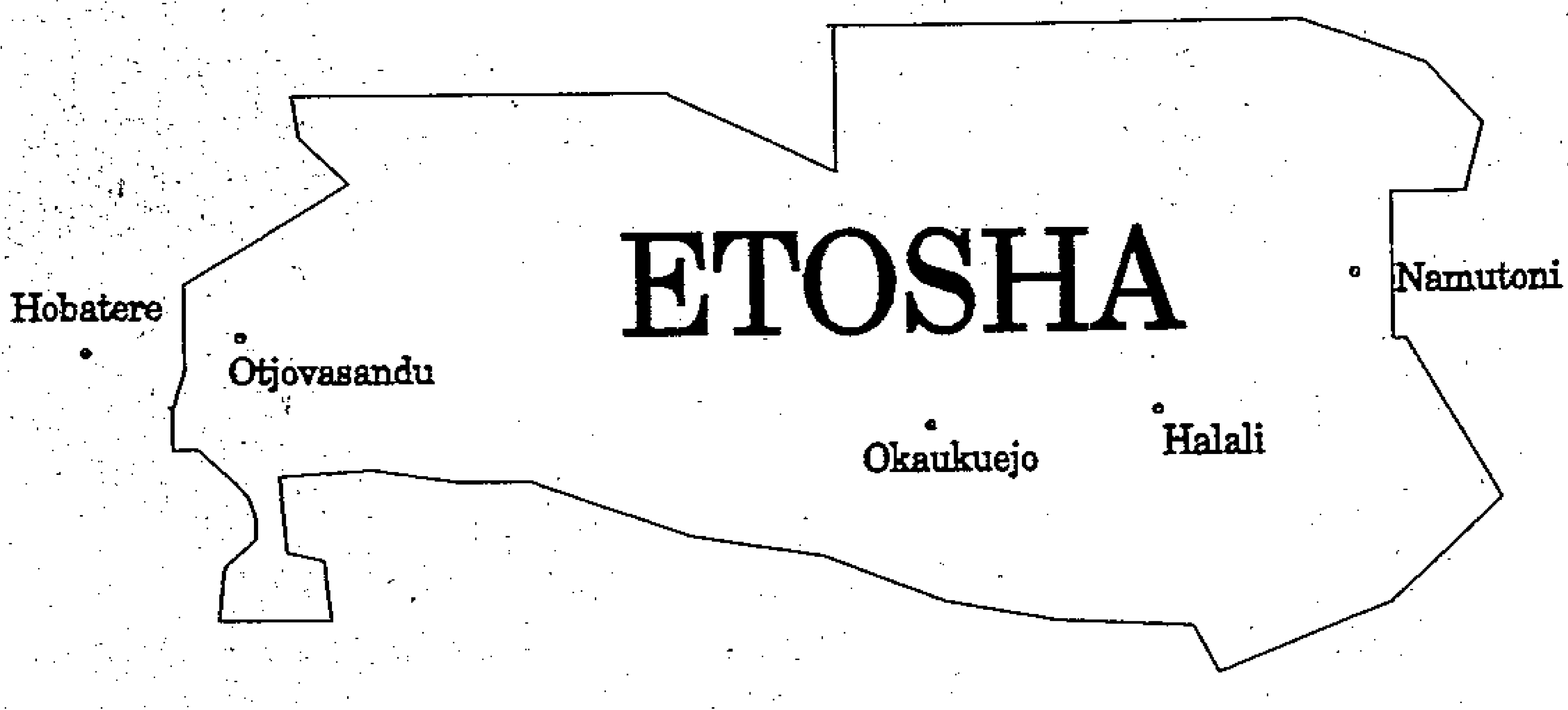
WELCOME

TO OUR WORLD



Etosha Fly-In Safaris (Pty) Ltd.

One company has begun exporting hundreds of ostrich chicks to a Texan company in the USA, making Namibia that country's biggest supplier, while Canada has also become a buyer in what is predicted to become a multi-million-rand export business for Namibia.

Crocodile skins are also making their mark. The first 160 crocodile skins were exported to Spain in 1991 from a ranch near Otjiwarongo.

The ranch also supplies a cultural breakthrough.

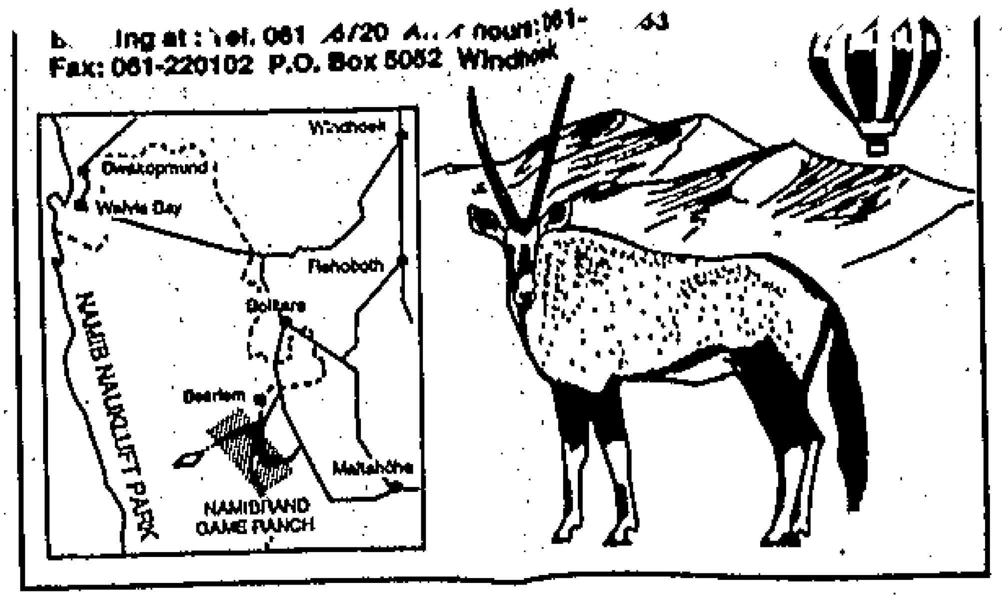
Between 12,5 and 25 metric tons of melons as well as 10 to 20 metric tons of grapes are flown or shipped to Europe annually. Factors favouring this venture are excellent quality and the perfect timing of the Namibian ripening season in relation to the European winter.

Considerable scope for expansion has been recognised at a date plantation covering 200 ha, while a company specialising in cut-flower exports is being geared for expansion, too.

... ing, electronics, freezing equipment, pharmaceuticals, chemicals and telecommunications.

■ A delegation from the Portugal-Namibia Chamber of Commerce, with offices in Lisbon and Windhoek, has also visited. An engineer amongst them has pre-qualified for tendering on the Botswana stretch of the Trans-Kalahari Highway.

■ The United States Export-Import Bank (Eximbank) is encouraging trade between Namibia and the US, where the last state and city sanctions against Namibia were done away with last year. (These were part of a hangover from measures against South Africa.)



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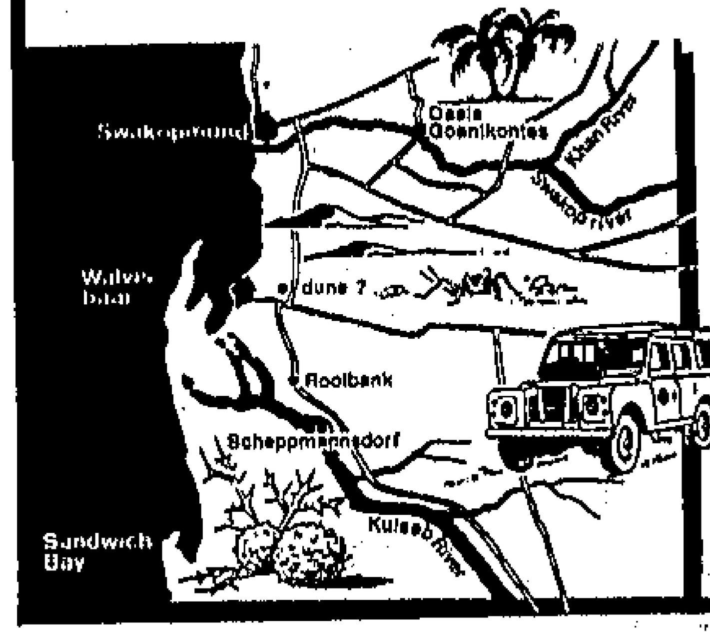

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Your solution might involve our rail system, offering you reliable and low-cost transportation. Our rail system links up with the South African system, and serves the ports of Walvis Bay and Lüderitz, giving Namibia direct access to the main industrial and commercial centres of Southern Africa and the rest of the world.

Your solution may be our regular road transport services, covering a route distance of more than 6,000 km, and capable of carrying anything from passengers to fuel, from bulk cargo to our own containers, ensuring that even the remotest corners of Namibia enjoy the benefit of reliable transport.

Your solution could be the use of our subsidiary, Air Namibia, operating regular international, regional and domestic passenger and air freight services.

Your solution may include the use of our harbour services at Lüderitz or Walvis Bay, an important import and export harbour.

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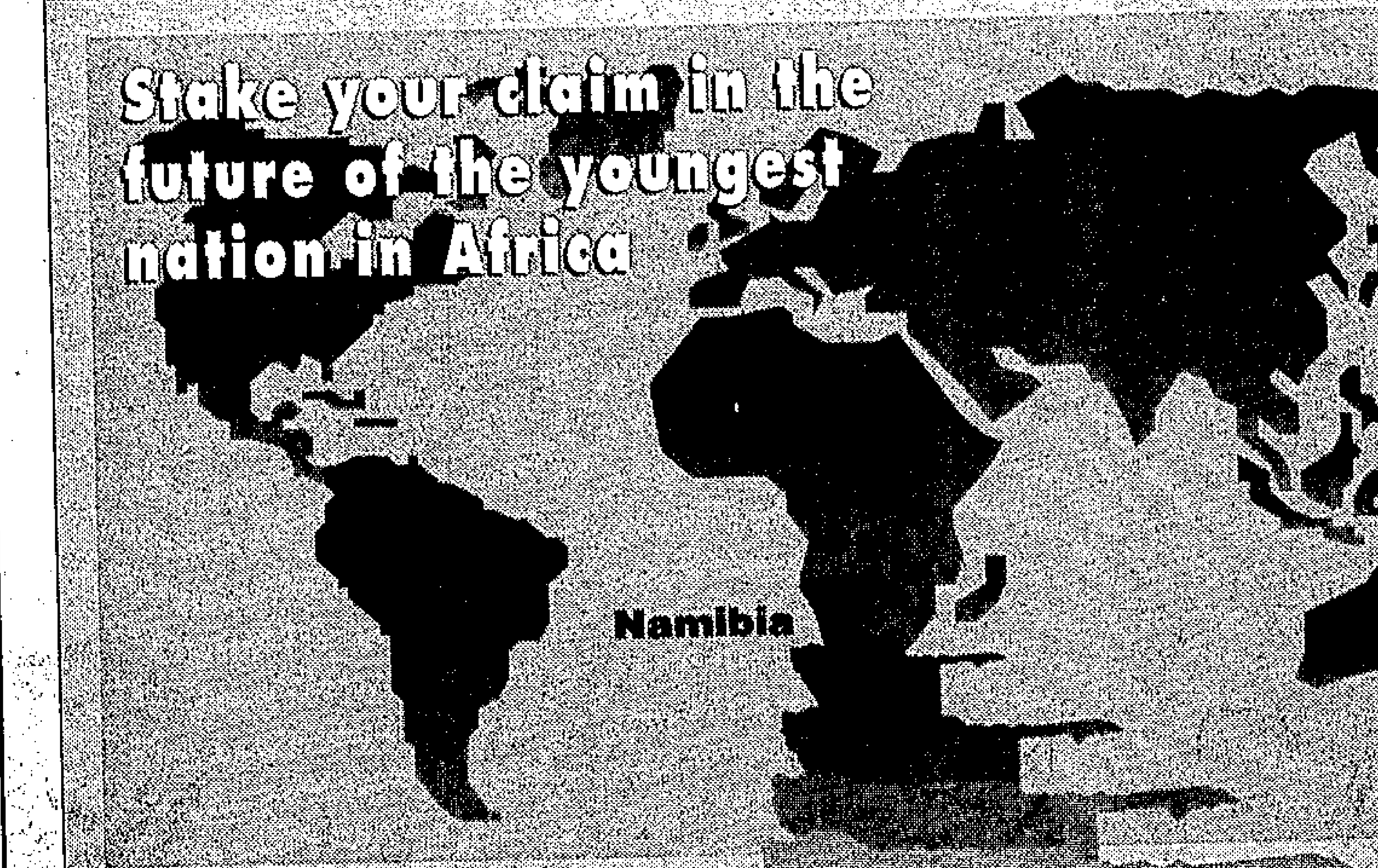

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Namsea and Namfish fortunes differ widely

BDAY 26/3/93

221A

DUMA GQUBULE

NAMIBIAN Sea Products (Namsea) and Namibian Fishing Industries (Namfish) experienced widely divergent fortunes in the year ended December 1992.

Namsea almost doubled its attributable earnings to R4,6m on the back of a similar increase in turnover to R77m.

But earnings a share, diluted by a substantially higher number of shares in issue, dropped by a tenth to 41,8c (46,2c). Payout for the year came to 30c (10c).

The group's issued share capital doubled over the past year after a rights issue to fund the takeover of former competitor Sarusas Development Corporation, which has a 31% stake in United Fishing Enterprises (UFE).

Namfish suffered a loss of R1,3m, compared with a profit of R3m in the previous year, despite a sharp increase in turnover to R29,2m.

This was equivalent to a loss of 40,3c a share compared with a profit of 62c a share in the previous year. The group did not declare a final dividend after an interim payout of 20c a share.

Namsea directors said the substantial increase in net income had been due to an increase in profits from UFE and a full-year contribution from Sarusas which contributed only two months' profits in the previous year.

The group had decided to sell its 35% stake in loss-making Seaflower Lobster Corporation which had been adversely affected by a decline in world lobster prices and a collapse of the international hake market.

Namfish directors said the group's "dismal earnings" performance was as a result of continued losses suffered by associate companies Seaflower and Blue Sea.

Action had been taken to prevent further losses by 25%-owned Blue Sea.

The past year's pilchard total allowable catch was set at 80 000 tons (60 000 tons) and 13 750 was allocated to UFE.

A total of 31 347 tons (24 808 tons) of quota fish and 43 685 tons of non-quota fish were processed.

The lobster catch for the 1991/1992 season was set at 100 tons (1 200 tons) of which half was allocated to subsidiary Seaflower Lobster Corporation.

Seaflower, in compensation for the lower lobster quota, received a hake quota of 5 000 tons (500 tons).

For the 1993 season, the pilchard catch was set at 115 000 tons of which 13 750 tons was allocated to Namsea directly and indirectly and 4 154 to Namfish.

Fishcor acquires Seaflower

22.1A

CT 25/3/93

THE National Fishing Corporation of Namibia Limited (Fishcor) has acquired the entire shareholding held by the Namibia Fishing Industries Limited (Namfish) and the Namibian Sea Products Limited (Namsea) in Seaflower Lobster Corporation Ltd.

Seaflower will thus become a wholly owned subsidiary of Fishcor.

The effective date of the transaction will be April 7.

Further details of a proposed offer of shares in Fishcor to be made to the public are to be announced. — Sapa

Progress on Walvis Bay

THE management committee of the Joint Administrative Authority for Walvis Bay met in Cape Town this week and reported good progress in the joint administration of the port enclave in Namibia. 221A

The committee continued its consideration of financial and organisational matters. A sub-committee of technical experts will meet in Windhoek on April 15 to resolve outstanding financial issues.

Joint administrative progress has been made with immigration, customs and excise, nature conservation, hospital services and aspects of the use of Rooikop Airport. Sowetan 1/4/93

Star 2/4/93

(221A)

Namibia shuts down its TV service after R50-m deficit

WINDHOEK — The television service of the Namibian Broadcasting Corporation will be terminated from June 1 after an audit of the corporation's records which uncovered a R50 million deficit, Nambc Television reported yesterday.

The auditors report for the 1992-93 fiscal year prompted an emergency meeting of the Namibian Cabinet and the Nambc Board yesterday afternoon when it was decided to shelve the television service.

The audit showed a television service in Namibia was too expensive for the number of viewers it reached.

A spokesman for the auditors said the deficit would be impossible to recover in the foreseeable future and it was unlikely the situation could be reversed as long as Nambc offered a television service.

The Nambc Board said all television buildings, equipment and transmitters would be sold to an international cable television network which had expressed an interest in acquiring Namibian broadcasting rights.

Some staff involved in television production would be retrained as radio staff, and others would be retrenched.

The money saved by terminating television in Namibia would be earmarked for the expansion of the country's radio services. — Sapa.

Nam concession for Shell, Engen

CT 7/4/93

(22IA)

WINDHOEK — The Namibian government agreed yesterday to grant a four-year offshore exploration licence including the giant Kudu gasfield to subsidiaries of Shell and Engen companies.

Minister of Mines and Energy Andimba Toivo ya Toivo said at a news conference the concession would go to Shell Exploration and Production Namibia BV as operator and main shareholder with 75% and Engen (Kudu) Ltd with 25%.

The licence, the fifth in Namibia's first licencing round, will be signed next month and will cover exploration area 2814a, comprising 4 073km² of sea bed 170km west of Oranjemund.

"The award of this licence to Shell and Engen is significant because the licence area is the only one off Namibia where drilling has already taken place.

"Three wells have been drilled...and natural gas has been discovered. the new exploration will initially be concentrated on this gas occurrence," Toivo ya Toivo said.

Previous awards were for oil exploration and were made to a Norwegian consortium, to Ranger Oil and Hardy Oil and Gas UK Ltd, to Sasol and to a consortium of Chevron and Engen.

Phil Riddle of Shell Namibia said that if large enough stocks were discovered to make the gasfield viable, the next step would be to find a market.

"The government has commissioned studies and we have commissioned studies into potential usage. There are several possibilities, but the most likely is the supply of gas to SA for the generation of electricity.

"We have had quite significant discussions with Eskom," he said, adding that gas could be a difficult commodity to market.

The Kudu field was probed 20 years ago and is known to hold at least two trillion cubic feet (two million million) of gas.

Negotiations for blocks have included commitments to a work programme, a minimum expenditure on exploration and negotiated tax rates in the event of production.

Licence-holders are also obliged to train Namibians. — Sapa-Reuter

BUSINESS

Huge gas find fires hopes in Namibia

221A ARG 7/4/93

Business Editor

GAS could be piped from Namibia to produce electricity in South Africa if a huge gas discovery 175 km off the Namibian coast becomes commercially viable.

Another option is to build a power station in Namibia, where discussions have already been held with Escom.

Shell and Engen were given a licence yesterday to explore the concession, 170 km west of Oranjemund in the Kudu Block — the only one off the Namibian coast where exploration drilling has already taken place. Shell has a 75 percent interest in the licence.

At least 2 trillion cubic feet of gas had already been discovered during drilling by US-based Chevron, Soekor and Namcor, said Mr Andimba Toivo ya Toivo, Mines and Energy Minister, in announcing the concession in Windhoek yesterday.

National Petroleum Corporation of Namibia (Namcor) administration manager Mr H Shimutwikeni said commercial success on the site offered the potential for important industrial development in Namibia.

If the project became commercially viable, it would be a big undertaking, said Shell Namibia managing director Mr P K Riddle, who urged caution, however. While the site could become extremely significant, there was still a long way to go before commercial development.

A decision would have to be taken whether to pipe the gas to South Africa for electricity production or build a power station in Namibia, he said.

Another option would be to export the gas by tanker, said Engen Namibia managing director Mr Waldi von Lieres.

Mr Toivo ya Toivo said the agreement with Shell and Engen satisfied his government's requirements and offered many benefits to Namibia, including ~~minimum~~ spending on exploration and satisfactory tax rates in the event of future production.

The contract also provided for transfer of technology, access to modern equipment and training for Namibians, locally and abroad.

The licence is the second to be awarded to Engen, which also has a 40 percent interest in an adjoining concession.

The agreement is expected to be signed in Windhoek early in May, after which Shell Exploration and Production Namibia will establish an office in the capital.

Offshore exploration concessions already granted by Namibia include one to Norwegian consortium Norsk Hydro and one jointly to Ranger Oil, Hardy Oil and Gas UK.

Sasol has a concession off Namibia's northern coast and Chevron and Engen jointly have rights to a fourth concession.

US debt limit raised

WASHINGTON. — The US Treasury Department scheduled three auctions for the sale of $53,65 billion in bonds after Congress approved a bill raising the government debt limit. Auctions held yesterday included $14,25 billion in one-year bonds and $17 billion in 15-day notes. The weekly auction for three to six-month bills aimed at raising $22,4 billion is set for today. Congress has authorised increasing the government debt limit by $225 billion to $4,370 trillion. — Sapa-AFP.

Beira busier than Durban

HARARE. — Beira handled slightly more drought related cargo between April, 1992, and February this year than Durban, according to figures released by the Beira Corridor Group. Beira handled 1,084 million tons, while Durban handled 1,057 million tons, and Maputo handled 857 515 tons. — Sapa.

Namibia warned on seals

CT 8/4/93

WINDHOEK. — The European Community has warned it could mount trade restrictions against Namibia if it does not resolve a conflict over seal culling with ~~the~~ International Fund for Animal Welfare. (221A)

Eskom overcapacity may delay Namibian gas fields

BDay 8/4/93. (221A)

MATTHEW CURTIN

ESKOM'S huge power generating overcapacity may postpone the commercial development of gas fields off the Namibian coast for many years.

An exploration licence for the gas fields was awarded to subsidiaries of Shell SA and Engen by the Namibian government this week.

Namibia Mines and Energy Minister Toivo ya Toivo announced the four-year offshore concession would go to Shell Exploration and Production Namibia as operator and 75% shareholder in the project. Engen (Kudu), a subsidiary of the Gencor fuels group, would have a 25% stake.

Shell Namibia spokesman Phil Riddle said if the gas field stocks were large enough to make the field viable, the next step would be to find a market.

He said the government and Shell had commissioned studies into potential usage of the gas field.

"There are several possibilities, but the most likely is the supply of gas to SA for generating electricity."

Shell Namibia had had "quite significant" talks with Eskom, but he said gas could be a difficult commodity to market.

Eskom spokesman Peter Adams would not comment on the talks.

But an industry source said the utility's excess capacity would offset potential benefits of using gas to generate electricity for at least 10 years.

In the long term, costs of piping or shipping gas to SA were such that the best way to exploit gas reserves would be to build an multibillion rand gas-fuelled power station on the Namibian coast and transmit the electricity to SA, he said.

Namibia is a net importer of electricity, but for much of the year meets its power demands from the Ruacana hydroelectric scheme on the Angolan border.

The gas exploration licence, the fifth in Namibia's first licensing round, will be signed next month and will cover 4 073km² of sea bed, 170km west of Oranjemund.

Previous licences for oil exploration have been awarded to Ranger Oil, Hardy Oil and Gas UK, to Sasol and to a Chevron/Engen consortium.

Star 16/4/93

(221 A)

Namibian bid to attract industry

WINDHOEK — Namibia has announced a bold set of incentives for private sector investment in manufacturing, saying they make the country the most attractive manufacturing investment opportunity in Southern Africa.

President Sam Nujoma told a media briefing yesterday that Namibia's challenge for 1993/94 was to industrialise and modernise. Most importantly, he said, the country's trade structure had to be changed by encouraging exports of manufactured goods.

The emphasis during 1993/94 would be on industrialisation through the promotion of manufacturing.

"By international standards, manufacturing in Namibia contributes an unusually low share of gross national product but has the capacity for being the engine for economic development."

Nujoma said Information and Broadcasting Minister Hidipo Hanutenya had been appointed Trade and Industry Minister.

The primary agent of manufacturing development had to be the private sector, Nujoma said.

To this end, the government had decided income tax would not be raised beyond 40 percent.

Tax rebate

Special incentives approved by the cabinet on Wednesday for manufacturing enterprises included a 50 percent tax rebate on taxable income for five years, to be phased out at five percent annually over the subsequent ten years.

The government would allow accelerated write-off provisions for buildings erected by manufacturers, and concessional loans for the establishment and expansion of manufacturing enterprises.

Also available were cash grants of 50 percent to cover real costs of export promotion and marketing expenses, and exporters' allowances of up to 75 percent.

To encourage manufacturers to use more labour intensive processes, wage costs relating directly to production would classify for a 125 percent deduction.

Potential manufacturers would have access to studies undertaken by the Namibian government at 50 percent of their real cost.

In addition, there were incentives to help exporters establish a trade inquiry service, foreign trade representation, market research, trade promotion, market research, exhibitions, visits to overseas markets and refunds of customs and excise duties.

The Namibian government would provide a 125 percent training cost deduction, Nujoma said.

The government was examining reduced airfreight rates to exporters and other export incentive schemes based on value-added manufacturing and local content.

Nujoma said further incentives may be offered to promote regional development, including rebates or subsidies on transport, housing, rentals, training and relocation costs.

A special small industries incentive package was being worked out.

Besides the new incentives package, the government would maintain a non-resident shareholders tax rate of 10 percent, no tax on dividends accruing to companies and a facility to fully write off plant machinery and equipment over three years.

Investors in manufacturing would also have access to tax-free importation or acquisition of manufacturing machinery and equipment and the facility to write off building infrastructure at 20 percent in the first year and at four percent over the next 20 years. — Sapa.

NISWA (221 A)

Resorting to aphrodisiacs

Appearances are sometimes deceptive, but it certainly looks as though the first foray by a Namibian company on to the JSE is heading for an ignoble end. Niswa, listed on the DCM board last May after a private placing and with a pre-listing statement bubbling with optimism, was suspended by the JSE at the beginning of this month for failing to produce financial statements.

It's understood Niswa didn't publish results because auditor Deloitte Touche would not sign them without qualification. Apparently the directors were averse to publishing the accounts with a qualification and preferred to have the shares suspended.

That is because Niswa expects a significant "financial event" by month-end, which it believes will keep Deloitte Touche happy and remove the need for a qualification.

The *FM* can't confirm any details. Three of the five directors at the time of the listing, including financial director Andrew Fraser, have since resigned. FM 16/4/93.

Chairman Nico Swart, who lives on a farm in the Gobabis district of Namibia, could not be contacted. Repeated calls to his unlisted telephone number were met by an answering machine.

Shareholders will have cause to pray that Niswa's meaningful "financial event" wasn't supposed to be the proceeds from 42 elephant tusks and six rhino horns, which Swart and fellow Namibian Johannes Helsdingen were caught trying to sell in February.

Swart was sentenced last month in Pretoria Regional Court to a fine of R40 000 and two years' imprisonment but the jail sentence and half of the fine were suspended conditionally. It is understood that he paid the R20 000 due and headed home. Locals haven't seen him frequenting the fleshpots of Windhoek since.

In May, Fraser said Niswa, basically a general dealer with two trading stores, a service station, a bottle store and 4% of a cattle trading operation, would use its listing as a mechanism to generate funds to exploit opportunities in Namibia and SA. Specifically, it was on the lookout for food-related opportunities in SA.

Deloitte Touche in Windhoek will not comment but its Sandton office says there was a problem relating to a sale agreement between Swart and Niswa's trading subsidiary. That agreement included the transfer

cont

FOX FM 16/4/93.

of a property, which has not yet taken place.

Placed privately at 37,5c, Niswa's shares were met enthusiastically on the first day's trading and climbed to 55c. They peaked at 68c in July and have been on a steep decline ever since, dropping to 5c at the suspension on (appropriately?) April 1.

Niswa has until month-end to produce results or face delisting. The question is: how did this company get on to the JSE boards in the first place? (221 A) *Shaun Harris*

Namibia sets out to woo manufacturers

WINDHOEK — Namibia yesterday announced a bold set of incentives for private sector investment in its manufacturing sector, saying they made the country the most attractive manufacturing investment opportunity in southern Africa. (2214)

President Sam Nujoma told a media briefing Namibia's challenge for 1993/94 was to industrialise and modernise. Most importantly, he said, the country's trade structure had to be changed by encouraging increased exports of manufactured goods.

The primary agent of manufacturing development had to be the private sector, Nujoma said. To this end, government had decided income tax would not be raised beyond 40%. BIDAY 16/4/93

Special incentives approved by the cabinet on Wednesday for manufacturing enterprises included a 50% tax rebate on taxable income for five years, to be phased out at 5% a year over the subsequent ten years.

The government would allow accelerated write-off provisions for buildings erected by manufacturers, and concessional loans for the establishment, expansion and diversification phases of manufacturing enterprises.

This would include seed capital for small industries, working capital for manufacturing purposes, revolving fund financing and assistance with feasibility studies.

Also available were cash grants of 50% to cover real costs of export promotion and marketing expenses, and exporters' allowances up to 75% in the form of extra deductions as a percentage of listed expenses.

The Namibian government would provide a 125% training cost deduction.

To encourage manufacturers to use more labour intensive processes, wage costs relating directly to production would classify for a 125% deduction.

Nujoma said a special small industries incentive package was being worked out.

The government would maintain a non-resident shareholders' tax rate of 10%, no tax on dividends accruing to companies and a facility to fully write off plant machinery and equipment over three years.

Investors in manufacturing would also have access to tax-free importation or acquisition of manufacturing machinery and equipment and the facility to write off building infrastructure at 20% in the first year and at 4% over the next 20 years. — Sapa.

Angolan negotiations for peace continue in private

ABIDJAN — Unita and Angolan government negotiators met yesterday without mediators or observers on the fourth day of peace talks. BIDAY 16/4/93.

They were expected to discuss a wide range of issues on their nine-point agenda after failing to agree on a temporary halt to renewed fighting.

Unita wants a temporary "cessation of hostilities" before a total ceasefire. President Jose Eduardo dos Santos' government wants to settle first on a final truce agreement before halting fighting.

On Wednesday, in the presence of UN mediator Margaret Anstee and observers from the US, Russia and Portugal, negotiators debated future elections and restructuring of the military.

Delegates refused to comment before beginning yesterday's private negotiations. Anstee said the meeting without outsiders was "a very positive development".

Portuguese observer Antonio Monteiro had said observers would take a more active role in the talks because Angola was "facing probably the worst situation" in terms of confidence between the two warring factions.

The UN has warned that the success of the peace talks will determine whether 700 UN peacekeepers sent before the elections will remain in Angola. Their mandate expires on April 30. — Sapa-AP.

Namibia's investment boost

22.1A

ARG 17/4/93

WINDHOEK. — Namibia has announced bold incentives for private investment in its manufacturing sector, saying they make the country the most attractive manufacturing investment opportunity in Southern Africa.

President Sam Nujoma said the main agent of manufacturing development had to be the private sector.

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The government was examining reduced airfreight rates to exporters and other export-incentive schemes based on value-added manufacturing and local content.

President Nujoma said further incentives might be offered to promote regional development, including rebates or subsidies on transport, housing, rentals, training and relocation costs. A special small industries incentive package was being worked out.

Besides the new incentives package, the government would maintain a non-resident shareholders' tax rate of 10 percent, no tax on dividends accruing to companies and a facility to write off fully plant machinery and equipment over three years.

Investors in manufacturing would also have access to tax-free imports or acquisition of manufacturing machinery and equipment and the facility to write off building infrastructure at 20 percent in the first year and at four percent over the next 20 years. — Sapa.

Nujoma happy over economic growth

(2219) ARGT 17/4/93

WINDHOEK. — Namibia had done well — despite drought, a global economic slump and depressed prices for most of its minerals, said President Sam Nujoma.

He said the gross domestic product growth for 1992/3 exceeded 3,5 percent, which is higher than the country's population growth.

On the agricultural front, farmers had responded admirably to late but widespread rains. Crops had been planted and pastures restored, bringing relief to livestock farmers.

If good rains continued, the crop failure for this year would not be as severe as last year. But the government was still prepared to continue with drought relief if necessary.

Economic growth was attributable partly to increased livestock off-take during the drought.

While this year, the fourth year of independence, was one of consolidation and concerted action to alleviate poverty, it would not be an easy year, said Mr Nujoma.

There was evidence of falling fish prices, no upturn in the minerals market, and livestock off-take would be lower than last year because farmers needed to build up their herds.

However, there was increased interest in Namibia's natural resources and a number of oil exploration licences had been issued.

Direct foreign investment was growing, with small investors starting to enter the country.

The challenge for 1993/94 was to industrialise and modernise, said Mr Nujoma.

The vast subsistence agricultural sector had to be modernised to remove differences between it and commercial agriculture. Rural areas had to be made more attractive in terms of availability of jobs and social services.

Most importantly, the country's trade structure had to change by encouraging increased export of manufactured goods.

This was a sector where Namibia was weak, but one which offered the most employment opportunities, said the president. — Sapa.

Deposit row hits Namibian fishing

BIORY 17/4/93

WINDHOEK — British officials have demanded that Namibian fishing firms put up nearly R11m as a deposit after disputing the origins of Namibian fish, according to a report in the Namibian.

The report said the demand arose as the EC prevaricated on whether to label pilchards caught at Walvis Bay, an SA enclave in Namibia, as Namibian or SA in origin. Under EC regulations, SA imports are subject to duties, while Namibian imports are not.

The R10,8m demanded as security is equivalent to the duty which would be imposed on the fish if the EC decided to rule that Walvis Bay, administered jointly by SA and Namibia, qualified as a SA place of origin.

221A

The newspaper said both Britain and the EC were on record as saying that Walvis Bay belonged to Namibia under international law. Namibia has been waiting 10 months for the EC to clarify the status of Namibian pilchards caught and packaged in Walvis Bay. While the EC sits on the issue, British customs officials have demanded the guarantees, which are two-thirds of Britain's annual aid to Namibia.

According to the report the EC delay has already resulted in one company losing an order worth 700 000 cartons of pilchards a year, which would have doubled Namibia's exports of the fish.— Sapa-AFP.

East Germans face historic strike poll

BIORY 17/4/93

FRANKFURT — Positions hardened over the weekend in the East German pay conflict, and the largest union prepared to call a strike ballot.

Engineering employers dug in their heels and refused to raise their 9% pay offer, while the German trade union federation, the DGB, called yesterday for a "week of resistance".

The national board of the powerful IG Metall union meets in Frankfurt today to set a date for a ballot on whether to hold a full-scale strike — the first by workers in eastern Germany in 60 years.

Klaus Zwickel, deputy union chairman, said last week a vote could be held from April 26 to 28.

IG Metall has already organised two waves of walkouts and demonstrations over the employers' breach of the three-year pay agreement sealed in 1991. This would have brought East German metalworkers' pay up to the West German level by next year.

Dieter Kirchner, chief executive of the Gesamtmetall engineering firms' federation, told German radio the originally agreed pay rise of 26%, which the employers have cancelled, would have led to "70 000 to 80 000 additional redundancies".

And Gesamtmetall chairman Hans-Joachim Gottschol told the Bild am Sonntag newspaper: "We made a mistake with the conclusion of the 1991 pay contract." — Sapa-Reuter.

FM 23/4/93 (221A)

GOLD FIELDS NAMIBIA

FM 23/4/93

The market's message

Activities: *Namibian mining house which controls the Tsumeb base metal mines and various exploration companies.*
Control: *Gold Fields 61%.*
Chairman: *C T Fenton.*
Capital structure: *16m ords. Market capitalisation: R21m.*
Share market: *Price: 130c. Yields: 9,8% on dividend; 51,6% on earnings; p:e ratio, 1,93; cover, 5,3. 12-month high, 325c; low, 130c. Trading volume last quarter, 110 000 shares.*

221A

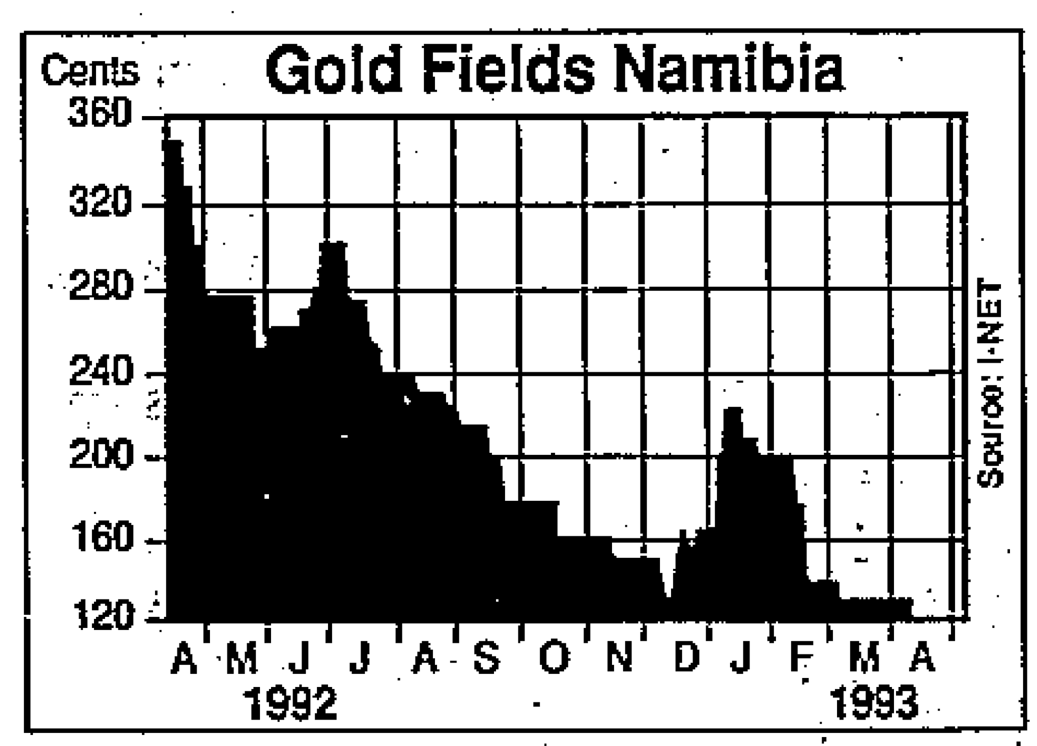
Year to Dec 31	'89	'90	'91	'92
Ore milled (Mt)	1,67	1,61	1,59	1,61
Turnover (Rm)	391	338	291	318
Pre-tax profit (Rm) ..	59,2	9,0	(7,0)	10,9
Earnings (c)	178	36	(44)	68
Dividends (c)	120	35	—	15

GF Namibia returned to profitability last year despite base metal markets remaining weak. It even resumed dividends but the market ignored that and the share price has slumped to a 12-month low of 130c.

Production is running smoothly at the three operating mines — Tsumeb, Kombat and Otjihase — and chairman Colin Fenton predicts maintained blister copper output and slightly higher lead output for 1993.

The second half of this year should at last see some improvements in base metal prices as the main world economies finally start dragging themselves out of recession. Based on this, there is little justification for the market's conservatism towards the share unless, of course, its collective message is simply that it is suspicious of the Namibian government's long-term intentions.

Relations with the new government have so far been open and cordial but Fenton's review indicates the group is still cautiously feeling its way on some matters. He praises the government, saying its "positive and consistent attitude provides an environment within which we can and will continue our operational and explorative activities."



But Fenton is also uncomfortable in some areas. For example, he criticises some sections of the new Minerals Act, due to become effective in a few months, for introducing uncertainties, in particular in relation to royalties and security of tenure. Fenton doesn't elaborate but the crucial, and unwritten, issue is that new mining projects in Namibia have to compete for funds with other projects around the world. Failure to provide potential investors with adequate safeguards will send them off to look elsewhere. Perhaps this is the JSE's message.

On the operating side, the only problem area is Tsumeb mine where ore reserves are running down and no significant extensions have been found. Fenton says the mine could close within two years.

However, the feasibility study on the Tschudi copper project, which could provide replacement tonnage, is advanced. A decision is due soon and development could start this year if the project is feasible. Funding for Tschudi has been tied up in principle through the Sysmin facility of the Lomé Convention, by which the EC provides finance on favourable terms.

Fenton is cautious on the outlook for 1993, saying the copper price is not likely to improve much. So "it is not possible to assure shareholders that a dividend will be paid."

With the rand on the retreat against the dollar and therefore improving revenues, along with a reasonable prospect of better dollar commodity prices by the end of the year, GF Namibia is probably worth a punt.

Brendan Ryan

Namibia hosts uranium talks

WINDHOEK — The London-based Uranium Institute is holding its mid-term review in the Namibian capital, its first in Africa.

Rossing Uranium's Clive Algar said yesterday today's one-day meeting would bring together 150 delegates and 30 guests from 21 countries.

The mid-term review, a gathering of uranium producers, power utilities and major suppliers, is a private affair. A public symposium is held each September in London. — Reuter.

(221A)

BDAY 28/4/93

Namibia's bold move

WHILE SA's manufacturing sector is limping along amid a severe recession and fear caused by endless quarrels among politicians, labour leaders and others about the future, Namibia seems to be getting its act together to ensure economic growth.

It has published a set of highly attractive incentives to entice private investors in SA and elsewhere to help develop its fledgling manufacturing sector. Government spokesmen in Windhoek claim that these incentives now make Namibia the most attractive manufacturing investment opportunity in southern Africa.

Although its domestic market is small, Namibia, as a member of the Southern African Customs Union, has access to SA's large markets.

Namibian president Sam Nujoma himself has confirmed that he sees Namibia's future industrial development primarily as a function of private investment. The aim is to change the country's trade structure by encouraging exports of manufactured goods.

Among the most important incentives approved by Namibia are that:

■ Income tax will not be raised beyond 40 percent.

■ Manufacturing firms will enjoy a rebate of 50 percent of taxable income for five years, to be phased out at a rate of five percent a year over the subsequent 10 years.

■ A training cost deduction of 125 percent will be available.

■ To encourage manufacturers to use labour intensive techniques, wage costs relating directly to production will classify for a 125 percent deduction.

■ A facility will be made available to write off plant, machinery and equipment fully over three years.

■ Cash grants of up to 50 percent to cover real costs of export promotion and marketing expenses will be made.

Other benefits include the tax-free importation or acquisition of manufacturing machinery and equipment.

Special attention is also to be given to encourage the development of small industries and an incentive package aimed specifically at this sector is at present being worked out.

The above certainly represents a bold set of incentives. However, Namibia is a small, isolated state and it will require a strong marketing effort to convince manufacturers that they have a future in that part of the world.

■ MONEY TALK Citizen 2/5/93

(221A)

Engen gas venture 'a long shot'

(221A) CT 8/5/93

A DECISION by Engen and Shell Namibia to jointly explore for gas off the southern Namibian coast was "a long shot" that could lead to the introduction of cleaner energy in South Africa in the early 21st century, analysts said.

The two oil companies signed an offshore exploration licence agreement with the Namibian government on Thursday. Shell, which holds 75% of the licence, will be project manager.

Shell Namibia MD Philip Riddle said that if the two oil companies found commercial deposits, the best marketing outlet could be South Africa, although there were "other options".

He said the companies hoped that SA would use the exploration initiative to consider gas-fired power generation, which he said was more environment-friendly than coal. Recent technological changes also meant that gas-fired power plans were now not much more expensive than coal-fired plants.

"But a lot, of course, will depend on the demand for power 10 to 15 years down the line," he said.

Eskom, which says it has enough generating capacity to meet demand for at least the next 15 years even if every black household was electrified, was examining the possibility of future gas-fired generation, a spokesman said.

The advantages of gas-fired power stations included quicker start-up and shut-down times and the fact that although also a fossil, gas was "cleaner" than coal. — Reuter

Small change going

S Times CBus 9/5/93

NAMIBIA will not mint 1c and 2c coins when it introduces its own currency in October. Sweden will mint R1,8-billion worth of Namibia dollars and pay R9-million of the R13-million bill.

There will be three notes: $100, $50 and $10. Coins will be for $5, $1, 50c, 20c 10c and 5c. A reason for the policy is the possibility that Namibia will leave the SA common monetary area and dismantle exchange control.

The Commercial Bank of Namibia says SA's new 1c and 2c coins require the use of a magnifying glass to establish their value.

What value?

221A

Ostrich market under threat

CT 10/5/93 (221A)

Smugglers operating in Namibia

WINDHOEK. — South African ostrich smugglers are moving ostriches through Namibia for lucrative sale in the US, posing a severe threat to the valuable Namibian and South African ostrich industries.

Fertilized eggs and chicks fetch a high price in the US, and an adult breeding bird sells for about R90 000.

There is a big demand abroad for ostrich meat, which is virtually cholestrol-free, and ostrich hide is sought after for cowboy boots.

Officials in both countries have expressed fears that US farmers breeding with SA and Namibian ostriches could cause a collapse of the market.

Several arrests were made recently in South Africa and Namibia in connection with smuggling attempts and a Windhoek newspaper last week claimed to have discovered a secret landing strip south of the capital where the South African birds are off-loaded.

Another paper claimed on Friday that a South African pilot had been arrested flying ostriches into Namibia.

Namibia, for years unable to reap the profits of ostrich export, began its lucrative export of ostrich breeding stock shortly after independence in 1990.

The danger posed to Namibia by South African ostrich smugglers is that the US, if it believes that some "Namibian" ostriches actually originate in South Africa, may slow down or stop importing the birds, a wildlife official said.

Namibia is the only country in Africa exporting ostrich breeding stock, and has 26 sites approved by veterinary officials.

Two Namibian farmers were recently arrested near Mariental for the illegal importation of ostrich chicks and eggs from South Africa. The birds were believed to be bound for the US.

The South African industry is strictly controlled and prohibits the export of live ostrich products to protect what agriculture officials call the "best ostriches in the world".

When the world ostrich feather market crashed in 1914, most birds worldwide were slaughtered. But farmers in the Oudtshoorn district kept their 30 000 birds and developed a world-leading industry in which the world is eager to share. — Sapa

Step on the gas, TransNamib told

ARGT 15/5/93

WINDHOEK. — The Namibian government yesterday warned transport parastatal TransNamib to speed up affirmative action or face statutory and constitutional action.

The entire top structure of TransNamib, including six general managers, three senior ones and 18 managers, is white. Several top managers are South Africans with permanent residence permits in Namibia.

The cabinet reminded TransNamib that the government was its majority shareholder. — Sapa.

(22/14)

Namibia diamond firm is sparkling

ALIDE DASNOIS
Business Staff

(221A)
ARG 15/5/93

NAMIBIAN West Coast Diamond Company is to spend R90 million on a mining and prospecting ship and other equipment following the take-over of its parent company, Angra Pequena, by a Canadian company.

Angra Pequena said this week that Diamond Fields Resources of Canada was to buy 60 percent of its shares. Namibian West Coast Diamond Company, which has been producing diamonds from the sea since 1987, is wholly-owned by Angra Pequena.

The company holds mining and prospecting grants along the Namibian coast from Diaz Point to Hottentots Point.

Angra Pequena and Namibian West Coast chairman Mr Jannie Steenkamp said the Canadian company should take over management control in early June.

Diamond Fields is negotiating a new ship with deep-water prospecting capacity and state-of-the-art technical equipment, which should be available to Namibian West Coast by the end of the year. This is the first phase of a R90 million investment programme for the company's concessions.

WORLD

Rival firms tussle over Skeleton Coast tourism

22.1A

B/Day 18/5/93.

WINDHOEK — A fierce tussle has developed over Namibia's famous Skeleton Coast Park, with two companies competing for a valuable tourism tender expected to be announced on Friday.

On the one side is Namibian company Skeleton Coast Safaris which has had rights to the park since 1977, and on the other German-controlled tourism giant Olympia Reisen. Much of the battle has been over how much money each company claims it could generate for Namibia. Both claim to be better suited to developing tourism while still preserving the ecology of the Skeleton Coast — a fragile, remote and beautiful region recognised as one of the world's most precious wilderness areas.

In its tender application, Skeleton Coast Safaris said it could raise R11m in entrance fees over the decade for which the tender is valid. This was calculated on the basis of a R500 entrance fee to the park.

Olympia Reisen said it would raise R10m with a R1 000 entrance fee, but revised these figures yesterday saying that using Skeleton Coast Safaris' calculations it would raise more than R30m for the same period.

It said it planned a R143m investment in Namibian tourism, but this depended on "certain factors" such as obtaining the rights to the park.

Skeleton Coast Safaris owner Louw Schoeman was the lone applicant for the 1977 tender and claimed that since then his company had been responsible for developing the market and taking the area to the forefront of international tourism.

His application had the support of most tour operators and conservation-ecology groups in Namibia, based on his 16-year track record with the park, according to Namibia Nature Foundation director Douglas Reissner.

Schoeman said his approach was towards individual eco-tourism and preservation of the park's wild beauty. He accused his opposition of planning mass tourism which would ruin the area.

Olympia Reisen has denied this, saying it planned "selective and exclusive smaller-sized tour groups".

Schoeman said that if he lost the concession irreparable damage would be done to Namibia's image as a pioneer of eco-tourism in Africa. He said the cost to Namibia would be far higher than the potential benefits from Olympia Reisen's investment.

Olympia Reisen director Udo Stritter said his company was ready to become Namibia's biggest post-independence investor after mining and fishing.

The wildlife, conservation and tourism ministry remains silent, but sources say it is lobbying behind the scenes in favour of Mr Schoeman's application. — Sapa.

Ship for Namibian gem search

Star 19/5/93

By Alide Dasnois

CAPE TOWN — Namibian West Coast Diamond Company is to spend R90 million on a mining and prospecting ship and other equipment after the takeover of its parent company, Angra Pequena, by a Canadian company.

Diamond Fields Resources of Canada is to buy 60 percent of Angra Pequena's shares.

Namibian West Coast Diamond Company, which has been producing diamonds from the sea since 1987, is wholly-owned by Angra Pequena.

The company holds mining and prospecting grants along the Namibian coast from Diaz Point to ~~Hottentots~~ Point.

Take control

221A

Jannie Steenkamp, chairman ofAngra Pequena and Namibian West Coast, says the Canadian company should take over management control in early June.

Diamond Fields is negotiating a new ship with deepwater prospecting capacity and advanced technical equipment, which should be available to Namibian West Coast by the end of the year.

This is the first phase of a R90 million investment programme for the company's concessions.

Visiting Namibia for talks with government officials, Jean Boulle, president of the Canadian company, said he was excited about the possibilities for investment.

Namibia land grab urged

(221A)

CT 25/5/93

Own Correspondent

HARARE. — A Namibian National Farmers' Union delegation is here to study the implementation of President Robert Mugabe's Land Acquisition Act, which allows the takeover of white-owned farms by the Zimbabwe government.

The NNFU said it would lobby for similar measures in Namibia, where it said 96% of the population owned only four percent of agricultural land.

"We urge our government to do it now while the cake is still hot," an NNFU official said.

Namibians likely to get tough budget

Star 25/5/93

WINDHOEK — Namibians will have to brace themselves for a tight Budget to be presented this month, with the strong possibility of an increase in general sales tax, Finance Minister Gerhard Hanekom says.

The economy had been inhibited in the past year by the harsh southern African drought and depressed international diamond markets.

"In general, our economic sectors look bad. Although the drought has been broken, the areas which were hit still do not look promising. The health of other sectors also depends upon the world economic recovery.

(221A)

"I have made a commitment not to increase income tax, but I will have to find money from somewhere.

The country's GST rate is 11 percent, which Namibian businesses expect to be increased by two to three percent in the Budget speech on May 27. — Sapa.

May 28 1993 5

221A

Namibians plan ostrich exhange

Business Day 28/5/93.

WINDHOEK — Namibian businessmen will launch the World Ostrich Exchange next week, hoping to make Windhoek the centre of the international ostrich market.

It will operate as a global exchange for live ostriches, eggs and chicks, and plans to expand into ostrich products, including meat and hides.

Founding member Jan Behr said the industry was moving too fast and without control would go into a slump.

The exchange intended to get co-operation agreements with ostrich importers internationally and to stabilise and increase prices by setting higher standards.

Tight controls would make smuggling impossible.

Co-operation would be sought with the SA industry, which was tightly controlled and prohibited the export of live birds or breeding stock.

Behr said Namibia's ostrich interests could be worth R40m-R50m a year if properly managed — double the current estimated value.

Namibia controls about 60% of the world market. — Sapa.

Namibian game sale fails in aim

CT 29/5/93 (221A)

WATERBERG PLATEAU PARK. — Namibia's World Wildlife Ministry raked in nearly R1,2 million yesterday from its first game auction, far short of its target of R3,8m.

Hundreds of game farmers, conservation officials and wildlife managers gathered here for the auction of elephant, giraffe, buffalo, eland, zebra, roan antelope, rhinoceros, hartebees and impala, all of which fetched price above those expected.

Most of the game was bought by Namibians, though South Africans from Hoedspruit and Warmbaths bought roan antelope and buffalo.

Ministry officials rejected a bid by an anonymous foreign buyer of R180 000 each for six black rhino, well below the R500 000 reserve price.

However, the sale could still be negotiated when Wildlife Minister Mr Hanno Rumpf returns from a trip abroad.

The highest price ever paid for a black rhino was R540 000 to the Natal Parks Board last year, according to auctioneer Mr Clive Gardner. — Sapa

NAMIBIAN GAME SALE NETS R1,3m

By DIANA STREAK 221A

THE first game auction in Namibia — which raised almost R1,3-million — was so successful that it could become an annual event. S Times 30/5/93.

But despite the demand for the rare game on offer, the stars of the show, six black rhino, failed to find a buyer.

Buyers said the reserve price of R500 000 was unrealistic. The highest bid was R180 000 each.

South African game farmers bought the roan antelope and buffalo, but the rest of the animals went to Namibians, pleasing Mr Louis Geldenhuys of the game capture unit.

Mr Geldenhuys said: "We are happy that the animals will stay in Namibia because we want to expand our private game ranches until they are on a par with those in Zimbabwe and South Africa."

Game on offer included giraffe, eland, zebra and hartebees.

Buyers were screened in advance, and had to prove they had a suitable, fenced habitat for the animals.

The auction was held at the Waterberg Plateau Park, 280km north of Windhoek.

SA urged

CT 1/6/93

to follow Namibian

(221A)

tax rate example

Business Staff

SA SHOULD follow the tax example set by Namibia in its budget where tax rates on individuals and companies were lowered to the 38% level, according to Ernst & Young's tax partner Dave Clegg.

Clegg points out that "these rates are radically lower than those currently applicable in SA and should create some stimulus to the Namibian economy".

He adds that since Namibian Independence the tax rate has been consistently reduced.

"There is no capital gains tax nor is there any state duty," he says.

Incentives

Furthermore, says Clegg "a recent announcement introduced major incentives for manufacturing operations including the slashing of the normal tax rate for these companies to only 19%, with tax holidays for some new operations".

Should this be successful it may persuade the current and future interim government of SA to "follow suit", he says.

Buss Day 11/6/93

Namibian gambling

NAMIBIA may soon start a state lottery and see the introduction of casinos. The government said yesterday it was in favour of this form of legalised gambling and had authorised the Wildlife, Conservation and Tourism Ministry to submit draft legislation.

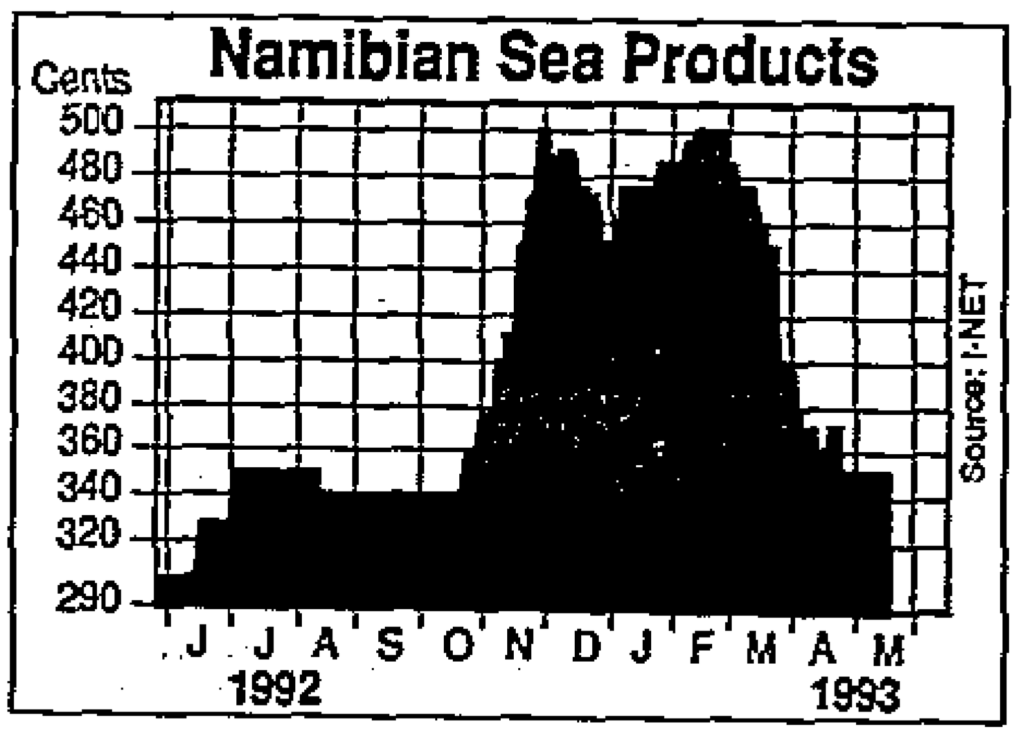
(221A)

NAMSEA/NAMFISH FM 4/6/93

Thermidor no more

221A

When Namibia summarily eliminated lobster quotas and later — grudgingly — issued a total allowable catch of 100 t (1 100 t) for the five months to April 1992, that was bad enough. It meant Seaflower Corp, owned 35% each by Namsea and Namfish, had a quota of only 50 t, a derisory quantity caught in five weeks.



NAMSEA

Activities: *Catching and processing fish.*
Control: *Arun Holdings.*
Chairman: *L Aa Eldoy; MD: W E Gühring.*
Capital structure: *10,8m ords. Market capitalisation: R37,8m.*
Share market: *Price: 350c. Yields: 8,6% on dividend; 11,9% on earnings; p:e ratio, 8,4; cover, 1,4. 12-month high, 500c; low, 300c. Trading volume last quarter, 103 000 shares.*

Year to Dec 31	'89	'90	'91	'92
ST debt (Rm)	0,9	—	—	16,6
LT debt (Rm)	—	0,3	—	1,3
Debt:equity ratio	—	—	—	0,24
Shareholders' interest	0,68	0,79	0,77	0,63
Int & leasing cover .	—	—	n/a	23
Return on cap (%) ..	49	34	3,7	5,1
Turnover (Rm)	8,1	17,1	39,7	77,0
Pre-int profit (Rm) ...	8,9	4,2	2,9	5,9
Pre-int margin (%) ..	154	21	7,2	7,7
Earnings (c)	164	67	46,2	41,8
Dividends (c)	155*	—	10	30
Net worth (c)	267	205	537	508

* Excludes special dividend 55c.

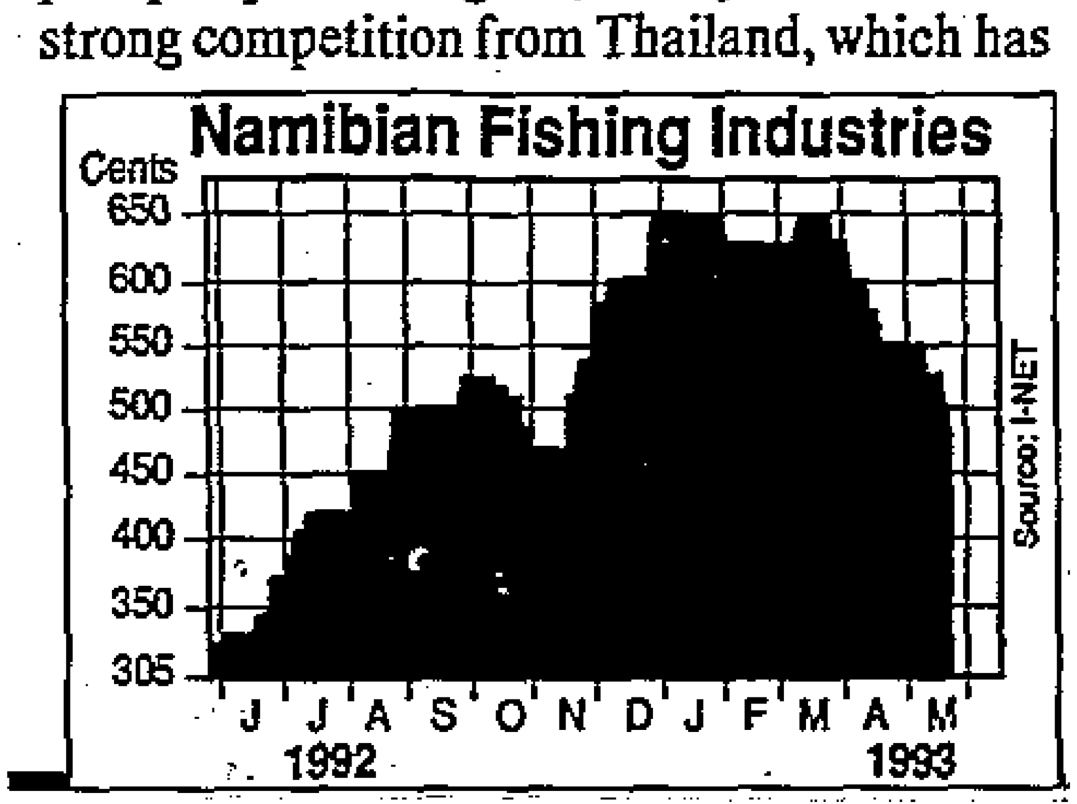
It also meant that plant, machinery and the 700-strong labour force stood idle. Had Seaflower's management retained the right to implement normal business practice and lay off workers, it might still have been viable. But, of course, retrenchments weren't permitted by the same government which curtailed economic operations.

Namsea and Namfish director "Padda" Kuttel says it was no longer a business proposition; hence the sale of the 35% interests Namfish and Namsea each held in Seaflower to State-owned National Fishing Corp of Namibia — which already owned 30% of Seaflower — for R5,6m cash. The sale included the takeover of Seaflower's R5m overdraft and a projected cash loss of at least R8m for financial 1993.

Namsea and Namfish no longer have any lobster fishing interests. Any future lobster quotas granted by Namibia will, in effect, be granted to its own operations. It'll be interesting to see how generous it is.

Namfish now concentrates on its relatively new activity of catching and processing white fish — hake in particular. Its original hake concessions were granted as compensation for the cutting of the lobster quota, ostensibly to generate work for Seaflower's fishermen. Kuttel says Namfish has invested about R15m in specialised plant, equipment and vessels, at a time when there has been a general collapse in white fish prices. However, the international market is improving and Namfish is showing a small profit.

Kuttel says the pelagic industry is approaching saturation in southern Africa; the growth area of fishing is white fish. That is the reason for Namfish's entry and why it is an imperative to seek export markets for locally caught and processed pilchards. Export prospects are good, he says, but there is strong competition from Thailand, which has



FM 4/6/93 221A

cheap labour, and Peru, which has massive resources and cheap labour.

Namsea's pelagic performance is promising partly because of the sizeable increase in TAC for 1993 and partly because it will process more than double the 1992 quantity. Kuttel says pilchards are in abundance, catching is going well, and processing and canning are in line with expectations.

Chairman Lars Eldoy is confident Namsea's 1993 earnings will exceed those of 1992. Though prospects for Namfish are to a great extent governed by the movement of the price of white fish internationally, it appears its earnings could rise considerably.

On that basis, there is some prospect both shares might yield good gains. *Gerald Hirshon*

221A

NAMFISH

Activities: *Pelagic, white fish and rock lobster fishing.*
Control: *Arun Holdings.*
Chairman: *L Aa Eldoy.*
Capital structure: *3,15m ords. Market capitalisation: R15,75m.*
Share market: *Price: 500c. Yields: 4% on dividend. 12-month high, 650c; low, 400c. Trading volume last quarter, 6 600 shares.*

Year to Dec 31	'89	'90	'91	'92
ST debt (Rm)	—	—	—	2,9
LT debt (Rm)	0,5	0,4	0,4	5,0
Debt:equity ratio	—	—	n/a	0,27
Shareholders' interest	0,6	0,8	0,87	0,63
Return on cap (%) ..	23	23	6,8	0
Turnover (Rm)	10,8	11,7	11,6	29,2
Pre-int profit (Rm) ...	3,0	2,5	1,97	(1,1)
Pre-int margin (%) ..	28	22	17	n/a
Earnings (c)	130	72	62	(40)
Dividends (c)	125	20	40	20
Net worth (c)	259	289	812	900

week alone the state borrowed ...

NEWS IN BRIEF

B/DAY 9/6/93

AIDS heads south

BERLIN — More than 600 000 people in Zimbabwe had been infected with the HIV virus, World Health Organisation AIDS programme director Dr M Merson told the international AIDS conference yesterday.

Merson said the AIDS epidemic, previously focused on eastern and central Africa, was extending southward and westward.

Tourists attacked

CAIRO — Two Egyptians were killed yesterday and eight foreign tourists injured when a man threw a bomb at a bus on the Pyramids Road in Cairo, police said.

Ostriches take off

WINDHOEK — The world's first ostrich exchange is up and running in Windhoek with 60 chicks on the market and plans to centralise the global ostrich industry.

The World Ostrich Exchange planned to establish an international database of breeding stock and commodities and to initiate quality control and market protection for buyers and suppliers, vice president Jan Behr said.

Behr said the exchange planned to set up quarantine stations at Walvis Bay and Windhoek airport and negotiate a change in US import laws.

REPORTS: Reuter, Sapa.

Bid to ease Russian tension

B/DAY 9/6/93

MOSCOW — President Boris Yeltsin met the leaders of Russia's autonomous republics yesterday to help defuse tension over a Kremlin meeting on the adoption of a new constitution.

Presidential adviser Sergei Stankevich told journalists the leaders of the 20 republics were unhappy that some of their suggested alterations to Yeltsin's draft constitution had apparently been ignored.

The assembly, which completed its first full day of work on Monday, is due at some stage to discuss the tricky question of how much autonomy to give the republics and the 66 regions, which currently have less power than the republics.

Stankevich said most of the 700 delegates favoured giving all constituent parts of Russia equal rights. This, he said, could spark protests from the republics.

Yeltsin's senior aides said the assembly would work out a draft document despite a walk-out of opponents led by parliamentary chairman and arch foe Ruslan Khasbulatov.

Khasbulatov, who has already seen his deputy defect to the Yeltsin camp, suffered another blow late on Monday when a closed meeting of top deputies did not unanimously back his decision to leave the assembly on Saturday with some supporters.

Khasbulatov stormed out of the assembly on Saturday after Yeltsin refused to let him address the opening session. But Stankevich said there would be another session of all delegates on Thursday at which Khasbulatov would be given the floor.

Yeltsin has complained that his attempts to transform Russia and propel its ailing economy to a free market system are hamstrung by a constitution written for the disbanded Soviet Union. — Sapa-Reuter.

B/Day 9/6/93

Namibian exchange records small move

WINDHOEK — Namibia's stock exchange moved offices yesterday and all that was needed was one car.

The entire exchange consists of a locally developed programme, running on a personal computer. It is linked by telephone to banks and other companies.

(221A)

The move came shortly after the number of broking firms in Namibia doubled — to two.

Simpson McKie Inc opened a Windhoek office, which employs the country's only qualified broker Wikus Hanekom, while his former employer George Huysamer and Partners employs Werner Oehl who is expected to qualify soon.

The Namibia Stock Exchange Association consists of 36 private companies.

Deals on the exchange have been slow with the companies tightly owned. Nobody has yet tried to trade government loan stock, preferring to hold it until redemption. — Reuter.

Unpopular decisions ahead says UK chancellor

Star 11/6/93

Gold Fields Coal pays 40c interim

By Derek Tommey

Gold Fields Coal has declared an interim dividend of 40c, compared with a payment of 90c for the whole of last year.

221A

Gold Fields Namibia has followed the same practice as last year and passed its interim dividend, though last year it paid a final of 15c a share.

The company's profits are closely related to the copper price, which has been depressed in recent weeks.

The company produces other base metals whose prices have also been weak.

Gold Fields Namibia had a turnover of R318 million last year, against R291 million in 1991.

Pre-tax profit was R10,9 million, against a loss R7 million in 1991.

Earnings last year were 68c a share after losses of 44c a share in 1991.

Rooiberg Tin, the country's only remaining listed tin producer, has passed its dividend again. Rooiberg last paid a dividend in 1989.

Exports major growth area for Macadams

CT 24/6/93

By MAGGIE ROWLEY
Deputy Business Editor

EXPORTS continue to be the major growth areas for Cape-based Macadams, manufacturers and suppliers of industrial bakery and catering equipment, and should account for 50% of manufactured goods during the current financial year, according to financial director Kevin McEvoy.

In an interview McEvoy said exports, which rose by 112% last year, currently accounted for 40% of manufactured goods but were steadily growing and expected to grow by a further 50% to R12m during the current year.

Increased exports, he said, had helped offset the drop in local demand due to the recession.

Among the greatest areas of growth in the export market were African countries previously closed to the company due to sanctions.

Political developments in Malawi, which had previously being their largest African market, had resulted in a drop-off in exports to that country.

However, the Congo was emerging as an extremely lucrative market.

McEvoy said the medium to long term prospects for the domestic market were also good.

However, in spite of the depressed trading conditions, Macadams was budgeting for a 22% increase in turnover to R46m during the current year ending February 28.

DTI lifts veil on exports

THE Trade and Industry department lifted a corner of their veil on SA's export trade yesterday, presenting the Cape Chamber of Commerce with details of exporters in the region.

Trade and Industry Director General Stef Naude, who made the presentation yesterday, said the details were being provided to assist the chambers efforts in export promotion which was of crucial concern.

Naude said it was the first time that the department had provided details of SA's exporters.

The chambers immediate past president Herbert Hirsch said the information would assist the organisation's efforts to create a comprehensive data base.

CT 24/6/93

Cold Storage gears up for expansion of Namibian fish quotas

CT 24/6/93 (221A)

By MAGGIE ROWLEY
Deputy Business Editor

THE cold storage capacity of Walvis Bay Cold Storage (Pty) Ltd is to be more than doubled at a cost of R15m to take advantage of huge growth prospects in the Namibian fishing industry.

The expansion, being financed by shareholders Commercial Cold Storage, in which the Oceana Fishing Group has a 76% stake and First National Development Corporation of Namibia holds 24%, will increase cold storage capacity by 9 000 tons to 14 000 tons.

Commercial Cold Storage MD Willem Visagie said recent research by the Namibian Department of Sea Fisheries indicated that current hake quotas of 120 000 tons a year could virtually triple to 350 000 tons by the year 2000.

"Other quotas are also likely to be increased so we will be providing much needed storage capacity for the Namibian fishing industry."

The present facility, he said, provided full time employment for 30 workers but this would more than double to 70 on completion of the project.

Construction of the extensions, which will include installation of sophisticated technology, fully computerised stock systems and the latest in refridgeration design, is due to start next month with completion scheduled for March next year.

The existing facility will continue to operate during building operations.

He said that a R1m ship-to-shore conveyor system to handle the offloading of up to 30 tons of fish an hour was currently being installed.

Meanwhile Sapa reports that Namibian guidelines on the allocation of fishing rights and quotas for 1994 were announced yesterday with strong emphasis on Namibian control and development.

Fisheries and Marine Resources Minister Helmut Angula said the new guidelines aimed to secure increasing benefits for Namibia, especially through onshore development of factories and processing plants.

Existing fishing rights and quotas expire on December 31 this year, effectively terminating pre-independence contracts inherited by the Namibian government.

Mr Angula said government would prevent monopolisation of the industry and ensure equitable distribution of fish resources, with preferential treatment offered to companies which could show they had "Namibianised".

Applicants for fishing rights were required to show there would be investment in vessels within three years of the rights becoming valid.

Ten year rights would be granted for the first time, Mr Angula said. This had become imperative in order to plan properly and attract solid investment to the industry.

After suffering systematic depletion by foreign fishing vessels before independence, Namibian fish resources had shown good recovery with current productivity three times higher than predicted, Angula said.

JSE broker

Arrests after Bop protest

JOHANNESBURG. — Between 40 and 60 people were arrested after an Azanian People's Organisation protest outside the Bophuthatswana Consulate-General here yesterday, police said.

03/7/93

Farmers in tax demo

03/7/93

WINDHOEK. — Namibian farmers took their tractors and trucks to town yesterday to protest against proposed new taxes and handed a petition to President Sam Nujoma.

221A

NAMIBIA

Hopes pinned on package to woo investors

Star 24/7/93

(221A)

THE war- and drought-ravaged country is staking its future on incentives and its credentials as one of southern Africa's most stable states, writes CHRIS CHINAKA.

NAMIBIA is stepping up a campaign to attract foreign capital for an economy battered by drought and recession. The country, recently described by United States President Bill Clinton as a shining example for fledging African democracies, is pinning its hopes on a new set of investment incentives and its credentials as one of southern Africa's most stable states.

"For months we have been marketing ourselves to the international business community as a stable country with a competent government, committed to a thriving economy and a democratic system," according to Deputy Finance Minister Rick Kukuri.

"But we are going a gear up now, telling the world what else we have to offer besides stability. We are also happy when the world sees us for what we are," he says, waving a local newspaper headlined "Clinton heaps praise on Namibia".

Namibia's investment incentives include a cut in company tax from 40 to 20 percent, generous dividend and profit repatriation terms, and liberal labour laws.

It also includes huge tax reductions for boosting exports and provision for investors to negotiate tax rates from zero for sectors like tourism and manufacturing.

"It is a very competitive package," a Zimbabwean analyst said. "There is no other country in the region offering similar terms."

Clinton told Namibian President Sam Nujoma during a visit to Washington in June that Windhoek's success in promoting democracy and a market economy was remarkable. "We hope we can cash in on such compliments," Kukuri said.

An official at Namibia's investment processing centre said his department had handled "several" applications and inquiries in the past two months. "There are no ready figures but international investors are streaming in, looking for opportunities in mining, fishing, services and manufacturing. The establishment of a sugar plantation by Lonrho in northern Namibia has also generated interest in our agriculture sector," he said.

Nujoma's leftist Swapo shed its socialist policies on taking office three years ago, and has since been busy mobilising Western aid to rebuild its rural economy, ruined by a 23-year bush war.

The government inherited an economy burdened with a sophisticated infrastructure needing expensive maintenance, and inadequate health, education and housing facilities for its people.

"We are spending more than a quarter of our national budget on education and another large chunk on other social services, and have little money to put into the industrial sector," said Kukuri.

"We hope foreign investors can meet us half-way."

Namibia is looking to new investors to help break its dependence on South Africa.

Finance Minister Gert Hanekom said: "The current and expected economic situation in South Africa will affect Namibia's economy in coming months through lower export demand for our products, lower rates of inflation for goods imported from SA, possible further declines in interest rates and a weaker currency."

Namibia hopes to introduce its own currency, replacing the rand, later this year.

Its economy, which had recorded a "firm but low rate of expansion" since 1990, was hit in 1992 by world recession and the worst drought in living memory.

Real gross domestic product fell to 3,5 percent in 1992 from 3,8 percent in 1991.

It is expected to decline by as much as 1,9 percent in 1993 because of low prices for diamond exports, which earn the country the bulk of its foreign revenue.

Namibia's diamond output rate is expected to fall 21 percent this year and living standards 4,8 percent.

However, the government has forecast 4,5 percent growth for 1994, provided the diamond and uranium markets recover. — Sapa-Reuter.

Walvis Bay still making waves

ARG 11/8/93

Political Staff (224R)

JOHANNESBURG. — Debate in the Negotiating Council on the future of Walvis Bay and the offshore islands has been deferred until tomorrow.

No compromise could be reached between the negotiating parties on two opposing views.

Some parties believed that an interim government of national unity should decide the issue, while others said the future of Walvis Bay should be decided by the Negotiating Council.

In a statement yesterday at the World Trade Centre, the Namibian government welcomed a draft resolution proposed by the PAC, which was supported by the ANC.

In terms of the draft proposal, Walvis Bay and the offshore islands should be excluded from the interim and final South African constitution.

The resolution was opposed by the government.

The Namibian government urged the South African government to resolve the "perennial dispute".

The Labour Party last night called for legislation on the reincorporation of Walvis Bay to be drafted and adopted by the Negotiating Council for promulgation during the September session of parliament.

Birdmen bust in Namibia

(221A)
WM 13-19/8/93

Weekly Mail Correspondent

NAMIBIAN wildlife and agriculture officials have pulled their heads from the Kalahari sand and feathers are flying as they clamp down on a fledgeling industry that was running wild. Exports of ostrich breeding products were set to earn R40-million in foreign exchange this year.

Already some 14 ostrich barons and others linked to the trade have been arrested. The government has slammed an export ban on all but the most urgent exports of live products, until microchips are inserted in Namibia's 6 800 ostriches and registers drawn up. The Ostrich Breeders Association of Namibia (Oban), whose 80 members represent virtually the whole industry, also proposed such steps, and said last Friday all could be ready by September 1.

Ruffled feathers — There's a clampdown on ostrich smuggling

Some well-known faces have found themselves on the wrong side of the bird-busting squads after alleged smuggling from South Africa, including secret air flights for the otherwise-flightless birds. Airline boss Gerald Fouche had been refused bail for nearly a month but was released early in August by a full bench of the Windhoek High Court to await trial on charges linked to ostriches. Entrepreneur Timo Voges, reportedly a multi-millionaire and one of the leaders of Namibia's industry, was in court with seven others on Monday and is set to return on September 1, charged with 137 offences.

Prosecutor General Hans Heyman complains the laws have not been updated recently and do not have strong enough penalties — fines under conservation ordinances could be only R250 on a plane-load of ostriches worth up to R1-million. "They are all minor offences so we must charge them with the whole book," he explained.

Charges levelled against other birdmen have included aviation charges for secret airstrips and unreported flights, violations of livestock improvement and parasite acts, breaking game ordinances, and customs and excise offences. Tax officials have written to banks asking for account details of the ostrich ranchers and their spouses.

Widespread ostrich smuggling largely took Namibia by surprise. It stemmed from the restrictive control of the KKK, as the Klein Karoo Korporasie is known locally. Since the start of the century, KKK had blocked exports of breeding birds, fertilised eggs or chicks from South Africa, aiming at a world cartel similar to De Beers' grip on diamonds. Namibia was part of this until independence.

Rossing halts new project

Bibay

WINDHOEK — Rossing Uranium said on Friday it would discontinue its Okanjande graphite project in Namibia owing to falling international graphite prices since 1991. 16/8/93

However, because the size and quality of the graphite orebody were excellent, the company would retain rights to the site for several years in case prices warranted re-evaluation.

Rossing MD Jonathan Leslie said though the project was to be discontinued, there would nonetheless be enduring benefits from work carried out to date.

Rossing said discussions had taken place with employees at the project and with the Mineworkers' Union of Namibia. Most of Okanjande's permanent employees had been offered jobs at the Rossing uranium mine, with others to receive retrenchment packages. — Sapa (221A)

NAMIBIA FM 20/8/93

Looking to do business

SA and foreign investors put off by this country's slump, violence and political instability may find Namibia more to their liking. That country's latest offering of economic incentives for manufacturers, retroactive to January, has led to "plentiful inquiries" from potential SA investors, says director of industrial development Louis Becker. "It seems your people are envious of our political and labour peace." (221 A)

Official projections estimate 7,7% growth next year, though the economy is expected to decline 1,9% this year. This is off a small base, a projected R6,3bn in GDP this year.

Says Becker: "But these are preliminary projections and our agriculture- and mining-based economy could be affected by things like the weather and world economic trends.

"With about 62% of our GNP made up of foreign trade, we are open to many extraneous influences. Nevertheless, with the excellent recovery of our fishing resources — we expect this year's 115 000 t pilchard quota to grow to about 450 000 t in six years, and an increase in the hake quota from 120 000 t to 350 000 t over the same period — we project 36% and 56% GDP growth, respectively, in fishing and fish processing in 1994."

Government also expects mining and quarrying (mainly diamonds and uranium) to contribute 30% growth to GDP next year.

"Our incentive package will not subsidise uneconomic industry but is targeted at performance criteria," Becker says.

With the corporate (and maximum personal marginal) tax rates already reduced to 38%, a further 50% tax abatement is allowed for all registered manufacturing enterprises.

New incentives also include:

- ☐ Reducing nonresident shareholders' tax to 10%; there is exemption of dividend taxes; plant, machinery and equipment can be fully written off over three years;
- ☐ Writing off infrastructural costs at 20% the first year and 4% a year for 20 years;
- ☐ Importing manufacturing equipment and machinery free of sales tax;
- ☐ Offering a relocation package (from outside Namibia) with "special conditions to deserving enterprises" on the terms and rate of corporate tax applicable;
- ☐ Allowing for write-offs of buildings erected for manufacturing at the rate of 20% over the first year and 8% a year for the balance over 10 years;
- ☐ Tax incentives (25%-75% of costs over the full write-off of such costs) for research for the marketing of export goods; and
- ☐ Offering an additional 25% deduction for registered manufacturing enterprises for training costs and production wages. ■

Walvis Bay, islands transfer 'no threat to diamond mining'

By AUDREY D'ANGELO

THE transfer of Walvis Bay and the offshore islands to Namibia is unlikely to have any disruptive effect on Ocean Diamond Mining's operations, chairman Ivan Prinsep told shareholders at the agm yesterday.

ODM is carrying out mining operations under contract for the holder of the diamond concessions on the offshore islands, Eiland Diamante.

In a statement issued at the meeting ODM directors said both companies "have for a long time envisaged the ultimate re-incorporation of the islands into Namibia and are confident that the mining lease held by Eiland Diamante will be honoured under the re-incorporation.

"Eiland Diamante and ODM are in contact with both the SA and Namibian governments in the matter and there would not appear to be any reason why operations should not continue under the aegis of the Namibian authorities once reincorporation has taken place."

Prinsep, in answer to questions, said: "When Namibia became independent not one single mining lease was cancelled, to my knowledge. They respected the investment that had been made."

Stressing the value of the contract and of ODM's own concessions, Prinsep said the marine diamonds recovered were gem stones averaging half a carat. When cut they were a quarter carat, which was the size of the average engagement ring. CT 21/8/93

"Our product is going to the top end of the High Street market."

An enormous mine in Australia produced poor quality diamonds that sold for $9 a carat. SA was "in an astonishingly fortunate position" of having resources of high quality marine diamonds that sold for $2 a carat. (221A)

An indication of the potential value of the diamond resources was a decision by the Australian conglomerate Broken Hill Proprietary (BHP) to invest $60m in a joint venture with Benguela Concessions to develop deep water concessions adjoining those of ODM.

Prinsep said that ODM was currently sampling to prove the value of the resources in its concessions, and pinpoint areas with a high concentration of diamonds, before commercial mining started.

Proven resources would attract more investment.

R15m freezer plant for Walvis Bay

221A
CT 2/9/93

By AUDREY D'ANGELO
Business Editor

COMMERCIAL Cold Storage — a subsidiary of the Cape Town-based Oceana Fishing Group — and the First National Development Corporation of Namibia are investing R15m in extending their cold store in Walvis Bay in anticipation of a huge growth in fish resources.

Commercial Cold Storage MD Willem Visagie said yesterday that the Namibian fishing industry was expected to grow "substantially" over the next five years. The hake quota was expected to reach 400 000 tons a year compared with 150 000 tons now.

"There used to be no control beyond 12km from the coast and the area was badly over-fished by trawlers from all over the world.

"But since Namibian independence the limit has been extended to 200km from the coast and the fish resource has been well managed and well controlled.

"So far it has grown above our expectations and we are very optimistic. That is why we have made this investment.

"The fish resource off Namibia used to be massive, and it is returning."

Visagie said his company was investing 76% of the cost of expanding the store and the development corporation 24%.

"It is planned to increase the storage capacity from the present 5 000 tons to a total of 14 000 tons."

The existing facility, which will continue to operate while construction is in progress, will provide bulk storage. Sophisticated technology being installed in the new modern facility will include mobile racking, the latest in refrigeration design, a fully computerised stock system and modern handling equipment.

A R1m ship to shore conveyor system to handle the offloading of up to 30 tons of fish an hour is already being installed.

The new extension is expected to be completed by March next year.

Big things expected of Walvis Bay factor

B/Day 15/9/93

WINDHOEK — SA's agreement to hand Walvis Bay to Namibia by early next year is expected to have a tangible and psychological impact on Namibia's economy.

Walvis Bay is Namibia's only deep water seaport and handles about 1 000 vessels a year. Much of the country's 624 000 tons of fish catches a year are processed there.

The most tangible benefit from the handover will come from the estimated flow of R20m-R30m in net income from the port to the Namibian government every year. The income would be derived from levies on oil sales to the fishing industry, as well as taxes on fishing boats and fishing factories in the area, said Namibia's Finance Minister Gert Hanekom.

The government estimated inclusion of Walvis Bay in Namibia's fish processing industries would double the size of Namibia's manufacturing sector from its 1992 value of R365,6m, or 5,2% of the country's total GDP. The sector itself was expected to double its contribution to GDP. (221A)

Hanekom said the incorporation of Walvis Bay would also benefit Namibia because of the psychological impact it would have on manufacturers as uncertainty was removed.

Hanekom said that two days after the announcement, he received requests about the government's new investment incentives from manufacturers considering expansion.

Earlier this month Namibia announced a manufacturing incentives package, including substantial company tax reductions of 50% for the first five years and tax cuts for another 10 years, including up to 75% off expenses on marketing and exporting.

Werner Oehl, Windhoek-based economist for SA brokers George Huysamer & Partners, said the incorporation of Walvis Bay would allow Namibia to become an importer for all its inland neighbours, including Zambia, Malawi and Botswana.

Some observers say the psychological benefits of giving Walvis Bay to Namibia could be even more powerful. "The Namibians will feel proud of having Walvis Bay,' said Bank of Namibia governor Erik Karlsson. — AP-DJ.

Namibia launches its own currency

BDay 15/9/93

(221A)

WINDHOEK — Namibia will introduce its own currency today, taking one more step towards creating an identity separate from that of its long-time administrator, SA.

The move, carried out under the slogan "our money, our pride", is largely symbolic. The new currency — the Namibian dollar — will trade on a par with the rand and both will be legal tender in Namibia.

But the new currency will allow Namibia to build up its foreign exchange reserves and give it some control over its money supply and interest rates. "We are trying to become economically less dependent on SA, but that does not mean necessarily divorcing completely," said Namibia's Finance Minister Gert Hanekom.

Although Namibia gained independence in 1990, it still derives about 90% of its imports from SA. It imports about 90% of its food and consumer goods from SA.

Namibia, with SA, Lesotho and Swaziland, belongs to the common monetary area, an agreement under which Namibia must adhere to restrictions set by the SA Reserve Bank. While Namibia will remain in the monetary union, the creation of its own currency will give it the technical framework should it ever want to leave.

"If the situation in SA deteriorates and the rand is falling sharply in value, we would consider detachment," said Bank of Namibia Governor Erik Karlsson.

The rand has depreciated 11% against the dollar and 14% against the pound since the beginning of the year, but Karlsson says the fall is not dramatic enough to offset the risks of stepping out of the monetary area.

"If we did not belong to the common monetary area, SA would have exchange controls against us," he said.

In addition, SA compensates Namibia for its use of the rand.

The major drawback to membership in the monetary area is SA's exchange controls, which include the financial rand unit required when bringing money in or out of the common area. Karlsson says the financial rand acts as a psychological barrier to foreign investors by restricting the free flow of funds.

"As soon as people have to apply for something, they aren't happy," he said.

As long as Namibia remains in the monetary union, it will have no flexibility with exchange controls, Karlsson says.

But there are advantages in the monetary union, including the elimination of a need for foreign borrowing because of free access to SA's reserves.

"We have all the foreign exchange we want within the common monetary area," said Hanekom.

Namibia currently has no foreign borrowing, with the exception of a project-specific soft loan from the African Development Bank and R826,6m in debt it inherited from SA at independence.

However, one of the main reasons Namibia is introducing its own currency is to build up foreign exchange reserves to more effectively manage its exchange rate. At present the country has to change all its export earnings into rands. When it needs foreign exchange, it has to buy it back from the SA Reserve Bank, usually at a loss because of the depreciating rand.

Karlsson estimates the Bank of Namibia will quickly build up reserves of R300m, but will not buy any gold.

"Gold is without interest," he said.

After the introduction of the dollar, the Bank of Namibia will have some control over its interest rates, but Karlsson says it is unlikely he will deviate from the SA rate by more than one percentage point in either direction.

"There might be a situation where we find it profitable to have a slightly higher or lower interest rate," Karlsson says.

Currently, the Bank of Namibia follows the SA Reserve Bank's bank rate changes. Consequently, interest rates are similar, with the market-driven rate in Namibia usually a point or two above SA's.

Because most of its imports come from the rand area, Namibia did not consider tying its new currency now to another, such as the mark or the pound. — AP-DJ.

Rand and Namibian dollar stay on par

BIDay 15/9/93

TIM COHEN

CAPE TOWN — SA and Namibia yesterday signed a monetary agreement which retained the rand's convertibility with the new Namibian dollar on a one-to-one basis.

At a ceremony in Windhoek, Finance Minister Derek Keys used the opportunity to moot bilateral monetary agreements with other countries in the region. Keys said the agreement meant that the internal and external value of the rand would have a direct influence on the value of the Namibian dollar.

SA therefore had a responsibility to protect the value of the Namibian dollar, as well as the value of the other currency systems of the four participants in the agreement. Keys assured Namibian President Sam Nujoma that the SA Reserve Bank would take this responsibility seriously as financial stability was an indispensable pre-condition for optimum development of all countries in the common monetary area. (221A)

Keys said the Namibian dollar would be legal tender in Walvis Bay with immediate effect, anticipating successful conclusion of negotiations on its reincorporation into Namibia. He said history had prevented normal development of economic relationships with other southern African countries.

● See Page 8

Namibian $ makes debut

22|A

Business Staff

BUSINESS people and consumers dealing with Namibian firms might have run into a few unexpected hitches with the introduction of the Namibian dollar this week.

A bank spokesman advised that all payments due to Namibian firms be checked with any bank's foreign exchange department before being made.

Business documentation should be brought to the relevant bank, which should issue a draft or telex in Namibian dollars. The Namibian dollar was introduced on a par with the rand.

ARGT 18/9/93

End SA sanctions says Mandela, but free Namibia still has them

ARG 25/9/93

WINDHOEK. — Namibia still struggles with sanctions, more than three years since independence — a cautionary lesson for South Africa as it emerges from its own sanctions era with expectations of renewed trade and investment.

"We are campaigning actively to have these sanctions lifted, but it takes a long time. We still have some sanctions against us," said a Namibian foreign affairs official.

The sanctions legacy applies particularly to various states and counties in the United States, but also to others internationally.

The world community was asked to impose sanctions against Namibia during its liberation struggle in a bid to force South Africa to leave the country. Most of the sanctions against South Africa also applied in Namibia.

The process went into reverse at independence in March 1990, but Namibia found it a slow process, especially in regard to US counties and towns.

"We have to physically go to the states and counties to convince them things have changed," said the official.

"It then takes a long time as states and counties vote on the lifting of sanctions and pursue the same legal process they did when they were imposed.

"Some were lifted immediately after independence, but some are taking longer because of the nature of the bureaucratic process."

The US Embassy in Windhoek had pushed since independence to remove remaining sanctions against Namibia, said a spokesman, and there were few left.

The US ambassador to Namibia had written to state governors and municipalities explaining that Namibia was independent and asking that the sanctions be lifted. However, the problem was that some of the councils met rarely and had large agendas.

"It is ignorance, rather than any wish to continue sanctions against Namibia," he said. — Sapa.

New Namibian process plants

(221A) ARG 16/10/93

TOM HOOD, Business Editor

SOUTH African engineering companies are cashing in on the Namibian government's pressure on international fishing fleets to invest heavily in land-based processing plant.

Ships from some 15 countries have been trawling the rich Atlantic waters off Namibia's coast for years and most have processed fish on board, putting little or nothing into the Namibian economy.

Now President Sam Nujoma has said enough is enough. "The leniency that we have so far shown to people who evade their financial obligations to the state must come to an end," he said in a speech at the opening ceremony of the multimillion rand Pescanova fisheries complex in Lüderitz.

The government said the fleets must state in their fish quota applications what they were going to do to create jobs and provide plant ashore.

Ships regularly fishing off Namibia include those from South Africa, Japan, Spain, Portugal, Norway, Denmark and Germany. The German government has already promised R76 million boost local processing.

One company which has been quick to seize the opportunities created in Namibia is processing engineering company APV South Africa, which was involved in providing equipment for Pescanova.

"There is huge expansion coming in Walvis Bay," says APV South Africa product manager (Refrigeration) Ian Monroe. "This will include the building of a new jetty as well as processing plant, cold rooms, blast freezers and refrigeration compressor sets."

The latest APV technology, similar to that installed by the company at Duncan Dock in Cape Town, would be used to chill fish to minus 35 degrees C.

Namibia asks white group for money back

WINDHOEK. — The Namibian government has issued a summons on the white cultural group Cultura 2000 for payment of R8 million donated to it by the former administration.

The Namibian government said the money had been allocated for whites by an illegal government acting in bad faith. (221A) ARG 23/10/93

This follows last week's high court ruling in which the government won the right to repudiate the actions of the previous South African administration.

Nod for Namibian fishing rights

221A

CT 27/10/93

WINDHOEK. — Namibia's Ministry of Fisheries and Marine Resources has approved long-term fishing rights off the country's coast, which will in some cases last up to 2 004.

The government granted 159 rights to 120 separate applicants for the eight different species allocated.

Ministry permanent secretary Raimo Kankondi said yesterday the department would announce later which rights would last four, seven or 10 years.

He said these allocations would be in line with a policy statement in June specifying criteria such as degree of Namibian ownership in joint ventures, and investment in boats and on-shore processing.

Most existing rights expire in December.

The sizes of catches still have to be determined, based on vessel quotas out of the Total Allowable Catches (TACS) set by the cabinet each year.

Earlier Kankondi announced the 1994 TAC for hake would be 150 000 tonnes, up from 120 000.

Fishing and fish-processing are expected to account for 10% of Gross Domestic Product within 10 years. — Reuter

New offshore diamond prospecting for Namibia

(221A)

GARNER THOMSON
The Argus Foreign Service ARG 24/11/93

LONDON. — Major offshore diamond prospecting off the coast of Namibia is expected to start soon.

Alluvial Mining, British-based site investigations specialists contracted to the Namibian Mineral Corporation, plans to conduct a comprehensive minerals' survey over Lüderitz Bay and Hottentots Bay, as well as off the coast of South Africa.

The three-month survey involves a detailed geophysical study of the area, followed by the recovery of samples of potential diamond-bearing sediments and six-metre seabed cores.

Teams will be working at depths ranging from less than 10m down to 200m.

Mine strike into third week

29/11/93

WINDHOEK. — A costly wage strike by 3 500 workers at De Beers' Consolidated Diamond Mines in Oranjemund, Namibia, enters its third week today with little sign of a speedy resolution.

201A

A full day of talks on Friday produced little result, with no date set for further talks. The Mineworkers Union of Namibia (MUN) was due to consult its members over the weekend. — Sapa

Mine strike talks resume

(913) 221A

CT 25/11/93

WINDHOEK. — Wage negotiations to end a crippling 10-day strike by 3 500 workers at Consolidated Diamond Mines resume today, CDM and the Mine Workers Union of Namibia said.

Windhoek businesses oppose Pick 'n Pay plan

WINDHOEK — Pick 'n Pay is awaiting word on its proposed first development in Windhoek, in the face of strong opposition from local businesses.

Pick 'n Pay joint MD Gareth Ackerman said yesterday the company planned a full-line supermarket in the Namibian capital, with strong non-food participation for all sectors of the community.

The store would employ mainly Namibians and could open by late 1994.

A developer has bid for a 3ha site in the heart of Windhoek, but local retailers argue the land is zoned for office space.

A city council planning committee sat yesterday to hear objections to the proposed development, already approved by the council. (221A)

The Ohlthaver & List group (O &H), which completed a shopping centre on a neighbouring site in 1990, is heading the opposition.

O & H Properties general manager Frederick Frank-Schultz said the group had developed its site because of a council commitment to reserving the neighbouring 3ha for office space. B/Day

Granting the space to Pick 'n Pay was contrary to the town planning scheme drawn up in the '80s.

8/12/93

Frank-Schultz said O & H was not opposed to other retailers coming to Windhoek, but wanted things done by the rules.

Enough property had already been zoned for retail trade. Changing the planning scheme for Pick 'n Pay was an unfair move which would threaten other retailers. — Sapa.

SA hoteliers asked to manage Namibia hotel/casino complex

SOUTH AFRICAN group Protea Hotels has been approached to manage a planned resort and casino complex at Henties Bay on the Namibian coast.

Henties Bay Town Council has made seven hectares of land available for the complex to be developed by a Namibian construction company in 1994.

ARG 14/12/93

Protea Group chairman Otto Stehlick said in Cape Town that if his group agreed to manage the resort it would be included in the group's worldwide marketing strategy which included hotels in other African countries.

221A

Protea Group managed the Kalahari Sands Hotel in Windhoek until it was bought by rival Sun International in anticipation of the legalising of gambling in Namibia.

Windhoek City Council is expected to invite tenders in January for the development of another casino on premises next to the Kalahari Sands.

The establishment of casinos in Namibia is, however, subject to the passing of a Bill to legalise gambling. — Sapa.

Fm 24|12|93 (221A)

Activities: *Furniture, motor and property interests in Namibia and SA.*
Control: *Directors 64,4%.*
Chairman: *P J de Witt Tromp; MD: N C Tromp.*
Capital structure: *7,1m ords. Market capitalisation: R2,5m.*
Share market: *Price: 35c. Yields: 5,7% on dividend; 24,6% on earnings; p:e ratio, 4,1; cover, 4,3. 12-month high, 45c; low, 20c. Trading volume last quarter, 86 000 shares.*

Year to June 30	'90	'91	'92	'93
ST debt (Rm)	7,3	9,1	6,2	9,4
LT debt (Rm)	1,8	1,7	1,6	1,4
Debt:equity ratio	1,16	1,32	0,92	1,14
Shareholders' interest	0,39	0,37	0,43	0,86
Int & leasing cover .	0,77	1,17	1,32	1,53
Return on cap (%) ..	6,3	9,5	10,9	18,0
Turnover (Rm)	40	39	43	53
Pre-int profit (Rm) ...	1,3	2,1	2,2	2,0
Pre-int margin (%) ..	3,2	5,4	5,0	3,7
Earnings (c)	(4,4)	6,9	6,4	8,6
Dividends (c)	nil	2,0	2,0	2,0
Tangible NAV (c)	110	115	119	131

were still excessive; debt:equity had increased to a high 1,14. However, return on capital had risen from 10,9% to 18,0%.

Financing costs absorbed 65% of net operating income, but it's a vast improvement on last year's 75%; in 1989 interest was nearly 1,5 times pre-interest profit. As a result, 1993's attributable income rose by a third to R615 000.

The traditionally scanty report has become even thinner. A comparison with the previous year shows it's lost four pages of text, including a review of subsidiaries. Nictus operates three retailing divisions — motor (38% of turnover); carpets (10%) — and household furniture (52%). It also holds property in Windhoek and Randburg.

MD Nico Tromp says: "The retail market is still depressed and we are not expecting a lucrative Christmas. But the past four months have been positive and this year's results should be an improvement on last year's."

Granted, this Namibian retailer has suffered the effects of transition to independence and restructuring the business, but management needs to give attention to cash flow (or should that read cash outflow?) At year-end R2,9m cash poured out of Nictus — equating to 41,2c a share.

"Cash was used to finish a new R3m property development in Windhoek," says Tromp. "We had to finalise the audited report before long-term financing (now in place) could be arranged. Gearing should be down this year."

Nictus, the first share to be listed on the Namibian Stock Exchange, has traded in a wide price band of 20c-45c over the past 12 months. It's at a 71% discount to NAV, but the counter has little investment merit.

Kate Rushton