

MANUFACTURING _____ LEATHER + PRODUCTS

22 FEB. 1977 _____ 5 NOV. 1981

Better outlook for 175 workers

NM 2/2/77
Mercury Reporter

PIETERMARITZBURG

PROSPECTS for workers at Howick's Sarmcol rubber factory have improved since last year when declining production forced the company to implement a four-day working week for 25 percent of its labour force.

At the two Pietermaritzburg factories of the footwear manufacturing company Dick Whittington Shoes (Pty.) Ltd., preparations are being made to re-employ about 25 of the 75 people retrenched earlier this month.

only 400 working a four-day week. Things are not as bad as we first thought," said Mr. Sampson.

Dick Whittington Shoes will re-employ part of its retrenched labour force tomorrow, Mr. G. H. Crouch, the company's managing

director told the Mercury yesterday.

"We have done special promotions, but we are not yet back to normal," he said. "The economic position is still bad."

The company has a labour force of 650 at its two factories at Plesislaer and Lincoln Road.

The secretary of the Howick rubber factory, Mr. R. J. Sampson said yesterday that there had been an improvement in the number of orders since last year when 550 workers were forced to work a four-day week.

Of the 550 workers affected by the move, 150 were now working a normal five-day week, said Mr. Sampson.

"We have a total labour force of about 2000 and there are now

1967/34
Manufacturing
Leather Goods

New specification for hides will earn Republic millions

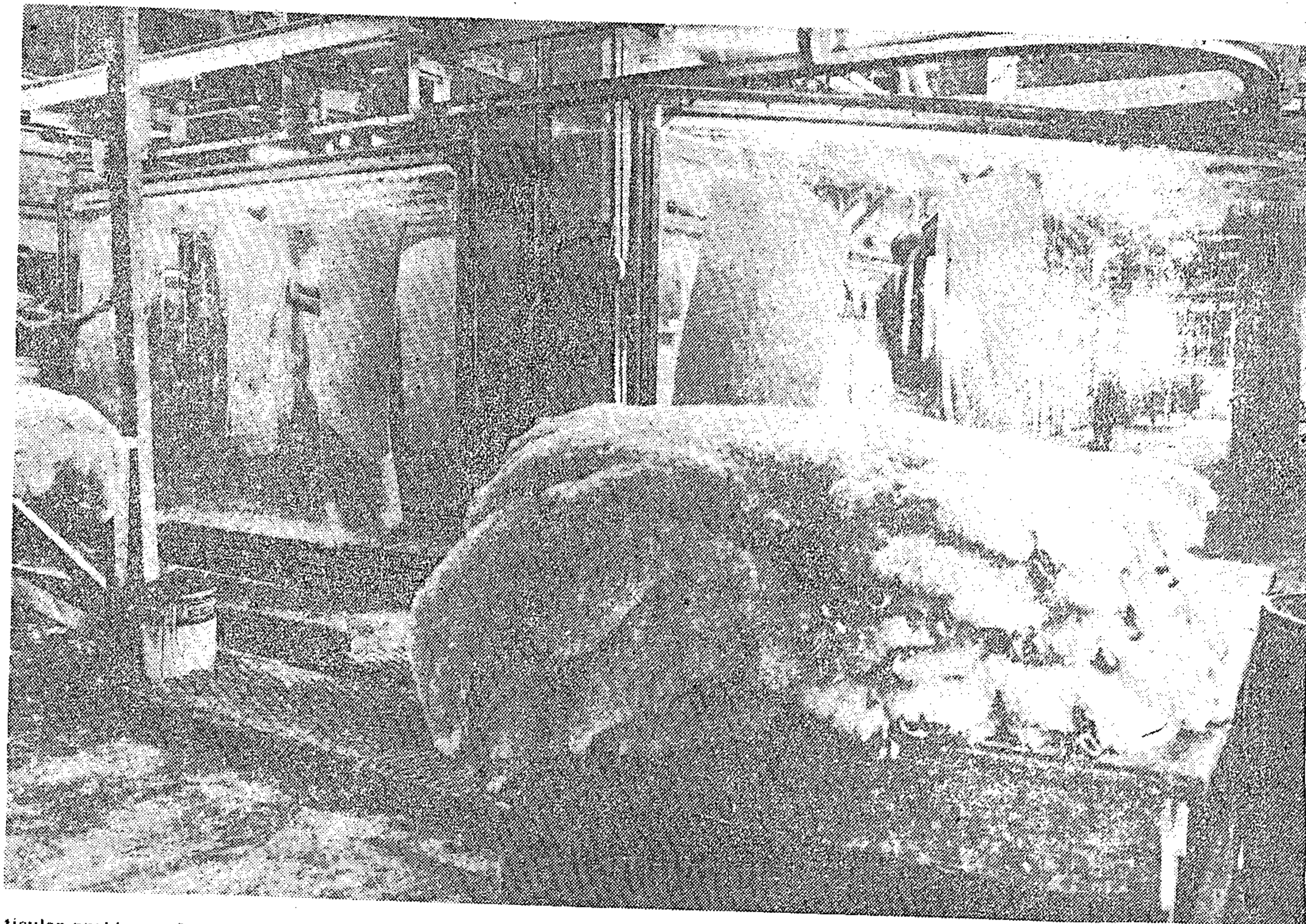
A new standard specification will earn the Republic some R6 million yearly, extending possibly to R12 million or R15 million. This, according to experts, is the likely outcome of the national specification of wet blue chrome-tanned hides just published by the South African Bureau of Standards.

Some 2.7 million hides for processing are produced annually in South Africa. More than one third of these are processed by local industries. About 320 000 hides are exported as wet chrome-tanned (partly processed) leather and the balance are exported as cured hides.

The partly processed hides fetch an average R18 to R20 a piece abroad, against an average R11 per cured hide. But the demand for the partly processed hides is so high that the cured hides are also marketable as wet blue chrome-tanned hides.

The major reason for this overseas interest in South African chrome-tanned hides lies in the undesirable waste products of the tanning process. Most of the overseas tanneries are situated in densely populated areas, and this heightens their problems.

The South African tanners, on the other hand, have attained a high degree of skill in the production of chrome-tanned hides and in overcoming the problem of undesirable effluent. The hides are exported in that stage of the tanning process where the par-



ticular problems of waste products have been solved for the overseas tanner.

Hides are also exported by other countries, and the importers have complained of too low a chrome content in respect of some of these. South Africa has not committed this offence. In order to

assure their clients of good quality the South African Tanners Association requested the SABS to draw up a standard specification of wet blue chrome-tanned hides.

Hides which comply with the specification requirements will, inter alia, contain a certain

minimum of chrome, and are so treated with an acceptable fungicide that they remain free of visible signs of fungal growth for at least 4 months after the date of packaging, or until the leather is unpacked (whichever is the earlier).

Other requirements laid down in the specification

concern the pH-values, moisture content and shrinkage temperature of the processed hides.

Permit-holders will be entitled to affix the SABS mark of quality on every bale of hides meeting the specification requirements, as assurance of outstanding quality.

One of the South African companies which has attained a high degree of skill in the production of chrome-tanned hides, and which exports some of its products to Italy and Britain, is King Tanning, of King William's Town, where this picture was taken.

More protection for SA tanning industry

ARGUS 5/8/77

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The Argus Correspondent
GRAHAMSTOWN. —

The South African tanning industry is to be given further protection to encourage the local processing of hides and skins.

This was announced by the Deputy Minister of Agriculture, Mr. J. J. Malan, opening a symposium at the Settlers Monument yesterday on the export of hides and skins.

He said that in a developed country like South Africa tanners and skin

processors had great opportunities for expanding their processing plants and he looked forward to marked increases in the quantities of hides and skins processed locally.

LOCAL TANNERS

Only 55 percent of wet-salted hides and a mere seven percent of dry-salted hides were taken up by local tanners and there should accordingly be no problem in meeting their requirements.

The Meat Board had set the ball rolling in 1974 when a special levy on hides was paid as a subsidy to tanners to stimulate local processing, thereby promoting the export of processed or semi-processed hides, rather than the raw product.

Now, on the recommendation of the board, the doubling of the special levy and also the subsidy to tanners on wet-salted hides, produced in the controlled areas, had been approved.

Shoe price rise ¹⁹⁷₁₉₀

DURBAN — A shock shoe price increase is expected in a few months — while egg prices are expected to drop in mid-Sept.

The Natal Poultry Association attended a meeting in Pretoria yesterday to discuss prices with the Egg Board.

Meanwhile, South Africans can expect to pay up to 30 per cent more for shoes in a few months' time.

A spokesman for the shoe industry in Natal said various cost factors would affect prices drastically ranging from 12 to 30 per cent increases.

A major contributory factor in cost increases is the changeover to the metricated shoe measurements which will cost the industry millions.

Other factors likely to cause increases are higher import duties on leather and machinery, wage increases and the increased cost in raw materials. — DDC.

made a remarkable recovery (see Fox). Simba chief Manie Bekker reckons promotions like the Simba GP will result in further improvement. Not to mention financial security for the race itself.

LEATHER PRICES Tearing ahead

Hide prices have doubled in six months and this is expected to cause a substantial rise in the price of leather goods and to further dampen sales in the already limping shoe industry.

Shoe prices will rise by as much as 25%-30% this year, manufacturers say, and leather goods generally by 20%-25%. Hide prices, which have increased by 87% since December 1977, have risen by 100% in the past six months, and are presently 140c/kg compared with 60c in June 1977.

The hide price, which makes up between 50% and 70% of the total cost of leather, has caused an increase of 50%-60% in the price of leather over the past year. Prices for leather used in the shoe industry currently range from R12 to R20 a m² compared with the R8-R14 of a year ago.

According to SA Tanners' Association president Stewart Dorrington, the price



Leather prices . . . these boots were made for limping

hike has been caused by an international hide shortage, triggered by a shortage of up to 4m cattle by the major hide exporter, the US.

"Demand for leather has escalated with the swing away from synthetics," he says, "and prices are likely to show a

further increase this year."

"The hide price has shown a further 15% increase since December," comments Tony Mossop of Mossop's Tannery, who notes that hide demand is strong at present with the increasing popularity of leather.

"In addition, unrestricted exports of hides from SA are causing shortages on the local market," he says, "and this pushes the price for SA tanners even higher."

Dorrington notes that the SA footwear industry is the largest consumer of local leather, accounting for about 4m m² (75% of total production), of which 85% is supplied locally. SA exports about 250 000 semi-processed hides, and about 186 000 m² of processed leather annually, but exports of the latter are expected to decline with the rising demand from the local footwear industry.

"The men's shoe market, a major user of upper leather, will be hardest hit by hide price increases," comments Mossop, "as will the high quality women's market. Low priced shoes could increase by as much as R2,00 to R3,00 ex-factory."

He notes that there could be a general fall-off in demand for leather goods and shoes, with lower quality leather goods coming under attack from synthetics.

Shoe Corporation's Dr Colin Tite notes that the consumer price index for footwear, the major component of which is leather uppers, has increased significantly over the past year. The index showed an increase of 16,2% over the period, but on a mix of footwear would show an estimated increase of only 9%.

Output of shoes from January to October last year showed an increase of 10% to 40,2m pairs (36,7m), but sales declined in the last quarter.

"December sales were disappointing," notes Tite, "although January back-to-school sales were buoyant."

Winter orders are good but the increase in imports, together with higher production, are expected to cause a stock build up at the end of the winter season.

Electrical Engineering (Heavy Cur
Electrical Engineering (Light Cur
Industrial Instrumentation

NATIONAL DIPLOMA FOR TECHNIC
OR NATIONAL DIPLOMA IN :

assuming full econom

sample which would employ these technicians were they
1) immediately available

Table 22. Number of African technicians and number of firms in Durban

DISCUSSION

The crude death rates and the standardised mortality rates for whites, Asians and 'coloureds' and urban Africans are presented in Fig. 1. The interpretation of these figures is confounded by the differences in the underlying structure of the population. The population pyramids of the various groups were pictured in Part I with the exception of the urban Africans, which appears in Fig. 2. This population shows an excess of healthy working males and lack of elderly persons as a result of the migratory labour situation.

The standardised mortality rate provides a single figure for the mortality experience of a population which can only be fully expressed in terms of a series of age specific death rates. The SMR is calculated by multiplying all the age specific mortality rates in the observed population by the corresponding numbers in the standard population, adding the number of deaths so obtained and dividing the total standard population. While this figure is independent of the age structure of the observed population, the choice of the standard population will affect the weighting given to the deaths in the various age groups. The choice of an underdeveloped population as a standard will give great weight to infant deaths and little weight to deaths among the elderly, while a developed standard population will reverse the position. The choice of standard population affects the ranking of the mortality between the observed groups. There is no 'true' answer. As the Duke of Wellington said: 'There are lies, damned lies, and statistics'!

Infant mortality rates are summarised in Fig. 3. Once again, difficulty is experienced in obtaining data for Africans. Birth statistics for Africans are not published by the central government. The various medical officers of health⁹ have estimated the infant mortality rates for their urban areas. These show considerable variation. (See also ref.15). A mean figure and the range are given in Fig. 2. These de facto figures should be interpreted with caution as sick infants are often brought to the cities from rural areas. An indication of the situation in the rural areas is given by a sample survey carried out in Cape Town and Transkei among Xhosa-speaking Africans.¹² An increase in infant mortality was observed with decreasing urbanisation, the figure for the completely rural areas being of the same magnitude as those parts of the world devoid of medical services. Fig. 4 summarises the age specific mortality rates of

rural areas or cause of deaths' according to the Bantu Reference Bureau (Personal Communication). At least 50 000 deaths among Africans were not registered. These occur mainly in the rural areas. It is estimated that about 10% of the deaths in the main urban districts are not registered for Africans.

METHODS

The following indices were calculated:

1. Crude Mortality Rates.
2. Standardised Mortality Rates. Two standard populations were used: England and Wales representing a developed population and Mexico 1960 for a developing one.
3. Age and Cause Specific groups for the seventeenth International Classification of Causes of Proportions of Causes of Infant Mortality Rates.
4. Expectation of Life.
5. Competing Mortality Risk population under the hypothesis of the relative effect of the calculation of rates in specific population. No inter-censal years. For 1970 and taking into account group. Allowance was made for Africans, a different only part of the country was required. The 1970 age distribution¹⁰ by magisterial district was used, the numbers being adjusted by the 1974 gross population estimates by economic region.¹¹

The calculation of rates in specific population. No inter-censal years. For 1970 and taking into account group. Allowance was made

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Leather union wins wage rise

Pretoria Bureau

THE SOUTH African Federation of Leather Trade Unions has negotiated one of the most successful industrial agreements of the past two years for its 23 000 workers.

The secretary of the federation, Mr Steve Scheepers, said yesterday agreement had been reached on an across-the-board increase of 20% over the next 18 months.

The increase would be paid in three stages: 12,5% for the first six months; 15% for the second six months and 5% for the last six months.

Between 10% and 15% of the 23 000 workers are white, 15% to 20% are coloured or Indian and the remainder black.

Mr Scheepers said even those who were earning premium wages would get the full percentage increase which comes into effect from January 1. The last increase, of 10%, was granted 18 months ago.

"Trade unions are rarely fully satisfied with wage agreements but we have no complaints this time," Mr Scheepers said.

Background to the agreement is a thriving footwear manufacturing industry. Mr Scheepers said during the last year the industry produce 49-million pairs of shoes.

Exports had increased by more than 200% in the past two years.

The married quarters

From Page 1

Low pay by Anglo

room, while the married
are given two rondavels
per family — a bedroom
and a kitchen.

In the one room we
entered, we found a man
sleeping on one bed
while another was cook-
ing a meal in a wood
fire in the corner.

They buy their own
furniture.

Some earn less than R40

Anglo pay

peanuts

WORKERS at an Anglo American Corporation plantation in Natal say some of them earn less than R40 a month.

The plantation in Hilton, near Pietermaritzburg, is part of the Natal Tanning Extract, a member of the Anglo American Industrial Corporation.

When POST asked the company's chairman, Mr Chris Griffith, about the workers' allegations, he told us: "There are both inaccuracies and misinterpretations in your telex."

He "suggested" that we submit our draft article to him so that he could check the information it contained — "thereby avoiding a one-sided story."

We asked for answers to our questions and refused that he edit our story.

The workers alleged:

- They are paid R1,85 a day to load a quota of logs on lorries, and if

they fail to make the quota the amount drops R1,60 a day.

They alleged that their pay varies between R29 and R41 a month.

(Calculated at a generous 27 working days a month, R1,85 a day works out to R49,95 a month).

- The handful of women working at the plantation are paid R1,00 a day. They get this amount only on meeting their quota of work.

- They get rations of meat, mealie meal, sugar and bread every Monday. But they have to use most of these up early in the week because they have no fridges.

- There are three communal taps for the "compound", which has just over 300 people. The water from one of these taps — drawn from a

nearby dam — is muddy. Every time they wash white stuff in it, the stuff turns red.

- They use communal pit toilets.

- They work Saturdays too, except for one Saturday a month when they are allowed to go shopping.

NTE is the second Anglo American Industrial Corporation company refusing to answer allegations from workers.

Last month we published a story on De Hoek Sawmills, where some women alleged they earned R28 a month and men a minimum of R52 a month.

The de Hoek personnel manager, Mr Mike Markey, refused to answer our questions, alleging that we had got our information from an employee or a former employ-

ye.

The de Hoek plantations are in the Northern Transvaal.

When we visited the NTE plantation in Hilton, we were turned away by an induna and a watchman, who threatened to arrest us.

People we tried to talk to at the "compound" said they would get into trouble if they spoke to us without the permission of the induna. A white man on the plantation also turned down our request that we go to the compound.

Workers who felt strongly about their "low wages" followed us out to tell us about the plantation.

The "single" men are housed one or two to a

● To Page 2

1970 1971

Post 10/11/79

By JOE THLOLOE

Police disperse marchers

7/1/38 11:10 AM 1938

LITENHAGE — Police fired birdshot and used teargas to disperse 1 000 marching workers yesterday as industrial unrest entered its fifth day here.

The incident followed a march through the centre of town by 4 700 strikers who were going home after collecting wages from the Goodyear Tyre and Volkswagen factories.

Riot police fired birdshot and used teargas bombs when a crowd of workers began stoning police vehicles and homes on the outskirts of Kabah township.

A police spokesman said one man received slight injuries to his leg and was taken to hospital. Another man, was arrested and both would be charged with public violence.

Large window panes in two shops were smashed and display stands swept aside by the wave of workers.

Earlier, police cordoned off a section of the road leading to the Volkswagen and Goodyear factories as workers gathered at the factory gates to collect their wages.

In a four-hour operation, 3 500 Volkswagen workers were allowed onto the company grounds to receive their pay.

There was a new turn in the unrest when three companies and the municipality said workers had expressed fears of intimidation and were sent home early for their own safety.

The deputy mayor of Litenhage, Mr C. Fourie, said the municipality's 400 workers were paid early in the morning and given a day's leave.

Spokesmen at Posal Afrika Motor Components, Veldspun Spinners and Union Cotton Mills — three companies where it was work as usual during the week-long strikes — said they closed their plants early yesterday in response to workers' fears.

The strike was joined yesterday by 185 workers at the Bata Group's tannery who said they were dissatisfied with the Leather Workers' new agreement which gives them a 12 per cent pay increase from July 1.

At Borg Warner and Hella Automotive Lighting plant work returned to normal after stoppages earlier this week.

Press photographers were barred from taking cameras into town.

A blanket ban on photographers came with an announcement by the Divisional Commissioner of Police in the Eastern Cape, Brigadier F. S. van Rensburg, that the entire Litenhage district had been declared an "operational area."

Photographer Basil Hall had to leave his camera at the brigadier's office before being allowed to take a reporter into town.

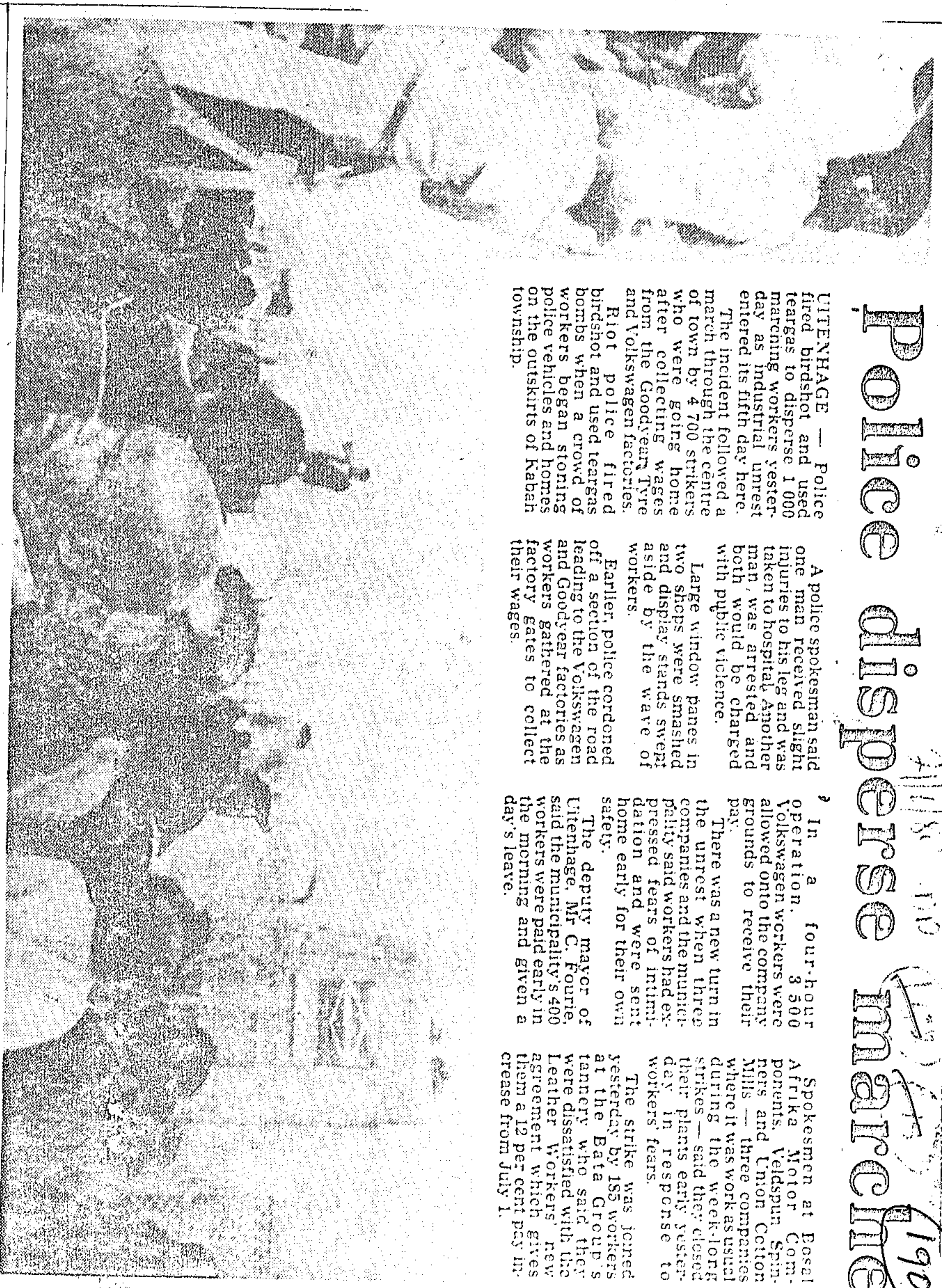
Senior police officials took members of the press on a tour of the Kabah and Kwanobuhle townships yesterday afternoon.

The township appeared to be calm.

In Durban, the entire staff of 80 workers at the WKBW valve factory in Prospect on — part of the Associated Engineering Group — were paid off yesterday after a two-day strike over a wage dispute. — DCC.

Editorial opinion. Page 6.

Strikers, some of them on a picket line, listened to a loudspeaker address by one of their spokesmen at Goodyear's Litenhage plant yesterday. Two policemen are perched on the building at right.



No drop in SA shoe prices

Pretoria Bureau

A DROP of up to 40% in the prices manufacturers pay for finished leather from the tanneries will not mean cheaper shoes for South Africans, according to Mr Geoff Everingham, chairman of the Footwear Manufacturers' Association.

Mr Everingham said in an interview that the public would not benefit from the drop as it had been offset by increases in other prices in the shoe industry.

"A wage increase of 12,5% for the 20 000 workers in the industry in January will be followed by another of 2,5% next month," Mr Everingham said.

"Materials constitute only 40% of the price of shoes. The majority of shoes in South Africa are made from synthetic materials which are continually rising in price," Mr Everingham said.

Farmers, meanwhile, are being paid up to 80% less for their raw hides and some are saying it is no longer worthwhile selling their animals' skins.

The slump follows the giddy prices paid for raw hides last year after panic buying by Japan and the Soviet Union when the United States and South American countries halted exports.

Prices paid locally for raw hides were also affected when Italy, South Africa's traditional market for raw hides, closed down hundreds of tanneries in the Genoa, Verona and Pisa areas because they were polluting local rivers.

The surplus was aggravated when the Russians, traditional importers of tanned Italian skins, became exporters after drought destroyed cattle feed and herds had to be culled.

Other reasons for the high price of shoes given by people in the leather industry are:

- About 55% of South African hides are exported.
- A 60% mark-up on shoes between the manufacturer and retailer.
- The 80 to 100% mark-up between the retailer and the consumer.
- Allegations by tanners of a monopoly situation in the curing and broking business where three companies dominate the market.
- A volatile international hide market which South Africa must follow.
- The low quality of South African skins, which bear blemishes from disease, barbed wire, thorns, ticks and brand marks.

European animals are stalled and do not have these problems.

The Natal Mercury, Thursday, August 7, 1980

Leatherworker's union's R27 000 court claim

The case of the coloured tackies

Court Reporter

EIGHT multi-coloured 'tackies' were the object of the Durban Supreme Court's attention yesterday when the National Union of Leatherworkers sued Natal Canvas Rubber Manufacturers Ltd for almost R27 000, the total by which the firm is alleged to have underpaid its employees.

The union also sought an order declaring that their interpretation of a portion of an agreement which governs the minimum wages payable to employees within the footwear section of the leather industry, was correct. The matter of workers who made tackies being

paid a lower wage than those who made other types of footwear began about 1930 when, according to Mr David Gordon, SC, — appearing for the trade union — cheap, Japanese-manufactured tackies became available in South Africa.

It was agreed that workers would accept lower wages to allow South African manufacturers to compete with these prices.

In the agreement canvas fabrics were described as 'fabrics made of cotton and/or man-made fibres, and shall be either entirely natural colour, bleached or of one solid shade and shall exclude... embossed or brocade materials'.

Mr Gordon said that since sandshoes had become fashion articles, to some extent, they were often multi-coloured and decorative and the upper of each item of footwear was not entirely of one solid colour and therefore did not fall within the trade union's interpretation of the type of footwear which qualified for a lower wage.

Natal Canvas admitted in the papers that according to its interpretation of the relevant clause the uppers of the sandshoes could be made of several pieces of fabric, as long as each piece of fabric was of one solid colour.

According to the papers before Mr Justice

Kriek the total claims ceded to the trade union by employees who were affected by the alleged under-payment was R26 858,64.

Mr B O'Donnovan, appearing for Natal Canvas and other defendants who were joined in the action, said that the clause had intended to exclude patterned or printed fabrics.

He held that a fabric with a printed stripe did not qualify for a lower wage, but that a sandshoes which had stripes of solid coloured fabric stitched to it did.

Judgment was reserved.

1980

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EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

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WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

to disqualification and to possible exclusion from the University



MR. BARNEY Hurwitz has been appointed chairman of the Western Cape regional board of the Standard Building Society.

UNIT TRUSTS

	Buy	Sell	Yield
Old Mut	384.43 (383.35)	359.54 (358.52)	3.44 (3.45)
NGF	240.04 (239.40)	224.00 (223.40)	3.83 (3.84)
Sage	414.62 (413.11)	384.31 (382.90)	4.32 (4.33)
UAL	413.26 (412.53)	390.23 (389.43)	4.16 (4.16)
Sats	178.58 (177.96)	166.58 (166.01)	4.54 (4.55)
Sanlamtr	380.11 (379.50)	354.71 (354.16)	4.05 (4.06)
Trust	120.15 (119.47)	112.05 (111.42)	4.83 (4.85)
Santam	169.58 (169.55)	158.47 (158.45)	4.07 (4.07)
Intergro	121.21 (120.69)	114.67 (114.16)	5.02 (5.04)
Guardbk	365.31 (363.72)	343.84 (342.36)	4.02 (4.04)
Stand In	100.31 (100.31)	97.66 (97.66)	9.85 (9.85)

Leather prices plummet

16/8/80

B. ARGUS.

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By Tom Hood

LEATHER prices are now about half what they were a year ago after a collapse in raw hide prices on world markets, according to tanners.

But this has made little impact on shop prices of leather shoes.

One large manufacturer who did lower prices said: 'This reduction was soon offset by higher costs of wages and other materials so that shoe prices have really remained the same.'

From a peak of R2,25c a kg 16 months ago, prices of raw hide plummeted to 38c in June.

TAILED OFF

Demand for leather tailed off with a big drop in shoe buying by depression-hit United States and Western European countries as well as a glut of hides overseas.

The South African hide price was given an extra knock by heavy slaughtering of stock during the drought and a surfeit of hides on the local market.

But prices are rising sharply again as killings

have dropped below normal levels and the booming South African economy has boosted demand for leather.

Local prices have jumped more than 60 percent to 63c a kg in less than two months. United States prices are also moving up again.

'Fluctuations are disturbing,' says Mr Chris du Bruyn, managing director of Western Tanning. 'At the moment hide prices are too high because of a local shortage and reduction in the kill. But this is purely a local phenomenon.'

WELL UP

Footwear factories estimate their output is now around 20 percent higher than a year ago.

Official figures show the industry's production of 16-million pairs in the first four months of the year is 1-million more than in the same period of 1979.

Mr A. G. Everingham, director of the Footwear Manufacturers Federation, says this year's production will be well up on last year's 50-million pairs.

Exports last year doubled in value to R10-million, while imports were fairly static at 10.5-million pairs but up in value to R25.1-million from R22.2-million.

Family moves tannery

NM 21/10/80

Finance Reporter

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AN Italian family is gradually moving its tannery to Shongweni. The Michele family — and sons, Riccardo and Giordano — are processing about 10 000 sheep and goat hides a month, mostly for garments and linings, with a target of between 20 000 and 30 000 a month when building is complete.

Comparatively small in output, Shongweni Leathers' high quality vegetable tanned hides should find a specialist niche, says Leather Publicity Committee chief Mr G C Hirsch.

And using sheep and goat hides, they may not have as much competition for raw materials. Most tanneries concentrate on chrome tanning cattle hides.

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Frame denies union claim

Own Correspondent

DURBAN. — The giant Frame group has flatly denied an allegation by the unregistered South African Allied Workers' Union that a worker at one of its subsidiaries, Natal Canvas, has been fired for refusing to join a registered union.

The Frame Group's joint managing director, Mr Selwyn Lurie, said on Wednesday: "It is certainly not our policy to force workers to join unions. We have never heard of the SAAWU and we know of no trouble at Natal Canvas. We do not even know of any dismissal there."

The SAAWU's general secretary, Mr Samuel Kikine,

claims that the chairman of a SAAWU committee at Natal Canvas was fired for refusing to join a registered leather workers' union which recently opened its doors to black workers.

He said workers had been told to join this union or be fired. He also claimed that a similar incident had occurred at a Natal printing works where workers had resigned after being told to join a registered union or be fired.

Mr Lurie said he knew of no incident at Natal Canvas.

He said the 300-odd black workers at the plant were all registered union members, but

added: "We are employers — why should we force workers to belong to a trade union which is on the other side of the bargaining table?"

A clause in the industrial agreement governing the leather and footwear industry says that employers must show "preferential treatment" to members of the registered union. However, Mr Lurie said the company had not understood this to mean that workers could be forced to join.

"Membership of the union is entirely voluntary and this entire story is total nonsense."

Tanning trade at mercy of hides monopoly inquiry told

25/3/81
DO
140

JOHANNESBURG — Three companies in South Africa had a virtual stranglehold on the supply of hides to the tanning industry, the Eloff Commission of Inquiry into the meat industry was told yesterday.

This meant that with the existing marketing system the tanning industry — as the single biggest user of hides in the country — was relegated to the status of "poor relation".

The president of the South African Tanners Association, Mr G. C. de Bruin, made an impassioned plea to the commission to consider the plight of the tanners when formulating a new marketing policy for hides and skins.

He said the tanning industry could be manipulated at will with the existing "monopoly" in the hides and skin industry.

Asked about the existence of a monopoly in the trade, Mr De Bruin said it was not a monopoly situation where one company controlled raw materials.

"In our case it is three companies, Vleissentraal, Karroo and ICS (Transvaal Hide and Skin) which, through curing and a system of brokers, control the hide and skin in-

dustry in this country. "There is no competition between them because they have designated brokers and agents who supply only to tied companies.

"If a tanner needs hides there are only three people we can call.

"If they don't want to sell to a particular tanner, there is nothing to stop them from doing so, or selling to a shipper, or keeping their skins."

Pressed on whether he knew of co-operation among the three companies, Mr De Bruin said that was information he did not have.

He had been told there was a certain amount of competition among the three companies in the meat industry, such as the selling of meat products.

Because of the seriousness of the situation in the tanning industry, the tanning association had written a letter to the Deputy Minister of Finance, Mr Danie Steyn, urging him to place immediately a temporary embargo on the export of hides.

He suggested a marketing system which would make enough hides and skins available to the industry, at a price comparable with the going price for skins on the world market. — SAPA.

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Gill Westcott and
Economics of Health
Cape Town, 1979.

David Phillip, Cap
Farm Labour in Sc

26	I.C.G. DouwesDekker	The Process of Collective Bargaining and its Implications for Industrial Relations Policies. (R0,75)
27	Marc Best	The Scarcity of Domestic Energy: A Study in Three Villages (R1,00)
28	Jonathan Myers	Asbestos and Asbestos-Related Disease in South Africa (R1,00)
29	Dudley Horner/ Alide Kooy	Conflict on South African Mines: 1972-1979 (R0,75)
30	George Ellis	The 'Quality of Life' Concept: An overall framework for assessment schemes (R2,00)
31	Don Plimock	Telona: Some reflections on the work of a private labour recruiter (R1,00)

LEATHER FM 29/5/81

Stepping out

190

SA raw hide prices are higher than the world price, yet local demand for leather goods, particularly footwear, is growing.

SA hide prices are ahead because of a reduced kill in SA and anomalies in the hide marketing system (the subject of a current enquiry). Nevertheless, the latest figures of the Leather Industries Research Institute (Liri) in Port Elizabeth, show a 14% rise in 1980 of the number of pairs of shoes, boots and other footwear manufactured in SA.

In 1979 50.1m pairs were made while in 1980 production was stepped up to just under 57m.

The total value is not given because of price fluctuations but, taking into account the price of finished leather goods, it is possible to estimate the value of the leather footwear industry at more than R600m annually.

Says Chris de Bruin, president of the SA Tanners Association: "The demand for leather is definitely there. It is often assumed that synthetic products are cheaper. This is not the case, especially for those synthetics based on petrochemicals."

He notes that the price of leather ranges from 60c-160c/30 cm depending on the quality of skins and hides.

SA tanners sold a total of 3.7m m² of cured and treated upper leather to manufacturing industries in SA last year — the highest proportion to the footwear industry. This figure, which reflects both local and export markets, is 43 200 m² up on the previous year.

The upper end of the footwear market still constitutes a relatively high percentage of the total value of footwear sales, with footwear imports increasing annually.

In the four years, from 1977 to 1980, footwear imports rose from 8.5m to 13m pairs. Most imports — 3.5m pairs — came in between 1979 and last year.

The trend can be attributed to SA's trade links with Taiwan — just look in any shoe store.

IV. SURVEY OF FACILITIES 1916-1976.

In 1923, 7 626 persons (i.e. 1 in 1 000) were known to be mentally disordered. (5) By 1976, there were more than 38 000 of such people, i.e. 1 per 670 population.

(Graph 1: See pg. 6a.)

At the turn of the century, eight mental hospitals were in operation. More than 20 state hospitals, and more than 20 other institutions were housing patients in 1976. The expansion of accommodation facilities in state hospitals is reflected in the graph below. Also reflected is the expansion of the resident inpatient population of state hospitals.

(Graph 2: See pg. 6a.)

The resident inpatient population at state hospitals grew at a steady rate until 1970. The bed capacity expanded at a staggered rate, determined by a less regular development of new hospitals and extensions to those already in existence.

- 4. x Incomplete - figures unavailable. xx Incomplete - figures from Poleko Sanatorium and Thaba-moopo Hospital unavailable. xxx No figures available - these institutions are unlikely to employ any full-time psychiatrists or medical officers.
- 5. The category of "KNOWN MENTALLY DISORDERED" is taken from the successive annual reports of respective commissioners for mental hygiene. This category was dropped after 1970. The figure for 1976 corresponds to the number of patients who were known to be receiving treatment at category I institutions. It does not take into account the number of mentally disordered persons not requiring hospital admission or special care, and is therefore a gross under-estimation.

Tanners' head complains of 'stranglehold' on hides

By Chris van Gass
Pretoria Bureau

Three companies have a virtual stranglehold on the supply of hides to the tanning industry, the Eloff Commission of Inquiry into the Meat Industry was told yesterday.

This meant that with the existing marketing system the tanning industry - the single biggest user of hides in the country - was relegated to the status of "poor relation."

The president of the South African Tanners' Association, Mr G C de Bruin, appealed to the Commission to consider the plight of the tanners

when formulating a new marketing policy for hides and skins.

He said the tanning industry was the only one in South Africa where major manufacturers did not have complete access to the raw materials they relied upon.

"Often a situation arises where we have to beg for raw materials while the 'owner' of the hides considers when and to whom he wanted to sell, or whether to give it to shippers for export," said Mr de Bruin.

He said the tanning industry could be manipulated at will with the existing "monopoly" in

the hide and skin industry.

Specifically asked about the existence of a monopoly in the trade, Mr de Bruin said it was not a monopoly situation where one company controlled raw materials.

"In our case it is three companies, Vleissentraal, Karroo and ICS (Transvaal Hide and Skin), through curing and a system of brokers, control the hide and skin industry in this country."

Pressed on whether he knew of co-operation among the three companies, Mr de Bruin said he could not say "they are in collusion or have a cartel."

7/...

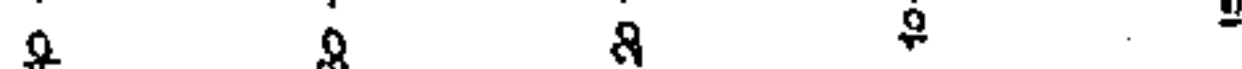
GRAPH 1

NUMBER OF KNOWN MENTALLY DISORDERED PERSONS IN SOUTH AFRICA (x 10³) 1923 - 1976



GRAPH 2

NUMBER OF INPATIENTS AT STATE MENTAL HOSPITALS (x 10³) 1916 - 1976
RATED BED CAPACITY AT STATE MENTAL HOSPITALS (x 10³) 1916 - 1976



East Cape firm R3m tannery at building Harrismith

12/1/40
EP Newson
1/1/40



The King Tanning Company of King William's Town was in force in Port Elizabeth this week to display its new range of leathers for winter, 1932. Examining a shoe made of their company's products are some of the King executives (from the left): Mr ROBERT NEWSON, marketing director; Mr FRANK KERR, sales administration manager; and Mr LEN EBERHARDT, product and development manager. Buying leathers for his company's footwear is Mr ALAN PALMER (right), a director of Medicus footwear of Port Elizabeth.

A R3-MILLION tannery being built at Harrismith in the Free State by King Tanning Company (Pty) Ltd, which is based in King William's Town, will enable the company to become one of the biggest producers of semi-processed leather in South Africa and to consolidate its position as the largest producer of finished leather for home and export markets.

King Tanning chose Harrismith because it is halfway between Johannesburg and Durban, and the company gets most of its hides from the Reef and Natal.

The new tannery will obtain supplies of hides from the abattoirs and process them through to the wet blue (semi-processed) stage.

They will then be sent to King Tanning for distribution.

This was disclosed by the marketing director of the company, Mr Robert Newson, in an interview in Port Elizabeth this week.

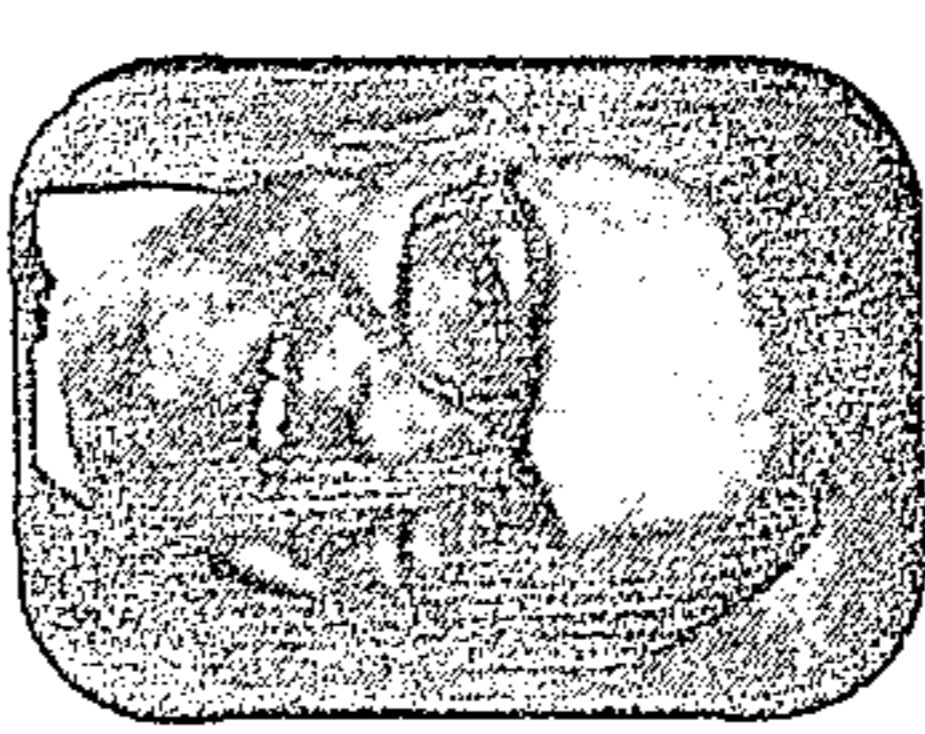
He said the new tannery was being built under the name of General Hide Corporation, jointly owned by Vleissentraal and King Tanning.

King Tanning was owned by Vleissentraal and Edworks.

When completed in February, the new tannery would be one of the most modern in the Southern Hemisphere for wet blue processing.

It would include an administrative building, a control laboratory, changing rooms, canteen and other facilities for staff.

"We will employ about 70 people initially, and will in-



By Fred Roffey

Business Editor

crease this number as the tannery expands," said Mr Newson.

"The initial capacity will be 20 000 hides a month, and we will use some of that production for King Tanning, although most of it will be supplied to other tanneries.

"Production not used on the home market will be exported, mainly to Italy, Spain and the Scandinavian countries.

"We regard this development as an intermediate stage in the eventual production of finished leather, which in turn will lead to the setting up of a firm export industry for South African-made shoes.

"We are already exporting considerable quantities — about 20% — of our production of finished leather and wet blue at King Tanning.

"The finished leather is being sent to England, France and Spain, and we are also interested in the United States and Canadian markets, while the wet blue production is ex-

ported mainly to Italy, Spain and Scandinavia."

Mr Newson said that when the General Hide Corporation tannery was completed at Harrismith, the company would also continue to use the facilities for wet blue processing at King Tanning, as this would give extra wet blue production.

"King Tanning is the largest producer of finished leather in South Africa, and we have a market share of between 25% and 30%.

"Our production of finished leather has trebled in the past 15 years, and we now have a labour force of 700.

Mr Newson pointed out that the company kept fully abreast of new products, development and technology ("our control systems are now fully computerised"), backed by regular overseas visits and promotions at international trade fairs, and this would lead to a number of further expansions by King Tanning.

New tannery at Dimbaza

ZWELITSHA — A small tannery, which will create 56 employment opportunities, is to be built at Dimbaza by Mfesane Enterprises, a non-profitmaking organisation run by the Dutch Reformed Church.

The vice-chairman of Barclays Bank, Mr Philip Sceales, yesterday presented a cheque of R20 000 to Chief Minister Lennox Sebe for the building of the tannery.

Leather from the tannery will be supplied to a leather safety products factory in Dimbaza which is a subsidiary of Mfesane Enterprises. At present 200 people, some of whom are blind or disabled, are employed at the factory.

After accepting the donation on behalf of Mfesane Enterprises, Chief Sebe said the Dutch Re-

formed Church had found a formula to assist with the unemployment problems of the Ciskei.

He was particularly pleased that the church employed disabled and blind people as this assisted the Department of Health, Chief Sebe said.

"It is an unpardonable sin to merely give money to these people (the blind and the disabled)," the Chief Minister said.

"Disabled people must contribute for what they get. They must be given the opportunity to know that they are actually contributing something to the country."

The government should subsidise non-profitmaking enterprises so that disabled people could be given work

opportunities, Chief Sebe said.

The Reverend O. A. Cloete, of Mfesane Enterprises, said the industry had been unable to acquire sufficient leather to feed the leather safety products factory, and this was why a tannery would be built.

At full production the company could manufacture over 2 000 gloves — the main commodity — a day, if it could get enough leather. It required 3 000 hides a month.

In 1978, a small finishing plant had been built at Dimbaza to supplement the leather supply, but this had been unable to keep up with demand, he said.

Leather had been obtained from a King William's Town tannery in the

past, but was not the correct grade needed for safety leather products.

Mr Cloete emphasised that the money received was a donation to the mother company which would channel the funds to the subsidiary in the form of a loan. Interest and dividends received from the loan would be reinvested to create more job opportunities.

Tracing the history of Mfesane Enterprises, Mr Cloete said it was established in 1976.

Mr Sceales said he had been impressed with the project. The turnover of more than R1 million a year showed the project was indeed a business and not a charity, he said. — DDR.

A

~~1987~~ ~~1988~~ ~~1989~~ (90) ~~1991~~

Firms hit as labour unrest continues

~~1987~~ ~~1988~~ ~~1989~~ ~~1990~~ ~~1991~~

2013/10/81

Labour Reporter

About 100 workers at the Uitenhage motor components firm, Motoravia, went on strike yesterday over wage demands and union recognition.

A spokesman for the Fosatu-affiliated Transport and General Workers Union said the union had a majority representation at the plant. Workers also demanded better wages, he said.

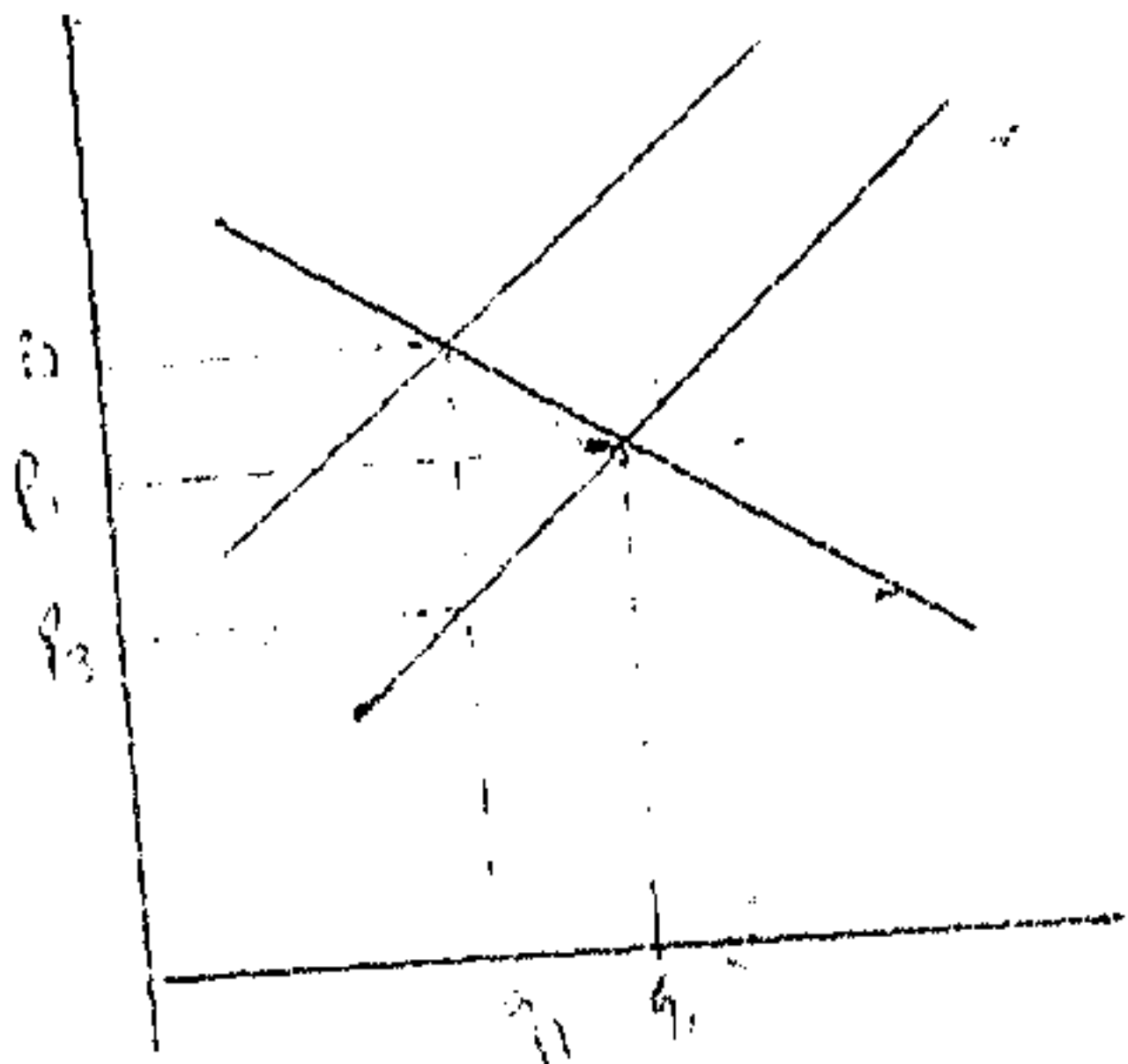
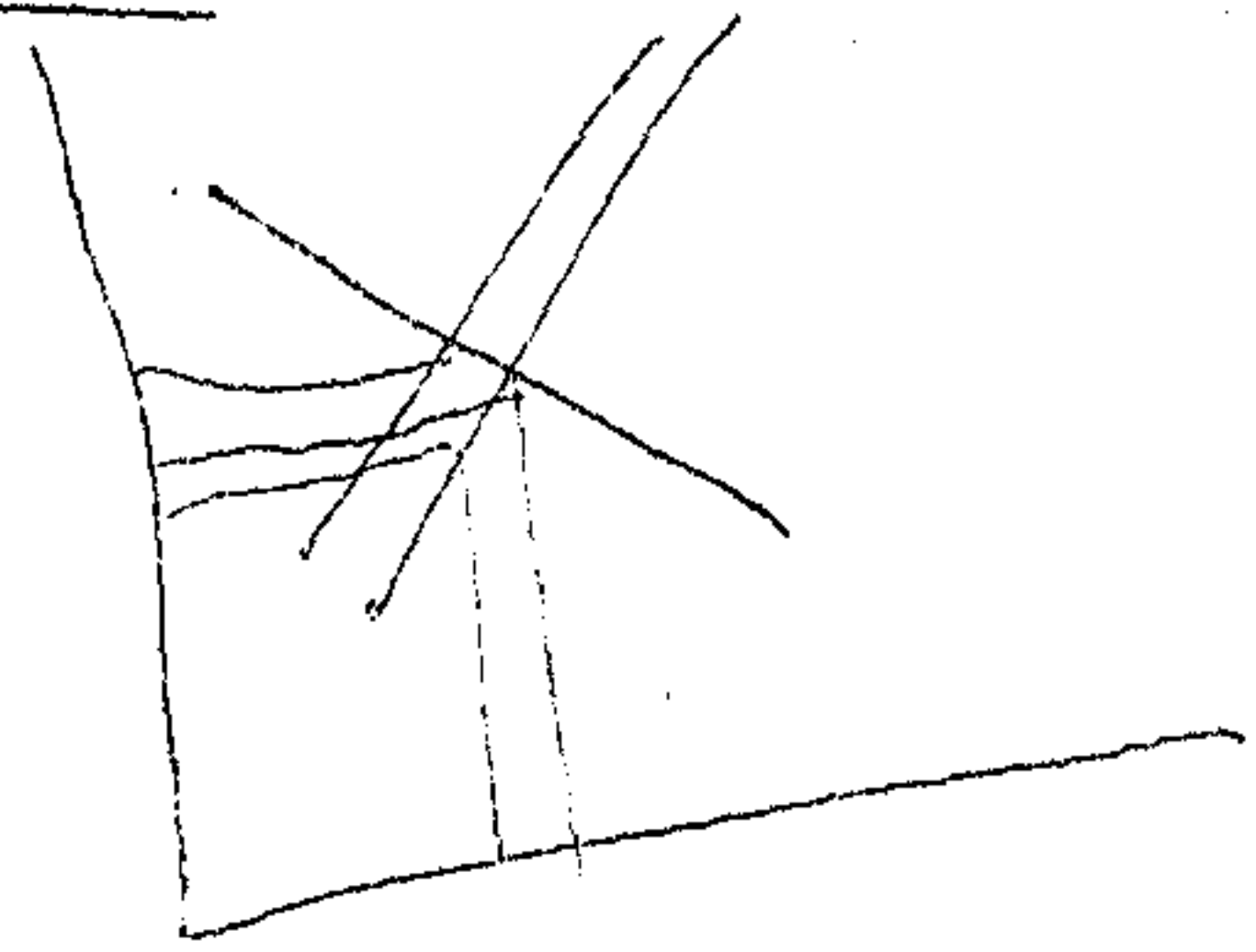
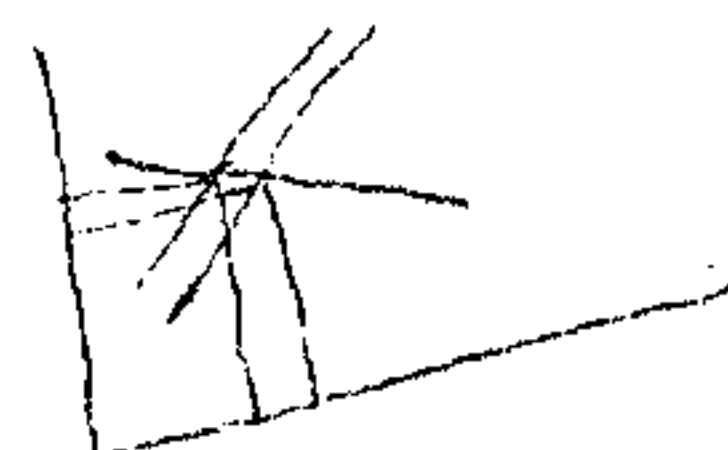
The SA Bottling Company plant in nearby Port Elizabeth continued today to take on a new workforce after the dismissal last week of about 250 workers.

A worker delegation was expected to meet management at Johnson Tiles in Olifantsfontein after dismissal of about 600 workers earlier this month.

A union spokesman said workers hoped to return to work tomorrow if the dismissed employees were taken on again.

About 1000 black employees of the Natal Tanning Extract Company at Melmoth were on strike today over proposed pensions legislation.

And in Maritzburg, 120 Huletts Aluminium workers struck for some hours yesterday, also over the pensions issue.



Star 14/10/81
**A slow
return
to work** 190

Labour Reporter

Workers are slowly returning to the Natal Tanning Extract Company in Melmoth where about 800 workers went on strike yesterday. But most strikers were still out.

The company's managing director, Mr Bill Zeller, said issues about working conditions had been "ironed out," but excessive wage demands were unacceptable.

About 100 drivers at the Motorvia car components firm in Oitenhage continued their strike today over pay and union recognition. A meeting with management is expected today.

At the Johnson Tiles factory at Olifantsfontein, where hundreds were dismissed after a strike, workers queued for jobs today.

Star 15/11/81
Workers refuse
to join union
and lose jobs

Labour Reporter

Twenty-six workers at the United Tobacco Company in Industria, Johannesburg, lost their jobs today for refusing to join a union.

Because of a closed shop agreement in the tobacco industry, workers are required to belong to a trade union and, in the case of UTC, this is the Tucs-a-affiliated African Tobacco Workers Union.

A company spokesman said today that 22 workers were considered to have "dismissed themselves" for not joining the union, one worker was of pensionable age and allowed to collect his pension and two had not yet turned up to collect their pay.

Only one of the 27 workers who faced dismissal relented and joined the union yesterday.

The workers had told The Star they did not want to belong to the union because they had never met its officials and felt it had no effect at UTC.

At the Huletts Aluminium plant in Maritzburg a strike by about 800 workers continued early today while management held talks with the

Fosatu-affiliated Metal and Allied Workers Union.

Work was only going on in a few areas of the plant, a Huletts spokesman said. Workers have demanded the reinstatement of 130 workers who resigned on Monday in order to receive their pension contributions.

At the Motorvia Components firm in Uitenhage, about 100 drivers were still out on strike over issues of wages and recognition of the Fosatu-affiliated Transport and General Workers Union.

The union was holding a report-back to workers today on yesterday's talks with management.

The workforce at Natal Tanning in Melmoth was reported to be returning to work following a wage dispute by 800 workers this week.

A spokesman for the Motor Assembly and Components Workers' Union in Port Elizabeth said today they had no reports of any further Security Police detentions of members since yesterday's dawn arrest of about 18 workers, including a union organiser Mr Themba Duze.

Striking
workers
arrested in
East Cape

Star 15/10/81
152/189
300/440
193/192
190
268/139/192
182

Labour Reporter

Production stopped yesterday morning at Huletts Aluminium plant in Maritzburg when about 200 early-shift workers downed tools.

The workers, who were demanding that management pay them out their pension contributions, stayed on the premises.

Officials of the Fosatu-affiliated Metal and Allied Workers' Union went to the factory to discuss the dispute with the workers.

Huletts Aluminium was also hit by a work stoppage over pensions on Monday and 80 workers resigned to receive their contributions. Later they were joined by another 130 workers.

Four Huletts sugar mills in Natal, as well as Huletts Refinery near Durban, were hit by pension unrest earlier this month.

About 800 workers at Natal Tanning in Melmoth started returning to work yesterday after striking last Friday over wage demands. Several were charged by police and later fined for conducting an illegal meeting.

In the Motorvia dispute at Uitenhage officials of the Fosatu-affiliated

Transport and General Workers' Union talked to about 100 drivers about their grievances.

And, yesterday, in Port Elizabeth at least 18 workers were detained by Security Police, apparently for "intimidating" other workers.

Police confirmed the arrest of Mr Themba Duze, an organiser of the Motor Assembly Components Workers' Union in connection with recent strikes at two Post Office branches and the SA Bottling Company.

A strike by about 300 workers at Imperial Cold Storage, Addo, over wage demands was also reported yesterday.

At Johnson Tiles, in Olifantsfontein, former workers started streaming back to the plant on Tuesday afternoon to re-apply for their old jobs after a strike on October 5 over union recognition.

A company spokesman said many of the 280 workers were taken on again but some were not because vacancies had already been filled by newly recruited labour.

Mr J Joubert, Personnel manager at Johnson Tiles, said the firm was not anti-union but would deal only with unions that were representative of the workforce.

Sta. 16/10/81
Strikers
reach
agreement
190

Labour Reporter

Several countrywide wage disputes were resolved yesterday.

At Federated Timbers in Witbank 218 workers returned to their jobs.

They had sought an increase in the minimum wage implemented at the beginning of the month which amounted to a 23 percent increase, according to a company spokesman.

At Imperial Cold Storage in Addo 300 workers settled for an 80c an hour wage agreement. They originally asked for R1.

About 100 drivers at the Motorvia firm in Uitenhage agreed yesterday afternoon to return to work after management expressed its willingness to discuss wage demands with the Fosatu-affiliated Transport and General Workers' Union next week.

At Natal Tanning in Melmoth most of the 600 workers at the agricultural estate returned to work while management expected a return of the 200 workers at the factory itself.

Second cable plant hit by strike

Ev Post 3/11/81
190
127
137
127

Post Reporter

WORKERS at the second Aberdare Cable plant in Port Elizabeth walked out yesterday, and the entire black workforce at African Hide Trading Corporation in Deal Party downed tools in an attempt to have their union recognised.

About 400 workers at the Aberdare Cable plant in Markman Township went on strike last week because they felt a colleague had been unfairly dismissed.

At meetings, they resolved not to return until the dismissed man, a Mr Dana, was reinstated.

The company's management delivered an ultimatum that striking workers would be regarded as having dismissed themselves if they did not return to work last Thursday. The strikers ignored the ultimatum.

Yesterday workers at the Aberdare Cables plant in Stanford Road joined the strike.

The company's group personnel manager, Mr Derrick Geldenhuys, said yesterday that workers who wished to return were being re-employed.

The entire black workforce of about 100 at African Hide Trading Corporation walked out yesterday after the company refused to recognise the General Workers' Union of South Africa (Gwusa).

A Gwusa official said today members of the workers' committee had told him the company had said it would not recognise Gwusa, and encouraged the workers to join another union operating in the leather industry.

The official did not know which union it was.

The striking workers had resolved not to return until the company recognised Gwusa.

Management spokesmen were not available for comment.

Ev Post 4/11/71 (152) (190) (137)

Striking workers reject sacking'

STRIKING workers at African Hide Trading Corporation who were reported to have been sacked yesterday, have refused to accept their dismissal.

The entire workforce of more than 100 downed tools on Monday in an attempt to have their union recognised.

The company has refused to recognise the unregistered General Workers' Union of South Africa (Gwusa), and a union official said management had encouraged the workers to join another trade union operating in the leather industry.

The company's managing director, Mr O'R Townsley, could not be contacted for comment today as he was at a meeting.

Meanwhile, re-employment of striking workers at Aberdare Cable, and the recruitment of additional employees to fill vacancies, was continuing today.

Workers at the company's plant in Markman Township went on strike last week after what they termed the "unfair" dismissal of a colleague.

They resolved not to return until the dismissed man was reinstated.

On Monday, workers at the Stanford Road plant walked out in solidarity with their striking colleagues.

Management delivered an ultimatum that striking workers who had not returned by last Thursday would have dismissed themselves.

Strikers' condition for return to work

Ev Post 5/11/81

~~152~~ 139 190

Post Reporter

STRIKING workers at African Hide Trading Corporation have resolved not to return unless the company recognises the General Workers' Union of South Africa.

A union official said he did not know whether the company intended reinstating or re-employing the 120 workers who went on strike on Monday in a bid to get Gwusa recognised. They are considered to have dismissed themselves.

The managing director, Mr O R Townsley, could not be reached for comment today.

The hiring of employees to fill vacancies at Aberdare Cables, and the re-employment of strikers wanting to return, continued today.

Workers struck after a colleague had been dismissed.

MANUFACTURING - LEATHER & PRODUCTS

1982 - 1986

~~198~~ (196)

Import duty shock

Industrial Week 9/11/87

LOCAL users of electrical and electronic instruments for the process control industry could be faced with a massive R10-million price hike writes Hugh Poulter.

A Cape company has applied for a 20% ad valorem duty to be applied to all items listed under tariff heading 90.28, which are presently free of import duty.

Representatives of the major control instrumentation manufacturers and suppliers met in Johannesburg recently discuss the application.

Wally Feldon, technical director of AFH Devers said the control instrumentation market in SA was conservatively estimated to be worth R50-million.

"If the application is successful, and the 20% tariff is applied, local users of this type of equipment will have to pay an additional R10-million a year," said Feldon.

"There is no dumping problem in the control instrumentation industry in this country."

"Feldon said that the Salt river based company, Rhomberg Electronics, which has applied for the tariff has minor share of the control instrumentation market.

D. Orrin 30/11/82

Tannery cuts staff



KING WILLIAM'S TOWN — One of the town's oldest industries, the King Tanning Company, has reduced its work force by 102 black and three white employees in a redundancy programme.

The senior managing director of the company, Mr Stewart Dorrington, said the 105 employees had left the company since August and had not been replaced.

Mr Dorrington said the tanning factory had been working a four-day week during the past "tough six months".

He said there were no immediate plans to lay off staff.

"One of the last things we would do is lay off staff because, after all, they are our company.

"It would have to be a desperate measure." —
DDR

10# 15
29/8/83 190
Sowetan

Union clinches major deals with firms

THREE Trade Unions Council of South Africa (Tucsa) affiliates recently negotiated substantial wage increases for their members and concluded satisfactory new agreements with managements.

The three unions whose members are said to be enjoying record wage increases are the Garment Workers of South Africa, the National Union of Wine, Spirit and Allied Workers and the South African Leather Trade Unions, according to Tucsa's official journal the Labour Mirror.

The Garment Workers' achievements in the talks were:

- Substantial wage hikes across the board;
- The abolition of sex discrimination in wages;
- Employers agreeing to match workers' contribution to the provident fund,
- A higher attendance bonus;
- An increase in the number of paid public holidays; and
- A meal allowance for those working later than 6 pm.

Wage increases totalling as much as 87,9 percent are being paid over the next 14 months.

The overall rise given to wine workers is 25 percent more for their pays, they received 15 percent in April and 10 percent will be payable from October 8. Both increases are based on actual wages paid and not on minimum wages.

- All public holidays have been written into the agreement.

The leather trade unions added their achievement of pay rises to the 15 percent increase across the board they received last year.



PARK: Textile worker Ms Veronica Ndlovu, at the Orlando West Industrial Park.

The wine workers' agreement includes:

- Hours of work have been reduced from 46 to 45 per week;
- The annual bonus has been increased from three weeks' wages to four weeks' wages;
- Workers who work overtime later than 6 pm will be provided with a meal or a meal allowance of one rand; and
- sick leave has been increased to 12 working days over a three year cycle;

two factories — Jaguar Shoes and Reva Shoes.

At a meeting on May 14, Jaguar, which recognises the National Union of Leatherworkers, agreed in principle to recognise NUTW with the proviso that it should be recorded in a written agreement.

Jaguar undertook to prepare and submit a draft agreement to NUTW. However, the union claims the company failed to submit the promised draft despite several requests that it do so. As a result NUTW referred the dispute to the Industrial Council for the Leather Industry in June.

Soon afterwards Jaguar sent a draft recognition agreement to NUTW. The union responded by arranging a meeting for July 2 to settle the dispute which had been referred to the industrial council and to discuss the draft agreement. Numerous hitches held up the recognition negotiations and disputes arose over the union's claim that management had agreed to grant it stop order facilities and access to the factories.

From the union side matters came to a head when its members decided to institute a ban on overtime work on Saturdays to pressurise Jaguar to recognise NUTW. The union conducted a ballot on August 27 in which 650 of 677 workers voted in favour of an overtime ban. NUTW claimed that the overtime ban was a form of a legal strike because the industrial council had not settled the recognition dispute that had been referred to it.

The union also claimed that the overtime Jaguar was expecting its workers to work contravened the overtime limits laid down in the Basic Conditions of Employment Act (BCEA) which had come to apply in the factories because the industrial council agreements covering them had expired.

In response, the company said it would dismiss any employee who failed to work

overtime and disputed NUTW's claim that the overtime ban was legal as the council believed the recognition dispute had been settled by the despatch of the draft recognition agreement.

The company also said the overtime ban would be illegal because:

- The union had widened the terms of the dispute originally referred to the industrial council to include the issues of stop orders, factory access and refusing to enter into *bona fide* negotiations with the union;
- The ballot had not been conducted properly; and
- An overtime ban would constitute a breach of the employment contract as overtime work was a well established practice and had been accepted by the workers for a number of years.

The company threatened to:

- Seek an interdict restraining NUTW and its members from the threatened overtime ban;
- Dismiss any employee who failed to work overtime without an acceptable reason;
- Seek an order from the Industrial Court for a status quo order restraining the introduction of an overtime ban on the grounds that it would constitute an unfair labour practice. It has subsequently lodged an application with the court.

Status quo order

On September 5 NUTW referred the dispute over the threatened dismissals to the leather industrial council and on September 12 it made an application to the Industrial Court for a status quo order to restrain Jaguar from giving effect to its intention to dismiss the employees who refused to work overtime.

Four Jaguar employees were subsequently dismissed for not working overtime and a number were summoned to appear

FM
16/11/84 (BCEA) (1984)

before a company disciplinary hearing. These matters prompted NUTW to make a successful application to the Industrial Court for an urgent interdict to:

- Restrain Jaguar from requiring or permitting its employees to work overtime in contravention of the BCEA;
- Restrain Jaguar from locking out any NUTW members, terminating their employment contracts or refusing to re-employ any workers in order to compel its employees to comply with its demand that they work overtime on Saturdays.

This is the first instance in which this type of application has been made successfully in the court as labour lawyers have been daunted by the very narrow view the court has taken of its powers in this regard in the past. NUTW claimed that:

- Overtime work is a voluntary matter and could not be a breach of contract to refuse to work it;
- The overtime the company was demanding exceeded the limits laid down in the Basic Conditions of Employment Act;
- The dismissal and threatened dismissal of workers who refused overtime work constituted a lock-out and that the lock-out was illegal because Jaguar had not referred the dispute about working overtime to the industrial council.

LEATHER INDUSTRY

Legal battle

The National Union of Textile Workers (NUTW), which is attempting to obtain a foothold in the Natal leather industry, has encountered fierce resistance from a Maritzburg shoe manufacturer, Jaguar Shoes.

The conflict has developed into a complex legal battle and is one of the few instances in which a company has brought an unfair labour practice charge against a union.

NUTW, an affiliate of the Federation of SA Trade Unions, approached Jaguar Shoes for recognition in May claiming it had organised the majority of its workforce at

quotable

Anglovaal chairman Basil Hersov in his annual report:

The increasing urbanisation of the SA population continues to constitute a major factor in the planning of the future of the country. This is a matter of particular concern to the private sector because of the close connection between urbanisation and economic growth. Urbanisation is an inevitable and irreversible process, requiring carefully considered initiatives rather than futile and expensive attempts to counter its progress. Urbanisation must be accepted and converted into a positive element in our situation. This would not only help to stimulate the country's economic growth, but, by encouraging formal and informal sector businesses, would help to relieve unemployment.

Several private sector leaders have

recently called for joint private sector, public sector and community involvement in formulating a national urbanisation strategy. It cannot be emphasised too strongly that the current concentration on only one element, namely the control over the movements of people, remains a politically facile and dangerous response.

It is clear from our own experience and that of other countries that large-scale forcible relocation of people should not and cannot form part of a long-term response to urbanisation. Accordingly, government's continued use of removal in the pursuit of certain ideological patterns of resettlement is unacceptable from the point of view of the private sector at large, and strenuous representations in this regard have been made by a variety of private sector sources.

Mercury 17/12/84 (90)

Tanning industry's fate 'in hands of Big Three meat marketers'

Mercury Correspondent

JOHANNESBURG — The fate of the hard-hit tanning industry is in the hands of South Africa's Big Three meat marketers, who are, according to industry sources, manipulating the flow and prices of hides to tanneries.

These sources have been backed by Professor Eckard Kassier of the Agricultural Economics Institute of the University of Stellenbosch.

The Big Three are Vleissentraal, Kanhym and Imperial Cold Storage (ICS).

In a detailed report on the R160m hides and skins marketing industry, Prof Kassier says tanners are being squeezed because:

- The Big Three have tied up nearly all the business in the platteland through their own agents.

- Prices are manipulated by brokers and curers, who take their cue from the Big Three.

- Tanners and shippers are being squeezed as they cannot buy quality hides or skins in S A without independent livestock suppliers.

- Curers and brokers have sole control of hide and skin disposal.

The 1981 Eloff Commission on the slaughter stock and meat industry said tanners, shippers, exporters, brokers and producers had complained that at many of the most important controlled area abattoirs there were virtually no independent livestock agents: the so-called Big Three — Vleissentraal, Genkor-Karoo-Kanhym, and Barlows-ICS — controlled nearly all the

business in the platteland.

The Eloff Commission said the South African Tanners' Association was largely supported by exporters represented by the South African Hide and Skin Shippers' Association.

They claimed the present scheme meant that curers/brokers gained sole control and right of disposal of hides and skins.

'Thus tanners and exporters are compelled to try to obtain hides and skins from curers/brokers by private negotiation, but have repeatedly found that as soon as there are indications that the market in hides and skins is set for a rise, curers/brokers hoard stocks and declare that no stocks are available.

'They are not obliged to sell, and tanners and exporters have found that even though curers/brokers may have stocks on hand, they declare for as long as four weeks running that they have no stocks for sales.'

Offer price

Tanners and exporters also said that curers/brokers often asked for an offer price.

However the tanner/exporter's offer was rejected but the offer price was then used to persuade other potential buyers to offer even more

for stocks and that their original offer came to naught.

This meant that tanners' and exporters' need for hides and skins — cured, partly cured or green — could not be met on a secure and continuing basis.

There were also complaints about enormous fluctuations in the leather price and tanners and exporters advocated a refinement of the system of levies on imported leather.

One large tanner said that to August this year the import of footwear was double that of last year.

Another Eastern Cape independent tanner and trader said the present system did not favour free enterprise or the free market system.

Offal

'It's virtually just the Big Three. They have the advantage of being in the meat trade from the marketing of the animal to ownership of the offal which includes hides and skins.

Professor Kassier says that auctions would benefit the primary producer of hides, that is the livestock farmer.

There is speculation among tanners that farmers are losing R50m a year because of the Big Three.

FIN MAIL 25/4/86 (190)

LIQUIDATIONS

Dragging feet

Local tanners and other footwear component suppliers agreed last year to wait for settlement after a local subsidiary of a major international shoe manufacturer went to the

Financial Mail April 25 1986

wall. They are still waiting.

The South African subsidiary of the giant C & J Clark footwear company, based in the UK, was placed in voluntary liquidation in January 1985, owing more than R1m to about 20 creditors.

Clarks guaranteed to honour its debts and even arranged a payment schedule, put forward by the SA-based liquidator in late 1985. This schedule has now been dubbed "the never-never plan" by suppliers. It was agreed that 25% of the total owing would be paid in January 1986, with another 50% in June or July this year and the remaining 25% in December 1986.

But the January payment has not yet materialised.

Suppliers' shock

Suppliers, already struggling because of the depressed footwear trade, "are shocked that a company of the standing of Clarks has chosen to procrastinate in fulfilling its obligation," says an SA Tanners' Association spokesman.

Payment depended upon the sale of Clarks' SA property from which, the liquidator says, funds have been realised. A circular issued by the liquidator says discussions on payments are continuing, but that the matter has been delayed because of expense queries by the Master of the Supreme Court. Adequate funds are available, the circular emphasises, but it seems the original payment plan is doomed.

The circular suggests a new offer of compromise to be agreed by a majority of creditors. But the suppliers are sceptical. Says one: "We have received many gestures of this kind before."

The liquidators' reaction? None at this stage, except an unofficial comment that creditors are being unreasonable. ■

Clothing industry in tatters

By DICK USHER, Labour Reporter

CHEAP imports and the recession are wreaking havoc in the clothing industry and at least 4 000 jobs have been lost in the Western Cape in recent months.

In the leather and footwear industry about 3 000 jobs have been lost nationally for the same reasons.

And one major Cape clothing manufacturer is reported to be considering laying off about 1 000 workers as the recession bites deeper.

Mr Simon Jocum, chairman of the Cape Clothing Manufacturers' Association, said today that a prime rate of 25 percent, an inflation rate of at least 16 percent and a weak rand were killing the industry.

Half the costs in the clothing industry were imports — of yarn and other items — which had to be paid for in dollars.

Mr Jocum also said the industry believed imports from Ciskei were finding their way to the local market.

"The Ciskei gets tremendous subsidies from the South African taxpayer to encourage employment there, but effectively it seems that we are subsidising Ciskei to put people out of work in urban areas," he said.

Mr Bobby Jacobs, chairman of Tej which last week retrenched 45 monthly-paid staff and put 292 workers on short-time, said the knitwear industry was particularly vulnerable to cheap imports.

"And it doesn't help that we have a Taiwan within our borders. Wages in border areas and homelands are much lower," he said.

Mr Louis Peterson, general secretary of the Garment Workers' Union, agreed that Ciskeian imports were affecting the South African industry, mainly at the cheaper end of the market.

Cheap imports, recession hitting clothing industry

NM 8/5/85

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Vulnerable

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Mr Louis Peterson, general secretary of the Garment Workers' Union, agreed that Ciskeian imports were affecting the South African industry, mainly at the cheaper end of the market.

Mr Jocum said that although factors such as the exchange rate and inflation were pushing prices beyond people's capacity to pay, there was tremendous competition in the industry which was helping counteract this. — (Sapa)

US firm lays off staff

190 Sowetan
ABOUT 340 employees
of USA multinational
company, General Mo-
tors, have been re-
trenched because of the
recession and its impact
on the motor vehicle
market.

A company's spokes-
man said about 280
hourly paid workers will
be released during this
week and 60 salaried
employees would leave
the company or take
early retirement.

The company had
made every effort to
avoid the measures by
implementing reduced
working hours and inter-
mittent plant closures.

He said: "However,
the situation has conti-
nued to deteriorate and
the company now has no
alternative but to adjust
salaried and hourly em-
ployment levels."

Payments

The company is also
to extend payments to
its suppliers from 30
days to 60 days. 2/9/85

"Due to the tighten-
ing of the economy and
its impact on the vehicle
market, we have advised
all our suppliers that we
will be extending pay-
ment terms," said Mr
Dave Sneesby, financial
director of the company.
Component manufac-
turers said the move was
"normal practice".

A spokesman of the
National Automobile
and Allied Workers
Union (Naawu), which
represents the majority
of hourly paid workers
at the company, was not
available for comment.

190 B-DAY 7/3/86.

ALAN PEAT

Anger over raw deal

LEATHER tanners' share of the raw hide market is being forced down to unacceptable levels by aggressive buying by international hide merchants, according to Ulrich Hanni, president of the SA Tanners Association (Sata).

"What little we can get we are having to buy at price levels totally unrelated to the world market," he says.

"We will end in the position we were in under the previous auction system some 16 to 20 years ago when tanners were just in no position to buy."

Tanners feel that hide prices are now artificially high. This causes them insurmountable problems in a market where they must quote a fixed price for the whole season, says Hanni.

Sata figures show that the tanners share of controlled area hides in 1984 was 77%. During the 10 weeks immediately preceding the re-introduction of the auction system in May 1985, it was

83,7%. Immediately after this the share fell to 60%-65% and was down to 55% at the February 20 auction this year.

The average hide price in 1983 was 109,1c/kg; in 1984 179,9c/kg; in 1985 219,1c/kg and this week 240c/kg.

"This compares to what we adjudge the proper market-related price of about 215c/kg," says Hanni.

"We have continuously been at the losing end and the industry is now becoming unprofitable."

Sata recommends a two-tier auction system be introduced to ease the pressure on trade — with hides first put on auction for the tanners and the remainder put up for exporters.

(190) B. Day
6/9/85
**Local hides
get tanning
from rand**

ALAN PEAT

THE secondary leather industry is being badly hit by the exchange rate.

Prices of local hides are related to the international price. As the rand falls in value, the rand price goes up.

The reverse is true for exports, where local hides are now increasingly in demand internationally.

"We are seeing more and more overseas buyers joining the locals at auctions," said Robert Feinblum, MD of United Fram Footwear.

"At the current rate of exchange, SA leather is a give-away and is going out of the country in container loads," said a spokesman for Richleigh Shoes.

This pleases the farmers, but the increase in the cost of local hides is hammering both the local tanning industry and shoemakers and is exacerbated by heavily reduced demand in SA.

"Continual cost increases of raw materials is one of the industry's biggest headaches," said Dennis Linde, director of the Footwear Manufacturers' Federation.

"And," added Rob Jordan of Jordan's Shoes, "we are obviously very alarmed by the increases we have had to sustain and pass on to buyers."

The link with the international price is likely to remain.

Said Ulrich Hanni, president of the South African Tanners Association:

"There is a very strong farmers lobby here, so it is unlikely that any break with the international price will be made."

Said Barry Sinclair, financial director of Edworks: "Tanners and footwear manufacturers are now under threat as an industry, and retailers will be forced to go offshore for supplies again."

g/l/b
BUDDA

190

Big jobs drop in footwear industry

DESPITE a 42.5% drop in shoe imports, employment levels in the local footwear manufacturing industry are at a six-year low.

Employment in the sector continued to decline last year and from a total of 29 000 people employed in 1982, a 23% drop now sees the figure standing at 22 400, a loss of 6 600 jobs.

Footwear Manufacturers' Federation director Dennis Linde said in his annual report: "It is unlikely the industry will make a recovery in 1986. A lack of real disposable income,

MICK COLLINS

shortage of consumer and manufacturer confidence and a crippling tax burden, do not augur well for the future."

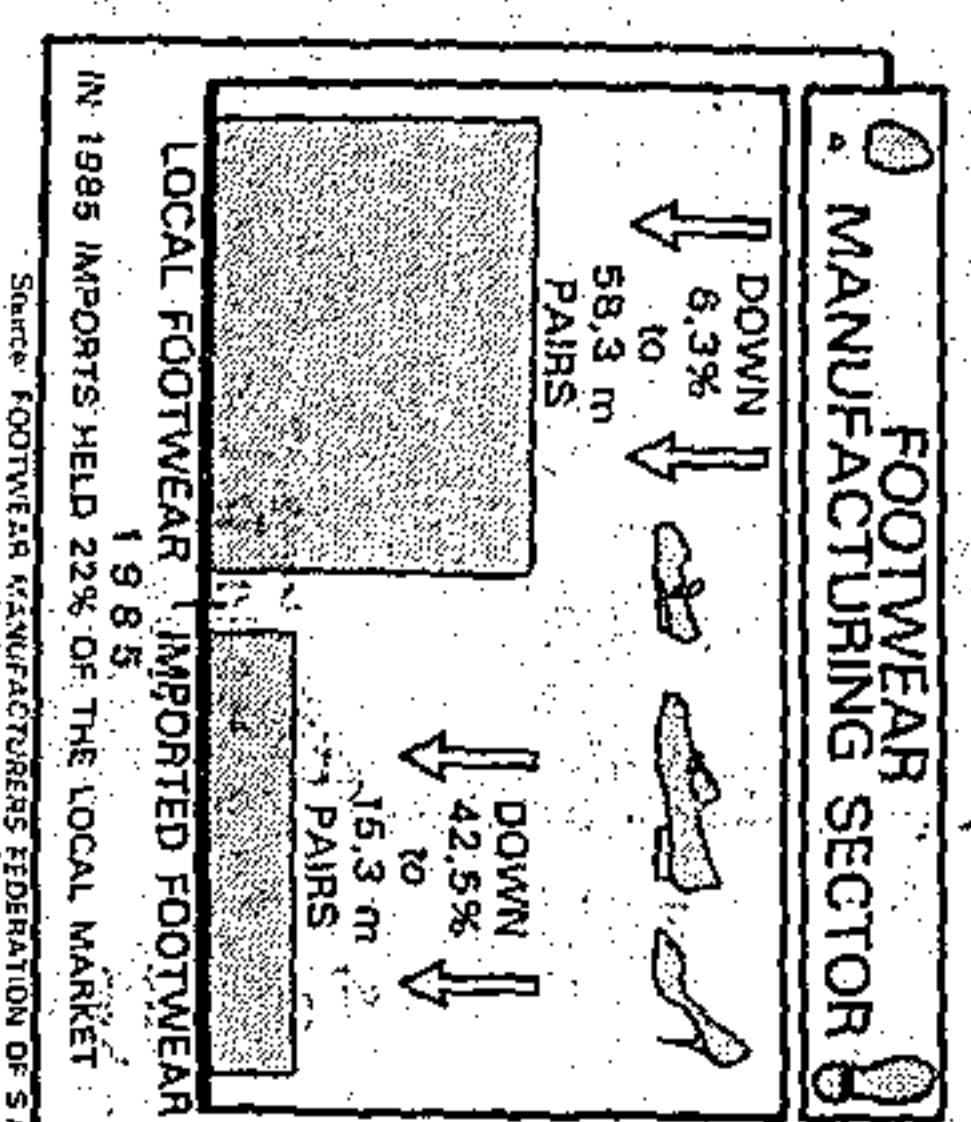
Footwear imports in 1985 declined by 42.5% compared with 1984 (see graph) when a record import of 26.6-million pairs came into the SA market.

Linde said: "This was a great relief to the industry. It is the belief of the

FMF that imports in terms of volume should not exceed 10% of the local market."

Local footwear manufacture declined in 1985 by 6.3% to 58.3-million pairs, with children's shoes recording the greatest loss at -16.1%.

Linde said: "Although production figures for the first quarter of 1986 reflect an increase of 6%, indications are that manufacturers are operating at margins which, in many cases, are suicidal."



New car prices set to soar soon

Mercury 31/10/85
190

Motoring Editor

NEW car prices, up by 6 percent in the past month, are set to rise another 6 percent before the end of the year — and at least 25 percent next year.

That's according to industry leaders Toyota, Volkswagen and Samcor, which between them achieved more than half the new car sales in September.

Volkswagen's marketing director Clive Warrilow said: 'In theory you need 35 percent to 45 percent to recoup the exchange rate loss — and you need it tomorrow if it is to be passed on to the consumer between now and the end of the year. You have to remember that 50 percent of the value of the car is still imported.'

He emphasised that this applied to all manufacturers.

But it was a catch-22 situation: 'If you don't pass it on then you go broke; if you do pass it on then you sell fewer cars.'

Demand

Mr Warrilow felt the blow would be softened by staggering the increases. Six percent now, then another 6 percent late in December, then 5 percent or so every two months next year.

He believed that in the short term the motorist would buy ahead and that in the next six months

there would be 'quite some demand'.

The only light on the horizon is if the Government does something about personal tax and increases the individual's disposable income.'

Toyota marketing director Brand Pretorius was perhaps the most optimistic of the spokesmen, maintaining that although pressures on the industry were enormous, the net increase to the consumer was still not that dramatic.

Increase

But Mr Pretorius warned that should the rand hover around the \$0,40 mark there could be four or five increases in the next calendar year with each being around 5 percent.

On the brighter side, Mr Pretorius said the prime overdraft rate had dropped from a high of 25 percent to its present 17,25 percent and the hire purchase rate almost as much.

He said the minimum deposit was down to 10 percent and the repayment period up to 48 months: 'Should the exchange rate improve, obviously price increases

will adjust accordingly.'

Samcor managing director Spencer Sterling agreed there would be a further increase this year adding that next year prices could rise by 30 percent.

He suggested that increases would be phased in in a more palatable form, such as one a month.

But all three men believed the increases would result in a 'buying down' policy.

'It has started already. The light car market has increased from 45 percent to 60 percent of the total market and we believe the pattern will continue,' said Mr Sterling.

● See also Page 21

5/6/86

BUSINESS STAR

Shoe makers' margins are 'suicidal' ¹⁹⁰ Linde

By Stan Kennedy

Footwear manufacturers are struggling to secure orders and, as a result, many of them are operating at margins which are "suicidal", says the director of the Footwear Manufacturers' Federation of SA, Mr Dennis Linde, in his 1985 report.

1986, he says, could well be a watershed period for the industry, which is currently operating with a labour force of 22 400, a drop of 6 600 since 1982.

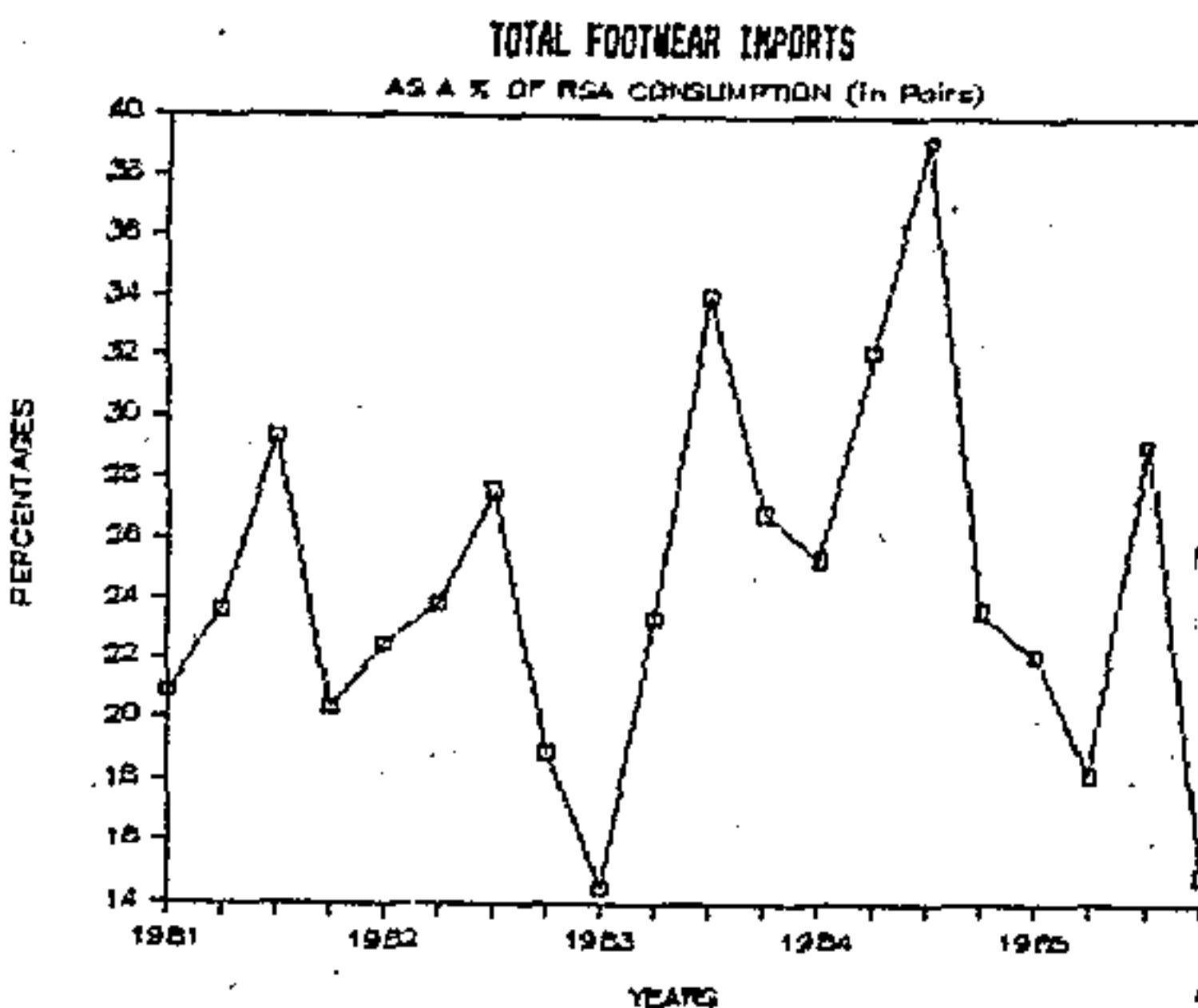
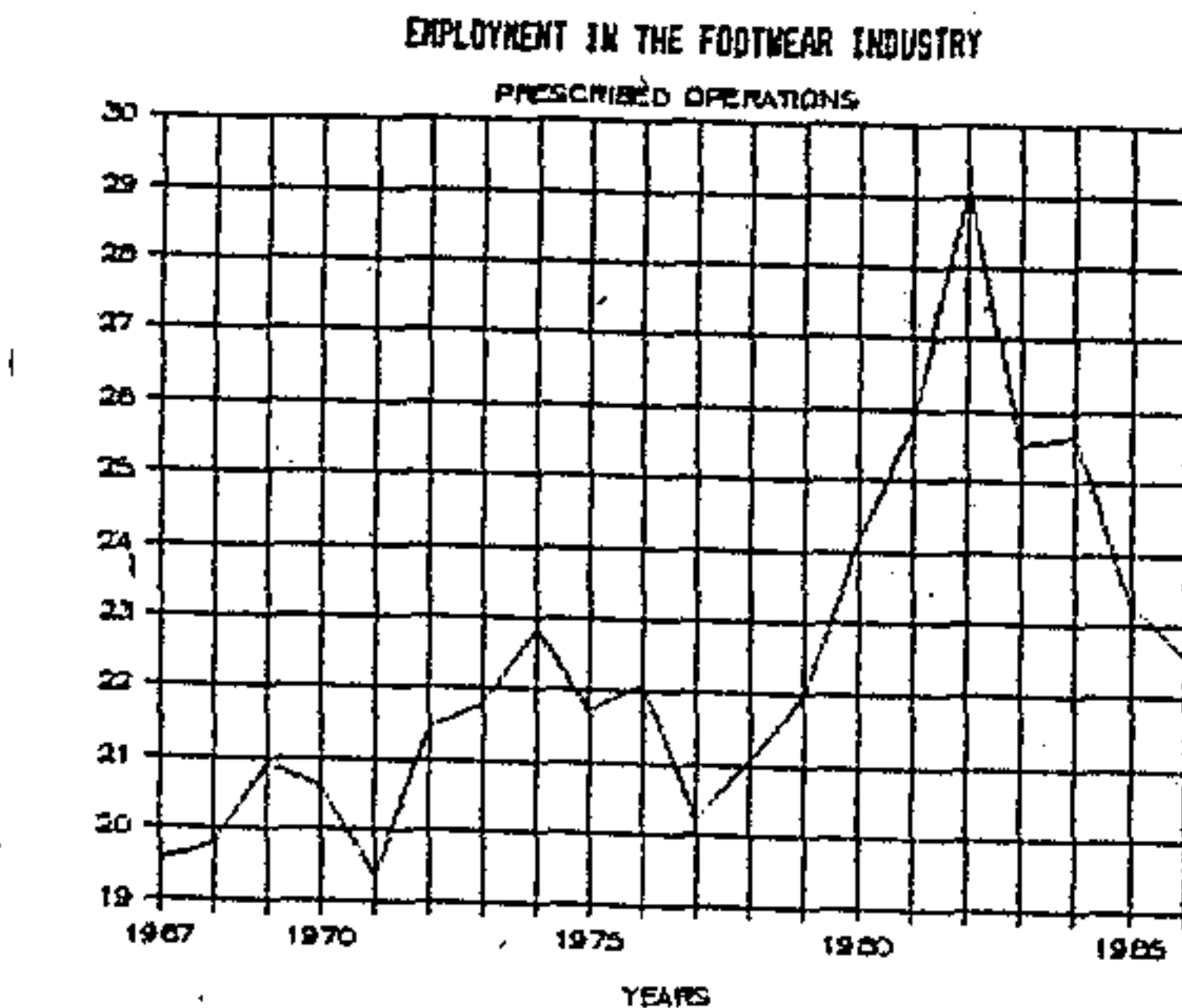
"Against the background of 1985 and present experiences it seems unlikely that the industry will make a major recovery this year," he says.

"Although positive features such as spare capacity and lower interest rates are present, a lack of real disposable income and lack of confidence by consumers and manufacturers, coupled with a crippling tax burden, do not augur well for any significant improvement."

However, many retailers are predicting improvements this year and, under these circumstances, and with a further qualification that the rand stays at \$0,45 to \$50, Mr Linde expects production to improve by 5,5 percent.

In the first quarter of this year, production shows an increase of six percent but this is mainly because of manufacturers accepting lower margins in order to stay in business.

Production in 1985, at



54,6 million pairs, was 6,3 percent down on the 1984 figure of 58,3 million pairs.

Although the ladies' sector showed a reasonable performance it in fact had a virtual zero growth in rand sales.

Average profit margins were 1,17 percent before interest and tax.

The mens' sector was only a little better off, with profit margins of about 10 percent.

Major reason for the poor performance was cost increases in raw materials which could not be

passed on to retailers.

Mr Linde says that should the 1985 experience of under-recovery of input costs be repeated this year, further profitability declines could be experienced, leading to the closing of more factories.

Imports declined by 42,5 percent to about 14,5 million pairs, which represents 22 percent of local footwear consumption.

But Mr Linde says this is still too high and he would like to see imports of not more than 10 percent of the local market.

Petrol drop: City bus fares to be cut

CAPE TIMES 332
12/14/86

CITY TRAMWAYS has announced that it will drop its fares following the average 9,4 cents a litre cut in the petrol price announced by the Minister of Energy Affairs, Mr Danie Steyn, yesterday.

Its lower clipcard fares will come into effect on Sunday, April 20.

And the Opposition transport spokesman, Mr John Malcomess, called on the Minister, Mr Hendrik Schoeman, to cut transport tariffs.

"If it is not done we must query the bona fides of the government in its fight against inflation."

However, a South African Transport Services spokesman said SATS would not be reducing road transport tariffs and fares as it had a budgeted deficit of R98-million for the current financial year and an accumulated one of R630m. The reduction might have effects on future price determinations, he said.

'Considerable pressure'

OK Bazaars MD Mr Gordon Hood has announced that the chain will immediately reduce the price of frozen chickens from an average of R2,69 a kg to R1,99 a kg for at least the next week and will negotiate with suppliers of fruit, vegetables, meat and fish to reduce prices.

The managing director of Checkers, Mr Clive Weil, said his company would "pass its petrol savings on to the consumer as soon as possible", and put "considerable pressure" on suppliers to do the same.

Pick 'n Pay director Mr Alan Gardiner said he and the chain's buyers around the country were working to reduce the prices on products across the board.

In announcing the cut in the price of City Tramways clipcards, the managing director, Mr Nic Cronje, said yesterday it should be remembered that the last time the company adjusted its tariffs to take account of increased operating costs, excluding fuel-price increases, was in November 1984.

Clipcards costing up to R5 will now cost 10c less per week (eg a R3,70 clipcard will now cost R3,60); those costing more than R5 and less than R10 will cost 30c less per week and clipcards costing more than R10 will cost 40c less per week.

These announcements followed hard on the heels of appeals by both Mr Steyn and various consumer bodies and members of commerce and industry, for the price cut to be passed on in an effort to reduce inflation.

Mr Steyn, who announced the cut — the second in a month, said yesterday that little had been done last time to bring down prices.

The cut could have been 14c a litre, he said, but because of the instability

of the crude oil price it was being pegged at about 30c.

Putco, according to its public relations officer, Mr Pat Rogers, would have to investigate whether it could pass on the decrease to passengers.

The cut was met with widespread enthusiasm by industry and commerce.

The general view was it would stimulate the economy and contribute to reducing the inflation rate.

Mr Brian Goodall, Opposition spokesman on energy, welcomed the cut as it "could help to reduce inflation and little in this connection had been done in the budget".

The president of the South African Agricultural Union, Mr Kobus Jooste, said it would effectively save the agricultural sector about R109-million a year, and that the move could only benefit the country's "sick" economy.

Mr Nico Vermeulen, director of the National Association of Automobile Manufacturers of South Africa, said the savings made possible by the reduction should translate into increasing disposable income and generally boost demand for goods and services.

The chief executive of Assocom, Mr Raymond Parsons, said the intensity of competition would ensure that many businessmen would translate the cut into consumer benefits.

The national president of The Housewives' League of South Africa, Mrs Joy Hurwitz, said: "We now expect some reductions in commodities."

The assistant secretary of the Motor Industries Federation, Mr Rod Hudson, told the Cape Times that garages could now go back to selling at full litre price by Monday.

The pump price of 98 octane will be reduced by six to seven cents a litre, and 93 and 87 octane by nine to 11 cents a litre.

Wholesale price

The variation is due to rounding off. The wholesale price of 98 octane will be cut by six cents and the other two octanes by nine cents.

The pump price of diesel will be cut by 9,3 cents a litre and for marine, government, trade and industrial uses it will be cut by eight cents a litre.

Agricultural diesel will be cut by 8,1 cents, public goods transport by 9,3 cents and bus transport by 8,3 cents.

Household paraffin is to be cut by four cents a litre and industrial paraffin by eight cents. — Staff Reporters, Political Staff and Sapa

The MINISTER OF LAW AND ORDER:

It is not possible to give an indication of how many persons who were charged with acts of violence during the period, were members of the UDF.

Staff establishment

HANS VREDE 822. Mr M. A. FARRE asked the Minister of Communications:

(a) What was the authorised staff establishment of the Department of Posts and Telecommunications in the

The MINISTER OF COMMUNICATIONS:

(2) whether staff of different race groups belong to the same staff association; if not, why not?

Grading	Authorised posts	(b)			
		(i)	(ii)	(iii)	(iv)

(As at 28 February 1986)

Postmaster General	1	4	1	1	
Deputy Postmaster General	4	16	4		
Senior Director	16	37	16		
Director	37	72	37		
Senior Deputy Director	72	125	72		
Deputy Director	125	141	141		
Deputy Director/Assistant Director	115	115	115		
Curator	1	1	1		
Museum Consultant	1	1	1		
Control Officer	209	221	221		
Assistant Control Officer	508	526	526		
Administrative Officer	1 114	1 126	2	1	1
Senior Work Study Officer	7	6			
Work Study Officer/Assistant Work Study Officer	16	16			
Data Officer (all grades)	186	179			
Senior Accountant	38	37			
Accountant	81	85			
Assistant Accountant	176	181			
Postmaster (Director Status)	4	4			
Deputy Postmaster	1	1			
Postmaster, Special Grade A	5	5			
Postmaster, Special Grade B	27	27			
Postmaster, Grade I	64	61	2	1	
Postmaster, Grade II	105	92	7	6	3
Postmaster, Grade III	293	242	38	11	5
Postmaster, Grade IV	438	356	61	18	8
Assistant Postmaster A	4	6			
Assistant Postmaster B	21	19			
Assistant Postmaster	18	20			

Grading	Authorised posts	(b)			
		(i)	(ii)	(iii)	(iv)

(As at 28 February 1986)

Senior Chief Superintendent	2	2			
Chief Superintendent	45	43			
Senior Superintendent	232	231			
Superintendent	1 262	1 150	4		
Senior Operating Inspector	13	10			
Operating Inspector	35	25			
Chief Superintendent, Restaurant/Senior Restaurant Manager	3	2			
Senior Superintendent, Restaurant/Restaurant Manager	7	5			
Superintendent, Restaurant/Assistant Restaurant Manager	5	4			
Clerk/Assistant Administrative Officer	14 843	14 677	854	303	218
Head Typist	7	10			
Ministerial Typist	1	1			
Typist/Senior Typist	192	191		1	
Student Engineer	1	110		2	1
Assistant Quantity Surveyor	1	1			
Chief Architect	2	2			
Architect	1	1			
Assistant Architect	1	1			
Law Adviser	1	1			
Assistant Law Adviser	1	1			
Control Language Officer	1	1			
Chief Language Officer	1	1			
Senior Language Officer	2	1			
Language Officer	5	4			
Senior Research Officer	4	4			
Research Officer	*	3			
Psychologist/Senior Psychologist	6	5			
Psychometrist/Senior Psychometrist	14	18			
Cost Investigation Officer	12	6			
Chief Statistician	1	1			
Assistant Statistician/Statistician	4	4			
Chief Design Artist	1	1			
Senior Design Artist	2	2			
Design Artist	2	2			
Press Liaison Officer	1	1			
Assistant Press Liaison Officer	1	1			
Editor	1	1			
Senior Journalist	1	1			
Journalist	1	1			
Senior Librarian	1	1			
Financing Officer (all grades)	7	2			
Internal Auditor (all grades)	20	12			
Nursery School Principal	1	1			
Nursery School Teacher	2	2			
Industrial Social Worker	6	6			
Engineer	93	203		1	2

10 per cent pay rise

CAPE TOWN — The salaries of Sats personnel are to be increased by 10 per cent from April and their 13th cheque bonus is to be restored, Mr Schoeman said yesterday.

Pensions would also be increased, by eight per cent, and the second phase of the department's programme to achieve pay parity between black and white employees would be implemented this year, he told Parliament during his budget speech.

Mr Schoeman said he would have liked to grant a higher pay increase but the economic situation and the financial position of Sats did not allow this.

The Federation of Transport Services Trade Union had expressed dissatisfaction with the 10 per cent increase and had claimed 25 per cent, Mr Schoeman said. (332) (333)

This demand could not be met but further talks would be held with the union as soon as possible. (332)

No cost of living increases had been granted last year because of the slow recovery of the economy. Mr Schoeman said Sats staff were "exceptionally loyal" and, despite difficult economic conditions, could always be called on to increase productivity and savings. — Sapa

DISPATCH 20/2/86

3. KLOUSULE 34.—NATIONALE ONTWIKKELINGSFONDS VIR DIE BOUWYWERHEID

In subklousule (2), vervang die syfer "15c" deur die syfer "30c".
Namens al die partye by die Raad op hede die 13de dag van Mei 1986 in Kaapstad onderteken:

H. MCCARTHY,
Voorsitter.
R. G. SIMMONS,
Onder-voorsitter.
J. J. KITSHOFF,
Sekretaris.

No. R. 1759 22 Augustus 1986

**WET OP ARBEIDSVERHOUDINGE, 1956
LEERNYWERHEID REPUBLIEK VAN SUID-AFRIKA.—WYSIGING VAN ADMINISTRASIEFONDS-OOREENKOMS**

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, verklaar hierby—

(a) kragens artikel 48 (1) (a) van die Wet op Arbeidsverhouding, 1956, dat die bepaling van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Ondertiening, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1987 eindig, bindend is vir die Werkgeversorganisasies en die vakverenigings wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasies of verenigings is; en

(b) kragens artikel 48 (1) (b) van genoemde Wet, dat die bepaling van die Wysigingsooreenkoms, uitgesonderd die vervan in klousule 1 (1) (a), met ingang van die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1987 eindig, bindend is vir alle ander werkgewers en werknemers as die genoem in paragraaf (a) van hierdie kennisgewing wat betrekke is by of in diens is in genoemde Ondertiening, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die wysigingsooreenkoms gespesifiseer.

P. T. C. DU PLESSIS,
Minister van Mannekrag.

NATIONALE NYWERHEIDSRaad VIR DIE LEERNYWERHEID VAN SUID-AFRIKA

OOREENKOMS

Ooreenkomstig die Wet op Arbeidsverhouding, 1956, gesluit deur en aangegaan tussen die

- (a) Midland and Border Leather Industry Manufacturers' Association;
 - (b) Western Cape Leather Industries Association;
 - (c) Transvaal Footwear, Tanning and Leather Trades Association;
 - (d) Natal Footwear, Tanning and General Leather Manufacturers' Association;
 - (e) Southern Cape Leather Industries Association;
 - (f) South African Tanning Employers' Organisation;
 - (g) South African Handbag Manufacturers' Association;
 - (h) Footwear Manufacturers' Federation of South Africa
- en
- (i) Association of Transvaal Manufacturers of Luggage, Handbags and General Goods
- (hierna die "werkgewers" of die "werkgeversorganisasies" genoem), aan die een kant, en die
- (j) National Union of Leather Workers;
 - (k) Transvaal Leather and Allied Trades Industrial Union;

3. CLAUSE 34.—NATIONAL DEVELOPMENT FUND FOR THE BUILDING INDUSTRY

In subclause (2), substitute the figure "30c" for the figure "15c".
Signed at Cape Town, on behalf of all the parties to the Council, this 13th day of May 1986.

H. MCCARTHY,
Chairman.
R. G. SIMMONS,
Vice-Chairman.
J. J. KITSHOFF,
Secretary.

No. R. 1759 22 August 1986

**LABOUR RELATIONS ACT, 1956
LEATHER INDUSTRY, REPUBLIC OF SOUTH AFRICA.—AMENDMENT OF ADMINISTRATION FUND AGREEMENT**

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the date of publication of this notice and for the period ending 30 April 1987, upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or unions; and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1) (a), shall be binding, with effect from the date of publication of this notice and for the period ending 30 April 1987, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

P. T. C. DU PLESSIS,
Minister of Manpower.

NATIONAL INDUSTRIAL COUNCIL OF THE LEATHER INDUSTRY OF SOUTH AFRICA

AGREEMENT

In accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between the

- (a) Midland and Border Leather Industry Manufacturers' Association;
 - (b) Western Cape Leather Industries Association;
 - (c) Transvaal Footwear, Tanning and Leather Trades Association;
 - (d) Natal Footwear, Tanning and General Leather Manufacturers' Association;
 - (e) Southern Cape Leather Industries Association;
 - (f) South African Tanning Employers' Organisation;
 - (g) South African Handbag Manufacturers' Association;
 - (h) Footwear Manufacturers' Federation of South Africa
- and
- (i) Association of Transvaal Manufacturers of Luggage, Handbags and General Goods
- (hereinafter referred to as the "employers" or the "employers' organisations"), of the one part, and the
- (j) National Union of Leather Workers;
 - (k) Transvaal Leather and Allied Trades Industrial Union;

(hierna die "werkgevers" of die "vakverenigings" genoem), aan die ander kant.

om die Ooreenkoms vir die Administratiefonds gepubliseer by Goewernementskennisgewing R. 1789 van 3 September 1982, soos gewysig by Goewernementskennisgewing R. 87 van 14 Januarie 1983, R. 2443 van 4 November 1983 en R. 1669 van 26 Julie 1985, te wysig.

1. TOEPASSINGSBEDEKTE VAN OOREENKOMS

(1) Hierdie Ooreenkoms moet in die Leernywerheid nagekom word—
(a) deur alle werkgewers wat lede van die vakgeversorganisasies is en wat ondersteunend is by die Nywerheid betrokke of daarin werksaam is (uitgesonderd persone wat uitsluitlik hanteelwerk doen);
(b) in die Republiek van Suid-Afrika. Met dien verstande dat in verband met die werksaamhede uiteengeset in paragraaf (6) van die omskrywing van "Nywerheid" of "Leernywerheid" in klousule 3 van die Ooreenkoms gepubliseer by Goewernementskennisgewing R. 1789 van 3 September 1982 dit net in die landroosdistrikte Bellville, Die Kaap, Goodwood, Durban, met inbegrip van daardie gedeeltes van die landroosdistrikte Chatsworth wat voor die publikasie van Goewernementskennisgewing 501 van 8 Maart 1985 binne die landroosdistrik Durban geval het, en Johannesburg nagekom moet word. Voorts met dien verstande dat in verband met die werksaamhede uiteengeset in paragraaf (8) van die omskrywing van "Nywerheid" of "Leernywerheid" in klousule 3 van genoemde Ooreenkoms, dit net in die landroosdistrikte Bellville, Gemistson, Goodwood, Johannesburg, Middelburg (Transvaal), Pretoria, Roodepoort en Die Kaap nagekom moet word.

2. KLOUSULE 5.—FONDS VAN DIE RAAD

Vervang die syfer "9c" deur die syfer "11c".
Namens die partye op hede die 21ste dag van Februarie 1986 te Port Elizabeth onderteken:

O. J. FOURIE,
Lid van die Raad.
D. J. F. LINDE,
Lid van die Raad.
L. M. VAN LOGGERENBERG,
Hoofsektaris van die Raad.

DEPARTMENT OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

No. R. 1746 22 Augustus 1986

DIE SUID-AFRIKAANSE GENESKUNDIGE EN TANDHEELKUNDIGE RAAD

REGULASIES BETREFFENDE DIE REGISTRASIE VAN SPESIALITEIT VAN GENESHERE EN TANDARTSE, DIE VEREISTES WAARAAN VOLDOEN MOET WORD ALVORENS HULLE SPESIALITEIT GEREJISREER KAN WORD, DIE OMSTANDIGHEDDE WAARIN ENIGE AANSOEKER OM REGISTRASIE VAN SODANIGE VEREISTES VRYGESTELD WORD, EN DIE VOORWAARDEDE TEN OPSIGTE VAN DIE PRAKTYK VAN GENESHERE EN TANDARTSE WIE SE SPESIALITEIT GEREJISREER IS.—WYSIGING

DEPARTMENT OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

No. R. 1746 22 August 1986

THE SOUTH AFRICAN MEDICAL AND DENTAL COUNCIL

REGULATIONS REGULATING TO THE REGISTRATION OF THE SPECIALITIES OF MEDICAL PRACTITIONERS AND DENTISTS, THE REQUIREMENTS TO BE SATISFIED BEFORE THEIR SPECIALITIES CAN BE REGISTERED, THE CIRCUMSTANCES IN WHICH ANY APPLICANT FOR REGISTRATION SHALL BE EXEMPTED FROM SUCH REQUIREMENTS, AND THE CONDITIONS IN RESPECT OF THE PRACTICE OF MEDICAL PRACTITIONERS AND DENTISTS WHOSE SPECIALITIES HAVE BEEN REGISTERED.—AMENDMENT

(hereinafter referred to as the "employers" or the "trade unions"), of the other part.

to amend the Administration Fund Agreement published under Government Notice R. 1789 of 3 September 1982, as amended by Government Notices R. 87 of 14 January 1983, R. 2443 of 4 November 1983 and R. 1669 of 26 July 1985.

1. SCOPE OF APPLICATION OF AGREEMENT

(1) The terms of this Agreement shall be observed in the Leather Industry—
(a) by all employers who are members of the employers' organisations and by all employees who are members of the trade unions who are engaged or employed therein respectively (other than persons engaged exclusively on repair work);
(b) in the Republic of South Africa. Provided that on the operations set forth in paragraph (6) of the definition of "Industry" or "Leather Industry" in clause 3 of the Agreement published under Government Notice R. 1789 of 3 September 1982 it shall be observed only in the Magisterial Districts of Bellville, The Cape, Goodwood, Durban, including that portion of the Magisterial District of Chatsworth which, prior to the publication of Government Notice 501 of 8 March 1985, fell within the Magisterial District of Durban, and Johannesburg. Provided further that on the operations set forth in paragraph (8) of the said Agreement it shall be observed only in the Magisterial Districts of Bellville, Goodwood and Durban, including that portion of the Magisterial District of Chatsworth which, prior to the publication of Government Notice 501 of 8 March 1985, fell within the Magisterial District of Durban, and Johannesburg. Provided further that on the operations set forth in paragraph (8) of the said Agreement it shall be observed only in the Magisterial Districts of Bellville, Gemistson, Goodwood, Johannesburg, Middelburg (Transvaal), Pretoria, Roodepoort and The Cape.

2. CLAUSE 5.—COUNCIL FUNDS

Substitute the figure "11c" for the figure "9c".
This Agreement signed at Port Elizabeth, on behalf of the parties, this 21st day of February 1986.

O. J. FOURIE,
Member of the Council.
D. J. F. LINDE,
Member of the Council.
L. M. VAN LOGGERENBERG,
General Secretary of the Council.

DEPARTMENT OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

No. R. 1746 22 August 1986

THE SOUTH AFRICAN MEDICAL AND DENTAL COUNCIL

REGULATIONS REGULATING TO THE REGISTRATION OF THE SPECIALITIES OF MEDICAL PRACTITIONERS AND DENTISTS, THE REQUIREMENTS TO BE SATISFIED BEFORE THEIR SPECIALITIES CAN BE REGISTERED, THE CIRCUMSTANCES IN WHICH ANY APPLICANT FOR REGISTRATION SHALL BE EXEMPTED FROM SUCH REQUIREMENTS, AND THE CONDITIONS IN RESPECT OF THE PRACTICE OF MEDICAL PRACTITIONERS AND DENTISTS WHOSE SPECIALITIES HAVE BEEN REGISTERED.—AMENDMENT

"werkgever/s" enigeen of alle werkgevers in die Nywerheid wat lede van die werkgewersorganisasie is;

"Fonds" die Nuwe Pensioenfonds;

"werknemer, graad I" 'n werknemer, uitgesonderd 'n vakleerling of vakleerling op proef, wat diamante slyp en/of poleer en/of saag.

4. BYDRAES TOT DIE NUWE PENSIOENFONDS

1. Vervang die huidige klousule 4 met die volgende:

(1) Elke werknemer en kwalifiserende vrywillige lid moet elke maand 7 persent van sy verdienste tot die Fonds bydra en sy werkgever moet 'n gelyke bedrag bydrae.

(2) 'n Werknemer en sy werkgever en 'n kwalifiserende vrywillige lid en sy werkgever moet op sy verdienste ten opsigte van jaarlikse verlof bydra.

(3) Benewens die bydraes verskuldig ingevolge subklousule (1) hiervan, moet die werkgever 'n bedrag van 7 persent van die *pro rata*-verlofbesoldiging waarop 'n werknemer of 'n kwalifiserende vrywillige lid wie se diens voor die jaarlikse verloftydperk beëindig word, geregtig is, van dié verskuldigde bedrag aftrek. Die werkgever moet 'n gelyke bedrag voeg by dié bedrag, wat afgetrek word.

(4) Die bydrae wat ingevolge subklousules (1) en (2) van hierdie klousule gemaak moet word, moet maandeliks deur die werkgever van die werknemer of 'n kwalifiserende vrywillige lid se verdienste afgetrek word. Die totale bedrag aldus afgetrek, tesame met die bedrag wat deur die werkgever betaalbaar is en alle bykomende bedrae ingevolge subklousule (3) hiervan verskuldig, moet voor of op die sewende dag van die maand wat volg op dié waarop die afrekkings betrekking het, tesame met 'n staat in die vorm wat die Raad van tyd tot tyd voorskryf, deur die werkgever aan die Nuwe Pensioenfonds, Posbus 8304, Johannesburg, gestuur word.

Op hede die 30ste dag van April 1986 in Johannesburg onderteken.

T. G. DAVIDSON,

Namens die Master Diamond Cutters' Association of South Africa gemagtig.

R. RICH,

Namens die South African Diamond Workers' Union gemagtig.

D. WHITE,

Namens die Nywerheidsraad vir die Diamantslypnywerheid van Suid-Afrika gemagtig.

No. R. 2073

26 September 1986

WET OP ARBEIDSVERHOUDINGE, 1956

LEERNYWERHEID, REPUBLIEK VAN SUID-AFRIKA.—WYSIGING VAN AANVULLENDE SIEKTEBYSTANDSFONDSOOREENKOMS

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1987 eindig, bindend is vir die werkgewersorganisasies en die vakverenigings wat die Wysigingsooreenkoms aangegaan het en vir die werkgevers en werknemers wat lede van genoemde organisasies of verenigings is; en

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousule 1 (1) met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1987 eindig, bindend is vir alle ander werkgevers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

P. T. C. DU PLESSIS,

Minister van Mannekrag.

"employer/s" means any or all employers in the Industry who are members of the employers' organisation;

"Fund" means the New Pension Fund;

"Grade 1 employee" means an employee, other than an apprentice or probational apprentice, who is engaged in cutting and/or polishing and/or sawing diamonds.

4. CONTRIBUTIONS TO THE NEW PENSION FUND

Substitute the following for the existing clause 4:

(1) Every employee and eligible voluntary member shall contribute every month 7 per cent of his earnings to the Fund, and his employer shall contribute an equal amount.

(2) An employee and his employer and an eligible voluntary member and his employer shall contribute on his earnings in respect of annual leave.

(3) In addition to the contributions due in terms of subclause (1) hereof, an amount of 7 per cent of the *pro rata* leave pay entitlement, due to an employee or an eligible voluntary member whose services terminate prior to the annual leave period, shall be deducted by the employer from such amount due. The employer shall add an equal amount to such amount deducted.

(4) The contribution to be made in terms of subclauses (1) and (2) of this clause shall be deducted monthly by the employer from the employee's or an eligible voluntary member's earnings. The total amount so deducted, together with the amount payable by the employer and any additional amounts due in terms of subclause (3) hereof, shall be forwarded by the employer to the New Pension Fund, P.O. Box 8304, Johannesburg, not later than the seventh day of the month following that to which the deductions relate, together with a statement in the form prescribed by the Council from time to time.

Signed at Johannesburg this 30th day of April 1986.

T. G. DAVIDSON,

Authorised on behalf of the Master Diamond Cutters' Association of South Africa.

R. RICH,

Authorised on behalf of the South African Diamond Workers' Union.

D. WHITE,

Authorised on behalf of the Industrial Council for the Diamond Cutting Industry of South Africa.

No. R. 2073

26 September 1986

LABOUR RELATIONS ACT, 1956

LEATHER INDUSTRY, REPUBLIC OF SOUTH AFRICA.—AMENDMENT OF SUPPLEMENTARY SICK BENEFIT FUND AGREEMENT

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 April 1987, upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or unions; and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1) shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 April 1987, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

P. T. C. DU PLESSIS,

Minister of Manpower.

BYLAE

NASIONALE NYWERHEIDSRAAD VIR DIE LEERNYWERHEID
VAN SUID-AFRIKA

AANVULLENDE SIEKTEBYSTANDSFONDS

OOREENKOMS

ooreenkomstig die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen die—

- (a) Midland and Border Leather Industry Manufacturers' Association;
- (b) Western Cape Leather Industries Association;
- (c) Transvaal Footwear, Tanning and Leather Trades Association;
- (d) Natal Footwear, Tanning and General Leather Manufacturers' Association;
- (e) Southern Cape Leather Industries Association;
- (f) South African Tanning Employer's Organisation;
- (g) South African Handbag Manufacturers' Association;
- (h) Footwear Manufacturers' Federation of South Africa;

en

- (i) Association of Transvaal Manufacturers of Luggage, Handbags and General Goods

(hierna die "werkgewers" of die "werkgewersorganisasies" genoem), aan die een kant, en die

- (j) National Union of Leather Workers;

en

- (k) Transvaal Leather and Allied Trades Industrial Union;

(hierna die "werknemers" of die "vakverenigings" genoem), aan die ander kant,

wat die partye is by die Nasionale Nywerheidsraad vir die Leernywerheid van Suid-Afrika,

om die Ooreenkoms vir die Aanvullende Siektebystandsfonds, gepubliseer by Goewermentskennisgewing R. 1791 van 3 September 1982, soos gewysig by Goewermentskennisgewing R. 2446 van 4 November 1983 en R. 304 van 21 Februarie 1986, te wysig.

1. TOEPASSINGSBESTEK VAN OOREENKOMS

Hierdie Ooreenkoms moet in die Leernywerheid nagekom word—

- (1) deur alle werkgewers en werknemers wat lede van onderskeidelik die werkgewersorganisasies en die vakverenigings is;
- (2) in die Republiek van Suid-Afrika, uitgesonderd die hawe en nederstelling van Walvisbaai.

2. KLOUSULE 10.—BYSTAND

- (1) Voeg die volgende nuwe subklousule (4) in:

"(4) Die Bestuursraad kan, na goeddunke en by aanbieding van voldane rekeninge, aan voormalige lede wat afgetree het of wat kragtens die bepalinge van die Voorsorgfondsooreenkoms ongeskik gesertifiseer is 'n bedrag terugbetaal gelyk aan die voordele waarop 'n lid geregtig is."

- (2) Hernommer die bestaande subklousule (4) om te lui subklousule (5).

Hierdie Ooreenkoms is namens die partye op hede die dag van Julie 1986 onderteken.

O. J. FOURIE,
Lid van die Raad.

D. J. F. LINDE,
Lid van die Raad.

L. M. VAN LOGGERENBERG,
Hoofsekretaris van die Raad.

No. R. 2083

26 September 1986

WET OP ARBEIDSVERHOUDINGE, 1956

VLEISBEDRYF, OOS-LONDEN.—VERLENGING VAN
OOREENKOMS

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, verleng hierby, kragtens artikel 48 (4) (a) (i) van die Wet op Arbeidsverhoudinge, 1956, die tydperke vasgestel in Goewermentskennisgewing R. 2100 van 30 September 1983, met 'n verdere tydperk wat op 30 September 1989 eindig.

P. T. C. DU PLESSIS,
Minister van Mannekrag.

SCHEDULE

NATIONAL INDUSTRIAL COUNCIL OF THE LEATHER
INDUSTRY OF SOUTH AFRICA

SUPPLEMENTARY SICK BENEFIT FUND

AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between the—

- (a) Midland and Border Leather Industry Manufacturers' Association;
- (b) Western Cape Leather Industries Association;
- (c) Transvaal Footwear, Tanning and Leather Trades Association;
- (d) Natal Footwear, Tanning and General Leather Manufacturers' Association;
- (e) Southern Cape Leather Industries Association;
- (f) South African Tanning Employer's Organisation;
- (g) South African Handbag Manufacturers' Association;
- (h) Footwear Manufacturers' Federation of South Africa;

and

- (i) Association of Transvaal Manufacturers of Luggage, Handbags and General Goods

(hereinafter referred to as the "employers" or the "employers' organisations"), of the one part, and the

- (j) National Union of Leather Workers;

and

- (k) Transvaal Leather and Allied Trades Industrial Union;

(hereinafter referred to as the "employees" or the "trade unions"), of the other part,

being the parties to the National Industrial Council of the Leather Industry of South Africa,

to amend the Agreement for the Supplementary Sick Benefit Fund published under Government Notice R. 1791 of 3 September 1982, as amended by Government Notice R. 2446 of 4 November 1983, and R. 304 of 21 February 1986.

1. SCOPE OF APPLICATION OF AGREEMENT

The terms of this Agreement shall be observed in the Leather Industry—

- (1) by all employers and employees who are members of the employers' organisations and trade unions respectively;
- (2) in the Republic of South Africa, excluding the port and settlement of Walvis Bay.

2. CLAUSE 10.—BENEFITS

- (1) Insert the following new subclause (4):

"(4) The Board of Management may, in its discretion, and on production of receipted accounts, refund to former members who have retired or who have been certified incapacitated in terms of the provisions of the Provident Fund Agreement, an amount equivalent to the benefits to which a member is entitled."

- (2) Renumber the existing subclause (4) to read subclause (5).

Signed at Port Elizabeth, on behalf of the parties, this day of July 1986.

O. J. FOURIE,
Member of the Council.

D. J. F. LINDE,
Member of the Council.

L. M. VAN LOGGERENBERG,
General Secretary of the Council.

No. R. 2083

26 September 1986

LABOUR RELATIONS ACT, 1956

MEAT TRADE, EAST LONDON.—EXTENSION OF
AGREEMENT

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby in terms of section 48 (4) (a) (i) of the Labour Relations Act, 1956, extend the periods fixed in Government Notice R. 2100 of 30 September 1983, by a further period ending 30 September 1989.

P. T. C. DU PLESSIS,
Minister of Manpower.

No. R. 2084

26 September 1986

WET OP ARBEIDSVERHOUDINGE, 1956

VLEISBEDRYF, OOS-LONDEN.—WYSIGING VAN OOREENKOMS

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, verklaar hierby—

- (a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van 1 Oktober 1986 en vir die tydperk wat op 30 September 1989 eindig, bindend is vir die werkgewersorganisasie en die vakvereniging wat die wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasie of vereniging is; en
- (b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousules 1 (1) (b) en 10, met ingang van 1 Oktober 1986 en vir die tydperk wat op 30 September 1989 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

P. T. C. DU PLESSIS,
Minister van Mannekrag.

BYLAE

NYWERHEIDSRAAD VIR DIE VLEISBEDRYF,
OOS-LONDEN

OOREENKOMS

ingevolge die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen die

East London Meat Traders' Association

(hierna die "werkgewers" of die "werkgewersorganisasie" genoem), aan die een kant, en die

East London Meat Trade Union

(hierna die "werknemers" of die "vakvereniging" genoem), aan die ander kant,

wat die partye is by die Nywerheidsraad vir die Vleisbedryf, Oos-Londen, om die Ooreenkoms gepubliseer by Goewermentkennisgewing R. 2100 van 30 September 1983.

1. TOEPASSINGSBESTEK

- (1) Hierdie Ooreenkoms moet nagekom word:
- (a) in die landdrostdistrik Oos-Londen; en
- (b) deur alle werkgewers wat lede van die werkgewersorganisasie is en in die Vleisbedryf is en deur alle werknemers wat lede van die vakvereniging is en in daardie Bedryf werksaam is.
- (2) Ondanks subklousule (1) is hierdie Ooreenkoms van toepassing slegs op werknemers vir wie lone in klousule 4 van die Ooreenkoms gepubliseer by Goewermentkennisgewing R. 2100 van 30 September 1983, voorgeskryf word.

2. KLOUSULE 3.—WOORDOMSKRYWING

- (1) Voeg die volgende omskrywing na die omskrywing van "Wet":
" 'kassier' 'n werknemer, uitgesonderd 'n klerk, wat in 'n bedryfsinrigting in diens is om geld te ontvang en wat ook telefoonbestellings mag ontvang; "
- (2) Voeg die volgende omskrywing na die omskrywing van "Raad":
" 'Snyer' 'n werknemer, uitgesonderd 'n vleistegnikus, wat onder die toesig van 'n gekwalifiseerde tegnikus, vleis sny en voorberei vir verkoop; "
- (3) In die omskrywing van "algemene werker" voeg die volgende na item "O":
" '(p) en gaar of bewerkte vleis mag sny; "

No. R. 2084

26 September 1986

LABOUR RELATIONS ACT, 1956

MEAT TRADE, EAST LONDON.—AMENDMENT OF AGREEMENT

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby—

- (a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from 1 October 1986 and for the period ending 30 September 1989, upon the employers' organisation and the trade union which entered into the Amending Agreement and upon the employers and employees who are members of the said organisation or union; and
- (b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clauses 1 (1) (b) and 10, shall be binding, with effect from 1 October 1986 and for the period ending 30 September 1989, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

P. T. C. DU PLESSIS,
Minister of Manpower.

SCHEDULE

INDUSTRIAL COUNCIL FOR THE MEAT TRADE,
EAST LONDON

AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between the

East London Meat Traders' Association

(hereinafter referred to as the "employers" or the "employers' organisation"), of the one part, and the

East London Meat Trade Union

(hereinafter referred to as the "employees" or the "trade union"), of the other part,

being parties to the Industrial Council for the Meat Trade, East London, to amend the Agreement published under Government Notice R. 2100 of 30 September 1983.

1. SCOPE OF APPLICATION

- (1) The terms of this Agreement shall be observed:
- (a) in the Magisterial District of East London; and
- (b) by all employers who are members of the employers' organisation and who are engaged in the Meat Trade, and by all employees who are members of the trade union and who are employed in that Trade.
- (2) Notwithstanding the provisions of subclause (1), the terms of this Agreement shall apply only in respect of employees for whom wages are prescribed in clause 4 of the Agreement published under Government Notice R. 2100 of 30 September 1983.

2. CLAUSE 3.—DEFINITIONS

- (1) Insert the following definition after the definition of "Act":
" 'Cashier' means an employee, other than a clerical employee, who is engaged in an establishment in receiving cash from customers and who may receive telephone orders; "
- (2) Insert the following definition after the definition of "Council":
" 'Cutter' means an employee, other than a meat technician, who may, under the supervision of a qualified meat technician, cut and prepare meat for sale; "
- (3) In the definition of "general worker" insert the following after item (o):
" '(p) and who may slice cooked and/or processed meat; "

- (4) Vervang die omskrywing van "uurloon" deur die volgende:
 "(a) die dagloon, gedeel deur agt, vir werknemers vir wie lone in klousule 4 (c) voorgeskryf word;
 (b) die werkloon, gedeel deur 46, vir werknemers vir wie lone in klousule 4 (a), (b), (f), (g) en (h) voorgeskryf word;
 (c) die werkloon, gedeel deur 24, vir werknemers vir wie lone in klousule 4 (1) (i) voorgeskryf word;
 (d) die maandloon, gedeel deur—
 (i) 200, vir werknemers vir wie lone in klousule 4 (d) en (e) voorgeskryf word;
 (ii) 130, vir werknemers vir wie lone in klousule 4 (1) (i) voorgeskryf word;"
- (5) Vervang die omskrywing van "deelydse werknemer" deur die volgende:
 "'deelydse werknemer' 'n werknemer wat as sodanig hoogstens 30 gewone ure in 'n week by dieselfde werkgewer in diens is;"
- (6) Vervang die omskrywing van "winkelhulp" deur die volgende—
 "'winkelhulp' 'n werknemer wat onder toesig van 'n gekwalifiseerde vleistegnikus vleis verkoop wat vooraf opgesny en geprys is en wat ook die werk van 'n algemene werker kan verrig;"
- (7) Skrap die omskrywing van "lewende hawe" en "vleistegnikus se assistent".

3. KLOUSULE 4—BESOLDIGING

Vervang klousule 4 deur die volgende:

"Geen laer besoldiging as die volgende mag deur 'n werkgewer betaal en deur 'n werknemer aanvaar word nie:

	Per week R
(a) Bestuurder	258,50
Winkelkontroleur	172,50
Vleistegnikus, bereider van vleisprodukte en/of spekbe-reider, gekwalifiseer	207,00
(b) Vleistegnikus, bereider van vleisprodukte en/of spekbe-reider, ongekwalifiseer:	
gedurende eerste jaar ondervinding	127,50
gedurende tweede jaar ondervinding	180,00
(c) Loswerknemer: 'n pro rata bedrag vir die werklike tyd-perk wat hy gewerk het teen die voorgeskrewe loon van toepassing op die klas werk wat hy verrig.	
	Per maand R
(d) (i) Klerk, gekwalifiseer	682,00
(ii) Klerk, ongekwalifiseer—	
gedurende eerste jaar ondervinding	531,00
gedurende tweede jaar ondervinding	607,50
	Per week R
(iii) Kassier—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	80,00
daarna	100,00
(e) Winkelassistent	90,00
(f) Algemene werker—	
gedurende eerste jaar na inwerkingtreding van hierdie Ooreenkoms	52,00
Daarna	58,00
(g) Motorvoertuigdrywer:	
Drywer van 'n motorvoertuig waarvan die onbelaste massa, tesame met die onbelaste massa, van 'n sleepwa of sleepwaens wat so 'n voertuig trek—	
(i) hoogstens 500 kg is	75,00
(ii) meer as 500 kg maar hoogstens 2 500 kg is	91,50
(iii) meer as 2 500 kg is	106,50
(h) (i) Massameter en prysvasteller—	
gedurende eerste jaar na inwerkingtreding van hierdie Ooreenkoms	60,00
daarna	66,00
(ii) Winkelhulp—	
gedurende eerste jaar na inwerk-treding van hierdie Ooreenkoms	60,00
daarna	66,00
(iii) Verpakker en toedraaier—	
gedurende eerste jaar na inwerkingtreding van hierdie Ooreenkoms	52,00
daarna	58,00
(i) Deelydse werknemer.—Minstens 60% van die gekwalifiseerde besoldiging teen die voorgeskrewe loon van toepassing op die klas werk wat hy verrig.)	

- (4) Substitute the following for "hourly wage":
 "'hourly wage' means—
 (a) the daily wage divided by eight, in respect of employees for whom wages are prescribed in clause 4 (c);
 (b) the weekly wage divided by 46, in respect of employees for whom wages are prescribed in clause 4 (a), (b), (e), (f), (g) and (h);
 (c) the weekly wage divided by 30, in respect of employees for whom wages are prescribed in clause 4 (1) (i);
 (d) the monthly wage divided by—
 (i) 200, in respect of employees for whom wages are prescribed in clause 4 (d);
 (ii) 130, in respect of employees for whom wages are prescribed in clause 4 (1) (i);"
- (5) Substitute the following for "part-time employee":
 "'part-time employee' means an employee who is employed as such by the same employer for not more than 30 ordinary hours in any one week;"
- (6) Substitute the following for "shop attendant":
 "'shop attendant' means an employee who, under the supervision of a qualified meat technician, is engaged in selling meat which has been pre-cut and pre-priced and who may, in addition, perform the work of a general worker;"
- (7) Delete the definitions of "livestock" and "meat technician's assistant".

3. CLAUSE 4.—REMUNERATION

Substitute the following for clause 4:

"No employer shall pay and no employee shall accept remuneration lower than the following:

	Per week R
(a) Manager	258,50
Shop controller	172,50
Meat technician, smallgoodsman and/or bacon curer, qualified	207,00
(b) Meat technician, smallgoodsman and/or bacon curer, unqualified—	
during first year of experience	127,50
during second year of experience	180,00
(c) Casual employee: Pro rata amount for the actual period worked by him at the prescribed rate applicable to the class of work he performs.	
	Per month R
(d) (i) Clerical employee, qualified	682,00
(ii) Clerical employee, unqualified—	
during first year of experience	531,00
during second year of experience	607,50
	Per week R
(iii) Cashier—	
during first year of experience	80,00
during second year of experience	100,00
(e) Shop assistant	90,00
(f) General worker—	
during first year of operation of this Agreement	52,00
during second year of operation of this Agreement	58,00
(g) Motor vehicle driver—	
driver of a motor vehicle, the unladen mass of which, together with the unladen mass of any trailer or trailers drawn by such vehicle—	
(i) does not exceed 500 kg	75,00
(ii) exceeds 500 kg but not 2 500 kg	91,50
(iii) exceeds 2 500 kg	106,50
(h) (i) Mass measurer and pricer—	
during first year of operation of this Agreement thereafter	60,00
(ii) Shop attendant—	
during first year of operation of this Agreement thereafter	60,00
(iii) Packer and wrapper—	
during first year of operation of this Agreement thereafter	52,00
(i) Part-time employee.—Not less than 60 % of the qualified remuneration at the prescribed rate applicable to the class of work he performs."	

4. KLOUSULE 5.—BETALING VAN BESOLDIGING

Skrap subklousule (3) (e) en vervang "(e)" deur "(f)" in die volgende paragraaf.

5. KLOUSULE 6.—VERHOUDING VAN WERKNEMERS

(1) Vervang subklousule (1) deur die volgende:

"(1) *Vleistegnikus*.—'n Werkgewer mag nie 'n ongekwalifiseerde vleis-
tegnikus of 'n snyer in diens neem nie, tensy hy 'n gekwalifiseerde vleis-
tegnikus in sy diens het, en vir elke gekwalifiseerde vleis-
tegnikus in sy diens mag hoogstens een ongekwalifiseerde vleis-
tegnikus en een snyer in elke bedryfsinrigting in diens geneem word."

(2) Vervang subklousule (4) deur die volgende:

"(4) 'n Werkgewer mag nie 'n winkelassistent, 'n winkelhulp of 'n
snyer in diens neem nie tensy hy 'n gekwalifiseerde vleis-
tegnikus in sy diens het, en vir elke gekwalifiseerde vleis-
tegnikus in sy diens mag hoogstens twee winkel-
assistenten en een winkelhulp of een winkelassistent en twee winkel-
hulpe in diens geneem word."

(3) Vervang subklousule (5) deur die volgende:

"(5) As 'n winkelhulp, 'n winkelassistent, 'n klerk, 'n snyer of 'n
algemene werker die werk van 'n vleis-
tegnikus verrig, word hy geag 'n
vleis-
tegnikus te wees."

6. KLOUSULE 7.—WERKURE

(1) Vervang subklousule (1) (d) deur die volgende:

"(d) In die geval van 'n deeltydse werknemer, hoogstens 30 uur per
week, en in die geval van 'n los werknemer, agt uur per dag, met dien
verstande dat—"

(2) Vervang subklousule (6) deur die volgende:

"(6) Klousule 7 (1) (b), 8 (2) en 9 (1) is nie van toepassing op 'n
werknemer wat R12 000 of meer per jaar verdien nie."

7. KLOUSULE 9.—OORTYDWERK

Vervang die syfer "24" deur "30" in subklousule (3) (c).

8. KLOUSULE 11

(1) Vervang subklousule (2) deur die volgende:

"(2) Aan elke werknemer vir wie daar lone in klousule 4, uitgesonderd
los werknemers, voorgeskryf word, moet daar in elke jaar diens by die-
selfde werkgewer drie agtereenvolgende weke verlof met volle besoldiging
toegestaan word, met dien verstande dat as 'n openbare vakansiedag binne
die toegestane verloftydperk val, so 'n vakansiedag by die genoemde verlof-
tydperk met volle besoldiging gevoeg moet word: Voorts met dien
verstande dat die volle verloftydperk verminder kan word met die getal dae
waarop daar aan die werknemer op sy skriftelike versoek geleentheidsver-
lof met volle besoldiging gedurende die betrokke dienstrydperk toegestaan
is. Die werkgewer moet die tyd vasstel wanneer sodanige verlof geneem
moet word sodat dit begin binne ses maande na voltooiing van 'n jaar
diens, maar sodanige verlof mag nie met 'n tydperk van militêre diens
ingevolge die Verdedigingswet, 1957, of met siekteverlof wat ingevolge
klousule 12 toegestaan is, saamval nie. Die werkgewer moet aan sy werk-
nemer sy loon vir die vakansietydperk betaal voordat sodanige werknemer
met verlof gaan."

(2) Vervang subklousule (3) deur die volgende:

"(3) As die diens van 'n werknemer vir wie lone in klousule 4, uitgeson-
derd 'n los werknemer, voorgeskryf word, beëindig word voor voltooiing
van 'n jaar diens maar na voltooiing van 'n maand diens, moet die werk-
gewer die werknemer vir en in plaas van die verlof drie twee-en-
vyftigstes van 'n week se loon betaal vir elke voltooide week diens in die onvoltooide
jaar, bereken teen die loon wat die werknemer ontvang het toe dié diens
beëindig is: Met dien verstande dat 'n werkgewer 'n eweredige bedrag kan
af trek ten opsigte van 'n verloftydperk wat ingevolge die tweede
voorbehoudsbepaling van subklousule (2) aan 'n werknemer toegestaan is.
In die geval van 'n maandeliks besoldigde werknemer word "weekloon"
geag die maandloon gedeel deur vier en 'n derde te wees."

(3) Vervang subklousule (6) deur die volgende:

"(6) Waar die diens van 'n werknemer vir wie 'n loon in klousule 4,
uitgesonderd 'n los werknemer, voorgeskryf word na voltooiing van 'n jaar
diens maar voordat sodanige jaarlikse verlof ooreenkomstig subklousule
(2) toegestaan is, moet die werkgewer by sodanige beëindiging aan die
werknemer, in plaas van sodanige verlof, vir elke maand van sodanige
diens 'n kwart van 'n week se loon betaal bereken teen die besoldiging wat
die werknemer ten tyde van sy diensbeëindiging ontvang het. Vir die
toepassing van hierdie subklousule word "weekloon" in die geval van 'n
maandeliks besoldigde werknemer geag die maandloon, gedeel deur vier
en 'n derde, te wees."

9. KLOUSULE 18.—FONDSE VAN DIE RAAD

(1) Vervang subklousule (1) (a) en (b) deur die volgende:

"(1) (a) Elke werkgewer moet ten opsigte van elke sakeonderneming
wat hy besit of dryf, 'n jaarlikse bydrae van R25,00 aan die Raad betaal.
Hierdie bedrag is verskuldig op die datum van inwerktrading van hierdie
Ooreenkoms, of op die datum waarop hy tot die vleisbedryf toetree, naam-
lik die jonste datum, en moet betaal word binne twee weke na die datum
waarop dit verskuldig is.

4. CLAUSE 5.—PAYMENT OF REMUNERATION

Delete subclause (3) (e) and substitute "(e)" for "(f)" in the following paragraph.

5. CLAUSE 6.—PROPORTION OR RATIO OF EMPLOYEES

(1) Substitute the following for subclause (1):

"(1) *Meat technician*.—An employer shall not employ an unqualified
meat technician or a cutter unless he has in his employ a qualified meat
technician, and for each qualified meat technician employed not more than
one unqualified meat technician and one cutter may be employed in each
establishment."

(2) Substitute the following for subclause (4):

"(4) An employer shall not employ a shop assistant or a shop attendant
unless he has in his employ a qualified meat technician, and for each
qualified meat technician employed, not more than either one shop assitant
and two shop attendants or two shop assitants and one shop attendant may
be employed by him."

(3) Substitute the following for subclause (5):

"(5) Whenever a shop attendant, a shop assistant, a clerical employee, a
cutter or a general worker performs the work of a meat technician, he shall
be deemed to be a meat technician."

6. CLAUSE 7.—HOURS OF WORK

(1) Substitute the following for subclause (1) (d):

"(d) in the case of a part-time employee, not more than 30 hours in any
week and in the case of a casual employee, eight hours on any one day;
Provided that—"

(2) Substitute the following for subclause (6):

"(6) The provisions of clauses 7 (1) (b), 8 (2) and 9 (1) shall not apply to
an employee who is in receipt of R12 000 or more per annum."

7. CLAUSE 9.—OVERTIME

(1) Substitute the figure "30" for the figure "24" in subclause (3) (c).

8. CLAUSE 11.—HOLIDAYS AND PAYMENTS

(1) Substitute the following for subclause (2):

"(2) Every employee for whom wages are prescribed in clause 4, other
than a casual employee, shall be given in each year of service with the
same employer, three consecutive weeks' leave of absence on full pay,
provided that should any public holiday fall within the period of leave
granted, such holiday shall be added to the said period of leave of absence
on full pay: Provided further that the full period of leave may be reduced by
any number of days on which the employee, during the relevant period of
employment, was granted occasional leave on full pay at his written re-
quest. The employers shall fix the time when such leave shall be taken so
as to commence within six months after the completion of a year's service,
but this leave shall not run concurrently with any period of military service
in terms of the Defence Act, 1957, or sick leave granted in terms of clause
12. The employer shall pay his employee his wages for the holiday period
before such employee goes on leave."

(2) Substitute the following for subclause (3):

"(3) Where the service of an employee for whom wages are prescribed
in clause 4, other than a casual employee, is terminated before the comple-
tion of a year's service, but after completion of one month's service, the
employer shall for and in lieu of leave pay to the employee for such
completed week of service in the uncompleted year three fifty-seconds of a
week's pay at the rate which the employee was receiving when such ser-
vice was terminated: Provided that an employer may make a proportionate
deduction in respect of any period of leave granted to an employee in terms
of the second proviso to subclause (2). In the case of a monthly-paid
employee, "week's pay" shall be deemed to be the monthly rate, divided
by four and one third."

(3) Substitute the following for subclause (6):

"(6) Where the service of an employee for whom wages are prescribed
in clause 4, other than a casual employee, is terminated after the comple-
tion of any year's service, but before such annual leave has been granted
in terms of subclause (2), the employer shall upon such termination pay the
employee in lieu of such leave one-quarter of a week's pay in respect of
each month of such service at the rate the employee was receiving when his
service was terminated. For the purposes of this subclause, a "week's
pay" in the case of a monthly-paid employee shall be deemed to be the
monthly rate, divided by four and one third."

9. CLAUSE 18.—COUNCIL FUNDS

(1) Substitute the following for subclause (1) (a) and (b):

"(1) (a) Every employer shall, in respect of each business he owns or
conducts, pay to the Council an annual contribution of R25,00. Such sum
shall become due on the date of coming into operation of this Agreement,
or on the date on which he enters the meat trade, whichever is the later, and
shall be paid within two weeks of the due date.

(b) Elke werkgewer moet R1,00 per maand aftrek van die lone van elkeen van sy werknemers wat 'n loon van minder as R100,00 per week ontvang en R2,00 per maand van elkeen van sy werknemers wat R100,00 of meer per week ontvang."

(2) Skrap subklousule (2).

10. KLOUSULE 21.—ORGANISASIE

(1) Skrap die volgende van subklousule (1):

"en motorvoertuigdrywers".

(2) Voeg die volgende subklousule in:

"(3) Elke werkgewer sal van die lone van elke werknemer in sy diens, wat lede van die vakunie is, die ledegeld toekomstig aan die vakunie, van die werknemer se lone aftrek en sal die totale bedrag saam met 'n lys van die betrokke werknemers aan die Sekretaris van die vakunie, Posbus 1005, Oos-Londen, nie later as die vyftiende dag van die volgende maand wanneer die aftreksel toekomstig was."

(3) Vervang "(3)" deur "(4)".

Geteken te Oos-Londen, soos gemagtig, namens die partye by die Raad op hede die 18de dag van June 1986.

A. SUTHERLAND.

Voorsitter van die Raad.

R. G. CONWAY.

Ondervoorsitter van die Raad.

J. A. NICHOLAS.

Sekretaris van die Raad.

(b) R1,00 per month shall be deducted by every employer from the wages of each of his employees who are in receipt of wages of less than R100,00 per week and R2,00 per month from each of his employees who are in receipt of wages of R100,00 or more per week."

(2) Delete subclause (2).

10. CLAUSE 21.—ORGANISATION

(1) Delete the following from subclause (1):

"and motor vehicle drivers" or (b)

(2) Insert the following subclause:

"(3) Every employer shall deduct from the wages of each member of the trade union in his employ, the monthly subscription due by such employee to the trade union and shall forward the total amount deducted, together with a list showing the names of the relevant employees, to the Secretary of the union, P.O. Box 1005, East London, not later than the fifteenth day of the month following that in which the deduction became due."

(3) Substitute "(3)" for "(4)".

Signed at East London, as authorised, for and on behalf of the parties to the Council, this 18th day of June 1986.

A. SUTHERLAND,

Chairman of the Council.

R. G. CONWAY,

Vice-Chairman of the Council.

J. A. NICHOLAS,

Secretary of the Council.

DIE BLOMPLANTE VAN AFRIKA

Hierdie publikasie word uitgegee as 'n geïllustreerde reeks, baie na die aard van Curtis se "Botanical Magazine". Die doel van die werk is om die skoonheid en variasie van vorm van die flora van Afrika aan die leser bekend te stel, om belangstelling in die studie en kweek van die inheemse plante op te wek, en om plantkunde in die algemeen te bevorder.

Die meeste van die illustrasies word deur kunstenaars van die Navorsingsinstituut vir Plantkunde gemaak, dog die Redakteur verwelkom geskikte bydraes van 'n wetenskaplike en kunsstandaard afkomstig van verwante inrigtings.

Onder huidige omstandighede word twee dele van die werk in een omslag gepubliseer, maar met onreëlmatige tussenpose; elke deel bevat 10 kleurplate. Intekengeld bedra R15 per uitgawe van twee dele (buitelands R16 per uitgawe): Vier dele per band. Vanaf band 27 is die prys per band in rexine gebind R40; in luukse rexine gebind R45. (Buitelands, rexine gebind R45; luukse band R50).

Verkrygbaar van die Direkteur, Afdeling Landbouinligting, Privaatsak X144, Pretoria.

Verkoopbelasting moet by binnelandse bestellings ingesluit word.

THE FLOWERING PLANTS OF AFRICA

This publication is issued as an illustrated serial, much on the same lines as Curtis's Botanical Magazine, and for imitating which no apology need be tendered.

The desire and object of the promoters of the publication will be achieved if it stimulates further interest in the study and cultivation of our indigenous plants.

The illustrations are prepared mainly by the artists at the Botanical Research Institute, but the Editor welcomes contributions of suitable artistic and scientific merit from kindred institutions.

Each part contains 10 plates. Two parts are published in one cover and costs R15 per issue of two parts (other countries R16 per issue). Two, three or four parts may be published annually, depending on the availability of illustrations. A volume consists of four parts. From Volume 27, the price per volume is: Rexine binding, R40; de luxe binding R45 (other countries, rexine binding R45; de luxe binding R50).

Obtainable from the Director, Division of Agricultural Information, Private Bag X144, Pretoria.

Sales tax must accompany inland orders.

BUD DAY. 4/6/86.

~~R4~~ 190

Pointer Fashion seeking listing

PRISCILLA WHYTE

POINTER FASHION International, the Cape-based handbag and leather garments manufacturer, has applied for listing on the Development Capital Market on June 25.

Of the 8-million no-par-value shares, 1,6-million will be privately placed with associates and employees at an issue price of 23c a share.

Pointer is forecasting earnings of 2c a share for the year to June 1986 and a 1c a share dividend for 1987. Turnover is estimated at R5,5m for 1986 (R4,5m) and taxed profit of R157 000 (R118 000). The net asset value is 14c a share.

After the listing executive chairman Sol Turok will control 40% of the equity, having made available for the issue 20% he previously owned. Joint MDs Julie Stein and Laurence Turok hold 20% each.

The share capital was increased on May 15 when shareholders' loans amounting to R516 000 were capitalised.

The pro forma balance sheet to June 1985 shows a current ratio of over 2:1 and gearing of 45%.

About 80% of Pointer's market is on the Reef and about 25% of turnover is earned by exports.

No. R. 2212

24 October 1986

LABOUR RELATIONS ACT, 1956

HAIRDRESSING TRADE, CAPE PENINSULA.—
RENEWAL OF MAIN AGREEMENT

I, Mattheus Willem Johannes le Roux, Director: Manpower, duly authorised thereto by the Minister of Manpower, hereby, in terms of section 48 (4) (a) (ii) of the Labour Relations Act, 1956, declare the provisions of Government Notices R. 1902 of 2 September 1983 and R. 300 of 15 February 1985, to be effective from the date of publication of this notice and for the period ending 31 March 1989.

M. W. J. LE ROUX,
Director: Manpower.

No. R. 2213

24 October 1986

LABOUR RELATIONS ACT, 1956

BUILDING INDUSTRY, PIETERMARITZBURG AND
NORTHERN AREAS.—EXTENSION OF MAIN
AGREEMENT

I, Mattheus Willem Johannes le Roux, Director: Manpower, duly authorised thereto by the Minister of Manpower, hereby, in terms of section 48 (4) (a) (i) of the Labour Relations Act, 1956, extend the periods fixed in Government Notices R. 138 of 11 February 1983, R. 2395 of 28 October 1983, R. 989 of 18 May 1984, R. 2242 of 19 October 1984, R. 2352 of 26 October 1984, R. 1040 of 10 May 1985, R. 1041 of 10 May 1985, R. 2378 of 25 October 1985, R. 609 of 4 April 1986, R. 1066 of 30 May 1986 and R. 1627 of 1 August 1986 by a further period ending 26 April 1987.

M. W. J. LE ROUX,
Director: Manpower.

No. R. 2214

24 October 1986

LABOUR RELATIONS ACT, 1956

LEATHER, INDUSTRY, REPUBLIC OF SOUTH
AFRICA.—AMENDMENT OF PROVIDENT FUND
AGREEMENT

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby—

- (a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 1 January 1991, upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or unions; and
- (b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clauses 1 (1) (a) shall be

No. R. 2212

24 Oktober 1986

WET OP ARBEIDSVERHOUDINGE, 1956

HAARKAPPERSBEDRYF, KAAPSE SKIEREILAND.—
HERNUWING VAN HOOFOOREENKOMS

Ek, Mattheus Willem Johannes le Roux, Direkteur: Mannekrag, behoorlik daartoe gemagtig deur die Minister van Mannekrag, verklaar hierby, kragtens artikel 48 (4) (a) (ii) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van Goewermentskennisgewings R. 1902 van 2 September 1983 en R. 300 van 15 Februarie 1985, van krag is vanaf die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Maart 1989 eindig.

M. W. J. LE ROUX,
Direkteur: Mannekrag.

No. R. 2213

24 Oktober 1986

WET OP ARBEIDSVERHOUDINGE, 1956

BOUNYWERHEID, PIETERMARITZBURG EN NOOR-
DELIKE GEBIEDE.—VERLENGING VAN HOOFOOR-
EENKOMS

Ek, Mattheus Willem Johannes le Roux, Direkteur: Mannekrag, behoorlik daartoe gemagtig deur die Minister van Mannekrag, verleng hierby, kragtens artikel 48 (4) (a) (i) van die Wet op Arbeidsverhoudinge, 1956, die tydperke vasgestel in Goewermentskennisgewings R. 138 van 11 Februarie 1983, R. 2395 van 28 Oktober 1983, R. 989 van 18 Mei 1984, R. 2242 van 19 Oktober 1984, R. 2352 van 26 Oktober 1984, R. 1040 van 10 Mei 1985, R. 1041 van 10 Mei 1985, R. 2378 van 25 Oktober 1985, R. 609 van 4 April 1986, R. 1066 van 30 Mei 1986 en R. 1627 van 1 Augustus 1986 met 'n verdere tydperk wat op 26 April 1987 eindig.

M. W. J. LE ROUX,
Direkteur: Mannekrag.

No. R. 2214

24 Oktober 1986

WET OP ARBEIDSVERHOUDINGE, 1956

LEERNYWERHEID, REPUBLIEK VAN SUID-
AFRIKA.—WYSIGING VAN VOORSORGFONDSOOR-
EENKOMS

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, verklaar hierby—

- (a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 1 Januarie 1991 eindig, bindend is vir die werkgewersorganisasies en die vakverenigings wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasies of verenigings is; en
- (b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousules 1 (1) (a) met ingang van die

binding, with effect from the second Monday after the date of publication of this notice and for the period ending 1 January 1991, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

P. T. C. DU PLESSIS,
Minister of Manpower.

SCHEDULE

NATIONAL INDUSTRIAL COUNCIL OF THE LEATHER INDUSTRY OF SOUTH AFRICA

PROVIDENT FUND AGREEMENT

in terms of the Labour Relations Act, 1956, made and entered into by and between—

- (a) The Midland and Border Leather Industry Manufacturers' Association;
- (b) Western Cape Leather Industries Association;
- (c) The Transvaal Footwear, Tanning and Leather Trades Association;
- (d) The Natal Footwear, Tanning and General Leather Manufacturers' Association;
- (e) The Southern Cape Leather Industries Association;
- (f) The South African Tanning Employers' Organisation;
- (g) The South African Handbag Manufacturers' Association;
- (h) Footwear Manufacturers' Federation of South Africa;

and

- (i) Association of Transvaal Manufacturers of Luggage, Handbags and General Goods,

(hereinafter referred to as the "employers" or the "employers' organisations"), of the one part, and

- (j) The National Union of Leather Workers;

and

- (k) The Transvaal Leather and Allied Trades Industrial Union,

(hereinafter referred to as the "employees" or the "trade unions"), of the other part,

being the parties to the National Industrial Council of the Leather Industry of South Africa,

to amend the Agreement for the Provident Fund published under Government Notice R. 640 of 2 April 1982, as amended and renewed by Government Notices R. 124 of 28 January 1983, R. 2445 of 4 November 1983, R. 1668 of 26 July 1985, R. 1777 of 9 August 1985 and R. 302 of 21 February 1986.

1. SCOPE OF APPLICATION OF AGREEMENT

(1) The terms of this Agreement shall be observed in the Leather Industry—

- (a) by all employers who are members of the employers' organisations and by all employees who are members of the trade unions and who are engaged or employed therein respectively (other than persons engaged exclusively on repair work);
- (b) in the Republic of South Africa, excluding the port and settlement of Walvis Bay: Provided that, on the operations set forth in paragraph (6) of the definition of "Industry" or "Leather Industry" in clause 3 of this Agreement, it shall be observed only in the Magisterial Districts Bellville, The Cape, Goodwood, Durban, including that portion of the Magisterial District of Chatsworth which, prior to the publication of Government Notice 501 of 8 March 1985, fell within the Magisterial District of Durban, and Johannesburg: Provided further that, on the operations set forth in paragraph (7) of the definition of "Industry" or "Leather Industry" in clause 3 of this Agreement, it shall be observed only in the Magisterial Districts of Bellville, Goodwood and Durban, including that portion of the Magisterial District of Chatsworth which, prior to the publication of Government Notice 501 of 8 March 1985, fell within the Magisterial District of Durban: Provided further that, on the operations set forth in paragraph (8) of the definition of "Industry" or "Leather Industry" in clause 3 of this Agreement, it shall be observed only in the Magisterial Districts of Bellville, Germiston, Johannesburg, Middelburg (Transvaal), Pretoria, Roodepoort and The Cape.

(2) Notwithstanding the provisions of subclause (1), the terms of this Agreement shall, however, only apply to those employees for whom wages are prescribed in any agreement of the Council.

tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 1 Januarie 1991 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

P. T. C. DU PLESSIS,
Minister van Mannekrag.

BYLAE

NASIONALE NYWERHEIDSRAAD VIR DIE LEERNYWERHEID VAN SUID-AFRIKA

VOORSORGFONDSOOREENKOMS

ooreenkomstig die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen—

- (a) The Midland and Border Leather Industry Manufacturers' Association;
- (b) Western Cape Leather Industries Association;
- (c) The Transvaal Footwear, Tanning and Leather Trades Association;
- (d) The Natal Footwear, Tanning and General Leather Manufacturers' Association;
- (e) The Southern Cape Leather Industries Association;
- (f) The South African Tanning Employers' Organisation;
- (g) The South African Handbag Manufacturers' Association;
- (h) Footwear Manufacturers' Federation of South Africa;

en

- (i) Association of Transvaal Manufacturers of Luggage, Handbags and General Goods,

(hierna die "werkgewers" of die "werkgewerorganisasies" genoem), aan die een kant en

- (j) The National Union of Leather Workers;

en

- (k) The Transvaal Leather and Allied Trades Industrial Union,

(hierna die "werknemers" of die "vakvereniging" genoem), aan die ander kant,

wat die partye is by die Nasionale Nywerheidsraad vir die Leernywerheid van Suid-Afrika,

om die Ooreenkoms vir die Voorsorgfonds, gepubliseer by Goewermetskennisgewing R. 640 van 2 April 1982, soos gewysig en hernieu by Goewermetskennisgewings R. 124 van 28 Januarie 1983, R. 2445 van 4 November 1983, R. 1668 van 26 Julie 1985, R. 1777 van 9 Augustus 1985 en R. 302 van 21 Februarie 1986, te wysig.

1. TOEPASSINGSBESTEK VAN OOREENKOMS

(1) Hierdie Ooreenkoms moet in die Leernywerheid nagekom word—

- (a) deur alle werkgewers wat lede van die werkgewersorganisasies is en deur alle werknemers wat lede van die vakverenigings is en wat onderskeidelik by die Nywerheid betrokke of daarin werksaam is (uitgesonderd persone wat uitsluitlik herstelwerk doen);
- (b) in die Republiek van Suid-Afrika, uitgesonderd die hawe en nederstelling van Walvisbaai: Met dien verstande dat, in verband met die werksaamhede uiteengesit in paragraaf (6) van die omskrywing van "Nywerheid" of "Leernywerheid" in klousule 3 van hierdie Ooreenkoms, dit net in die landdrosdistrikte Bellville, Die Kaap, Goodwood, Durban, met inbegrip van daardie gedeelte van die landdrosdistrik Chatsworth wat voor die publikasie van Goewermetskennisgewing 501 van 8 Maart 1985 binne die landdrosdistrik Durban geval het, en Johannesburg nagekom moet word: Voorts met dien verstande dat, in verband met die werksaamhede uiteengesit in paragraaf (7) van die omskrywing van "Nywerheid" en "Leernywerheid" in klousule 3 van hierdie Ooreenkoms, dit net in die landdrosdistrikte Bellville, Goodwood en Durban, met inbegrip van daardie gedeelte van die landdrosdistrik Chatsworth wat voor die publikasie van Goewermetskennisgewing 501 van 8 Maart 1985 binne die landdrosdistrik Durban geval het, nagekom moet word: Voorts met dien verstande dat, in verband met die werksaamhede uiteengesit in paragraaf (8) van die omskrywing van "Nywerheid" of "Leernywerheid" in klousule 3 van hierdie Ooreenkoms, dit net in die landdrosdistrikte Bellville, Germiston, Johannesburg, Middelburg (Transvaal), Pretoria, Roodepoort en Die Kaap nagekom moet word.

(2) Ondanks subklousule (1), is hierdie Ooreenkoms egter van toepassing slegs op dié werknemers vir wie lone in enige ooreenkoms van die Raad voorgeskryf word.

2. CLAUSE 4.—PROVIDENT FUND

- (1) In subclause (9) (b), substitute "80 per cent" for "65 per cent."
- (2) Insert the following new subclause (9) (c):
- "(c) Every member referred to in subclause (7) (a) who has had 25 years' continuous service in the Industry shall, in addition to the bonus referred to in paragraph (a), be entitled to a bonus equal to 20 per cent of the benefits payable in terms of subclause (7) (a) or (a) bis, whichever is applicable: Provided that the Management Committee may, in its discretion, and on the recommendation of an actuary, vary or cancel such bonus."
- (3) In subclause (9), renumber the existing paragraphs (c), (d), (e), (f) and (g) to read (d), (e), (f), (g) and (h).

Signed at Port Elizabeth, on behalf of the parties, this 7th day of July 1986.

D. J. F. LINDE,
Member of the Council.

O. J. FOURIE,
Member of the Council.

L. M. VAN LOGGERENBERG.
General Secretary of the Council.

No. R. 2232

24 October 1986

LABOUR RELATIONS ACT, 1956

IRON, STEEL, ENGINEERING AND METALLURGICAL INDUSTRY.—AMENDMENT OF SICK PAY FUND AGREEMENT

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby—

- (a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 November 1990, upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and the employees who are members of the said organisations or unions; and
- (b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clauses 1 (1) (b), 2 and 5, shall be binding, with effect from the second Monday after the date of publication on this notice and for the period ending 30 November 1990, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

P. T. C. DU PLESSIS,
Minister of Manpower.

SCHEDULE

NATIONAL INDUSTRIAL COUNCIL FOR THE IRON, STEEL, ENGINEERING AND METALLURGICAL INDUSTRY

SICK PAY FUND AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between the

Automotive Parts Production Engineers' Association
Border Engineering Industries Association
Cape Engineers' and Founders' Association
Constructional Engineering Association
Domestic Appliance Manufacturers' Association of South Africa
Edge Hand and Small Tool Manufacturers' Association
Electrical Engineering and Allied Industries Association
Electronics and Telecommunications Industries Association

2. KLOUSULE 4.—VOORSORGFONDS

- (1) In subklousule (9) (b), vervang "65 per cent" deur "80 per cent."
- (2) Voeg die volgende nuwe subklousule (9) (c) in:
- "(c) Elke lid in subklousule (7) (a) bedoel wat 25 jaar ononderbroke diens in die Nywerheid gehad het, is benewens die bonus in paragraaf (a) bedoel, geregtig op 'n bonus gelyk aan 20 persent van die bystand betaalbaar ooreenkomstig subklousule (7) (a) of (a) bis, watter een ook al van toepassing is: Met dien verstande dat die Bestuurskomitee na goeddunke en op aanbeveling van 'n aktuaris so 'n bonus kan verander of kanselleer."
- (3) In subklousule (9), hernoem die bestaande paragrawe (c), (d), (e), (f) en (g) om te lui (d), (e), (f), (g) en (h).

Namens die partye op hede die 7de dag van Julie 1986 te Port Elizabeth onderteken.

D. J. F. LINDE,
Lid van die Raad.

O. J. FOURIE,
Lid van die Raad.

L. M. VAN LOGGERENBERG.
Hoofsekretaris van die Raad.

No. R. 2232

24 Oktober 1986

WET OP ARBEIDSVERHOUDINGE, 1956

YSTER-, STAAL-, INGENIEURS- EN METALLURGIESE NYWERHEID.—WYSIGING VAN SIEKTEBYSTANDSFONDSOOREENKOMS

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, verklaar hierby—

- (a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 November 1990 eindig, bindend is vir die werkgeversorganisasies en die vakverenigings wat die Wysigingsooreenkoms aangegaan het en vir die werkgevers en werknemers wat lede van genoemde organisasie of verenigings is; en
- (b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousules 1 (1) (b), 2 en 5 met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 November 1990 eindig, bindend is vir alle ander werkgevers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

P. T. C. DU PLESSIS,
Minister van Mannekrag.

BYLAE

NASIONALE NYWERHEIDSRaad VIR DIE YSTER-, STAAL-, INGENIEURS- EN METALLURGIESE NYWERHEID

SIEKTEBYSTANDSFONDSOOREENKOMS

ooreenkomstig die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen die

Automotive Parts Production Engineers' Association
Border Engineering Industries Association
Cape Engineers' and Founders' Association
Constructional Engineering Association
Domestic Appliance Manufacturers' Association of South Africa
Edge Hand and Small Tool Manufacturers' Association
Electrical Engineering and Allied Industries Association
Electronics and Telecommunications Industries Association

FUN MAIL 28/11/86

LEATHER

Down at heel

190

The South African tanning industry, caught between the twin evils of exploding input costs and fickle local demand, is fighting for survival — ironically at a time when the South African footwear industry is showing signs of recovery.

SA Tanners' Association president Ulrich Hanni predicts tanners will have to increase their prices by at least 15%-20% in the next few months if they are to stay in business.

Hanni reckons tanners have done their best to absorb runaway costs, directly contradicting the footwear manufacturers' charge that leather prices, along with other industry inputs, have increased by around 100% in the past year (*Business* October 17).

Claiming the footwear manufacturers have their arithmetic wrong, Hanni nonetheless warns that they should brace themselves for a spate of further leather price increases which he says have their origin in the adverse exchange rate and high local inflation.

"The average hide price," says Hanni, "increased from R1,09/kg in 1983 to R2,60/kg in 1986, an increase of 138%. The cost of chemicals, most of which are imported, went up by 95% over the past 15 months.

"In 1983, on the other hand, the price of corrected grain side leather which is used for school shoes was R16,50/m², in 1985 R23,20/m² and in September 1986 R31/m² — an increase of 88% over almost three years or an average of 29% a year."

Hides constitute 55% and chemicals 25% of the selling price of leather.

Clearly, says Hanni, tanners absorbed a large percentage of the cost increases to the obvious advantage of shoe manufacturers. Furthermore, while it was more profitable for tanners to export hides semi-processed because of the high foreign currency receipts, they had continued to supply local factories to maintain continuity of supply.

Another charge shoe manufacturers make is that leather quality and delivery lead times have been bad lately. However, Hanni points out that shoe retailers, who are notoriously partial to dipping in and out of the import

market when exchange rates are favourable, could hardly expect tanners to gear up their capacities by 40%-60% when demand suddenly came back on shore.

To illustrate the point, he notes that from 1980 to 1984 total shoe imports increased from 21% to 31%. Conversely, from January to June this year, imports of bovine leather and leather shoes dropped to 32% and 27% of their historic levels respectively.

It is precisely this love affair with overseas shoe suppliers which, he says, distorts the industry and leads to feast or famine consequences for tanners.

However, Hanni warns that the tide could turn and that shoemakers may "find many closed doors when they return to the local market when the rand falls again."

In a rare confluence of interests, Robert Fineblum, vice-president of the Footwear Manufacturers' Federation, admits he has sympathy with Hanni's argument. But he says it ignores a fundamental business principle in that business has an obligation to maximise its returns — which invariably means buying in the best possible market. ■

SARK
6/10/74
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Tannery forced to retrench 101 workers

EAST LONDON — King Tanning Company retrenched 101 employees because of deteriorating economic circumstances, the managing director, Mr P D Brand, announced in King William's Town.

Mr Brand said in a statement the retrenchments were due to the "serious and deteriorating prevailing economic circumstances", and said the decision was taken with "deep regret".

He said management consulted both trade unions operating at its factory "in order to establish retrenchment terms which are aimed at ameliorating the inevitable hardship which this action implies". — Sapa.

A piece of the action works wonders

By TOM HOOD
Weekend Argus
Financial Staff

IF YOU want to motivate your workers, give them a piece of the action.

This is the belief of Mr Sol Turok, who is doing just that — offering part of the 56-year-old family business to the 180 workers in the leather handbag and clothing factory at Paarden Eiland.

The company, Pointer Fashion International, is being listed on the Johannesburg Stock Exchange this month and a major part of the 1.6 million shares on offer has been earmarked for the staff.

Already, he says, employees are looking at the high-fashion factory in a new light.

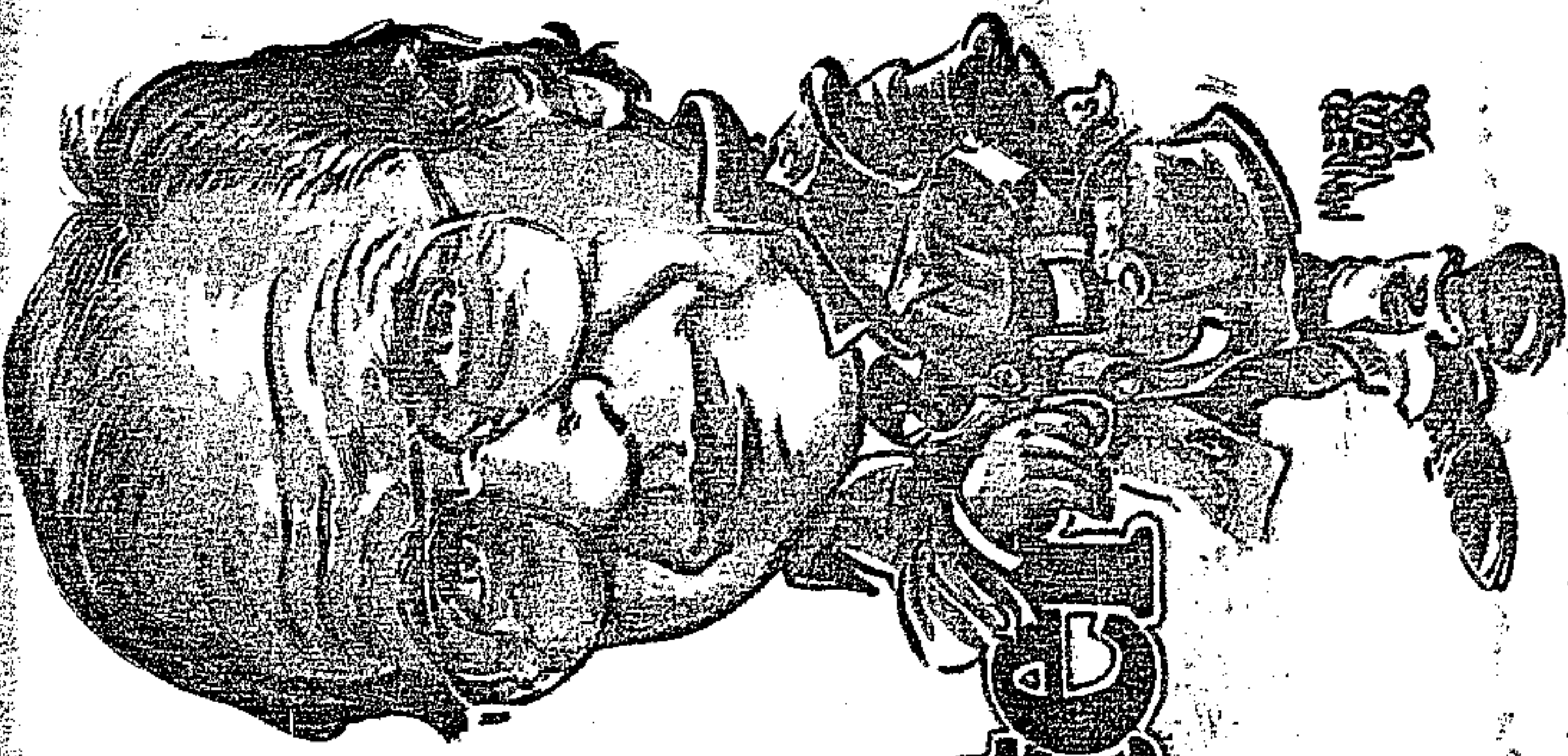
One worker-shareholder for example noticed metal rods for bags being sent to an engineering shop for cutting — the normal practice. He immediately offered to take them home after work and cut them in his garage for free to save the company money.

Another long-serving worker, who could not afford to buy shares even at 23c each, was in tears when the directors decided to make him a gift of the shares allotted to him.

"I am sure they will be different people from now with a new attitude to work," said Mr Turok, Pointer's chairman.

The share price of 23c represents an earnings yield of 8.7 percent in terms of the forecast profit and the listing later this month in the Development Capital sector of the JSE has brought an unexpectedly large

ad 14/6/86
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Pointer

Mr Sol Turok: Giving workers a share in the business.

demand from trade suppliers, customers and business associated, who had been on the list for an allocation of shares.

"We didn't know we had so many friends. People have been phoning us from all directions. We could have placed three times as many shares," says Mr Turok.

In fact he is limiting people on the intended list to only 50 percent of their allocation.

Pointer claims to be the largest company of its kind in the country and after it be-

comes better known in the capital market it expects to be able to muster the funds needed for future expansion.

This week a long-established company in the same field made approaches and said it would like to join Pointer.

"There is the possibility of taking them over. That could be the best way to expand," he said.

Sales, particularly exports, are running at a high level. "We have turned business

away because we don't have the capacity to do it."

The low rand will help exports tremendously even though costs will be higher as most raw materials are imported. And Pointer receives worthwhile tax rebates when the leather is re-exported as a handbag or garment.

With the low rand, imports of finished goods will be almost impossible.

Pointer has foreign exchange cover until the end of September and costs would be averaged over four months.

Export prices are so competitive that a high-fashion leather jacket could be sold profitably for \$700 in New York — "And that's nothing to them."

Mr Turok is busy appointing agents in England, Texas and Los Angeles and he is also organising a distribution warehouse in Dallas — "It means we could export in bulk in containers and save a lot of money."

One of the fastest-growing markets is Johannesburg, where a jacket in real leather is a vital part of fashion-conscious young black people's gear.

Mr Turok's introduction to the family business was through earning pocket money after school by working at the factory.

He recalls he was so small he had to stand on a box to reach a machine and stamp out leather buttons for mattresses.

Solomon, like his father Harry, founder of the business, was born in Eastern Europe and is steeped in the industry.

Harry Turok ended as chairman and worked until after his 89th birthday — he was at the factory on the day he died and he left a multi-million rand company he started from scratch.

He originally had a shoe-making factory in Russia and after the 1917 revolution it became controlled by the communist government. He landed in prison for trying to get more food and fuel for his workers.

He escaped from the country and set up business in other European countries.

Emigrating later to Australia, he stopped off at Cape Town, liked the mountain and decided to open a factory in Hope Street.

Solomon later joined him, training overseas and working his way up from the shop floor to the MD's chair.

Leather heads for the JSE (190)

By Kerry Clarke

GROWING demand from black consumers for leather garments and strengthening demand from the US for relatively cheap SA goods prompt optimistic turnover and profit growth predictions by Pointer Fashion International.

The company, which will be listed on the Development Capital Market of the Johannesburg Stock Exchange on Wednesday, has an erratic turnover and taxed profit history. Turnover fell by 4% in 1983 and profits declined 20% in 1984.

Healthier

But growth in 1985 and predicted growth for the year to June 1986 look far healthier. Turnover rose by 34% to R4.5-million from 1984 to 1985 and taxed profits by 37% to R118 000.

Turnover is predicted to increase by 22% to R5.5-million in 1986 and taxed profits are forecast to rise 33% to R157 000.

Expected earnings for 1986 are 2c a share and the dividend 1c.

Pointer, which has been in business for 30 years, supplies all the large retail

chains in SA with leather and plastic goods. A drive to increase sales abroad has resulted in the appointment of Pointer agencies in New York, Texas and Los Angeles.

Exports comprise about 10% of turnover and Pointer chairman Sol Turok says there is huge potential for growth.

The SA market is also looking good because of increasing demand from black buyers. Imports have been halted by a duty that operates on the basis of both price and weight.

Coming back

"Motorcycle shops which used to import jackets from the Far East — Korea and Taiwan — are coming back to us. We are also supplying provincial departments and traffic departments."

Mr Turok has released 20% of his holding of Pointer, or 1.6-million shares, for a private placing at 23c a share — a 9c premium to net asset value. This will leave him with 40% of the company.

Joint managing directors, Laurence Turok and Julie Stein hold the remaining 40%.

Mr Sol Turok says one of the main reasons for a listing was the need to broaden the company's managerial base. Shares were also offered to customers, and Mr Turok believes this move will boost loyalty.

BUSINESS

190 (2000) 116.05 18/12/86

COMPANIES

Pointer Fashion aiming for 50 pc profits rise

PROSPECTS for Pointer Fashion International are encouraging as profit from July to December should be up by 50 percent on the same period last year, says the chairman, Mr Sol Turok.

Turnover will be up by about 40 percent, he said in Cape Town at the first annual meeting since the Johannesburg Stock Exchange listing of the leather fashion goods manufacturer.

"This impressive performance in difficult times is something we can all be proud of," he told shareholders.

Order books were filling up and the company could look forward to "an excellent" 1987.

More ostrich skin goods were

being sold than ever before and high priced jackets in the R600 to R800 range were selling well. The Christmas trade was expected to be exceptionally good.

Cash flow was improving as a result of reducing terms to 60 days and giving discounts for cash.

Franchise agreements were going well, with four more coming into force in February next year.

The more stable rand exchange rate and a drop in the prices of imported leathers would help to contain wage and other cost increases.

Exports were buoyant and the company had an assured future in

the overseas market, said Mr Turok in his review. "Firm inquiries from overseas are most heartening.

"We are constantly impressed by the notable fund of confidence and goodwill shown towards South Africa and our company by a large and expanding circle of business associates and contacts."

Earnings for next year were likely to exceed the forecast of 2,35c a share for the 12 months to next June — and that figure was up by 59 percent.

The maiden dividend would also be more than the 0,5c forecast in the pre-listing statement.

Tom Hood

CONSTRUCTION

CMC CT. 3/3/84

Pointer says skills helped boost profit

190

POINTER Fashion International, the Cape-based manufacturer of leather garments and handbags, boosted after-tax profits by almost 50% — from R97 000 to R145 000 — for the six months to December last year.



Earnings per share are up from 1,21c to 1,81c and the company has declared an interim dividend of 0,75c a share — 50% higher than that forecast in the company's pre-listing statement published in May last year.

The interim statement published yesterday also reveals that turnover climbed from R2,8m to R3,8m.

'Deployment of skills'

Interest was up by R33 000 to R77 000 while the tax bill rose by R32 000 to R95 000.

Commenting on the results, the directors point out that much of the company's success was due to the deployment of increased management skills

in the critical areas of sales and production.

The company's order books are full to the end of April and demand for the important winter season is showing encouraging signs of improvement over last year.

The directors also state that the company's franchise and export programmes continue to progress well.

Showroom in Brussels

"Agreements have been concluded with manufacturers of men's belts, sportswear and a suit and trouser house to produce ranges under the Pointer label. Three further agreements are pending and the franchise programme should increase royalty income significantly in the future," they say.

With the co-operation of the SA Embassy, the company has opened a permanent showroom in Brussels and negotiations are underway for products to be distributed in Germany.

The company has also started the export of handbags to Taiwan.

of	Price
ation	30 cents
4	
ing 1984	30 cents
ing 1984	30 cents
ing 1984	30 cents

MANUFACTURING - LEATHER AND PRODUCTS

1993

Fm 8/1/93 (190)

Activities: Tanning of hides and skins for sale as finished leather in local and overseas shoe, clothing and upholstery markets.

Control: African Hide Trading Corp 63%.

Chairman: P G Kaufmann; **MD:** O R Townsley.

Capital structure: 18,5m ords. Market capitalisation: R23m.

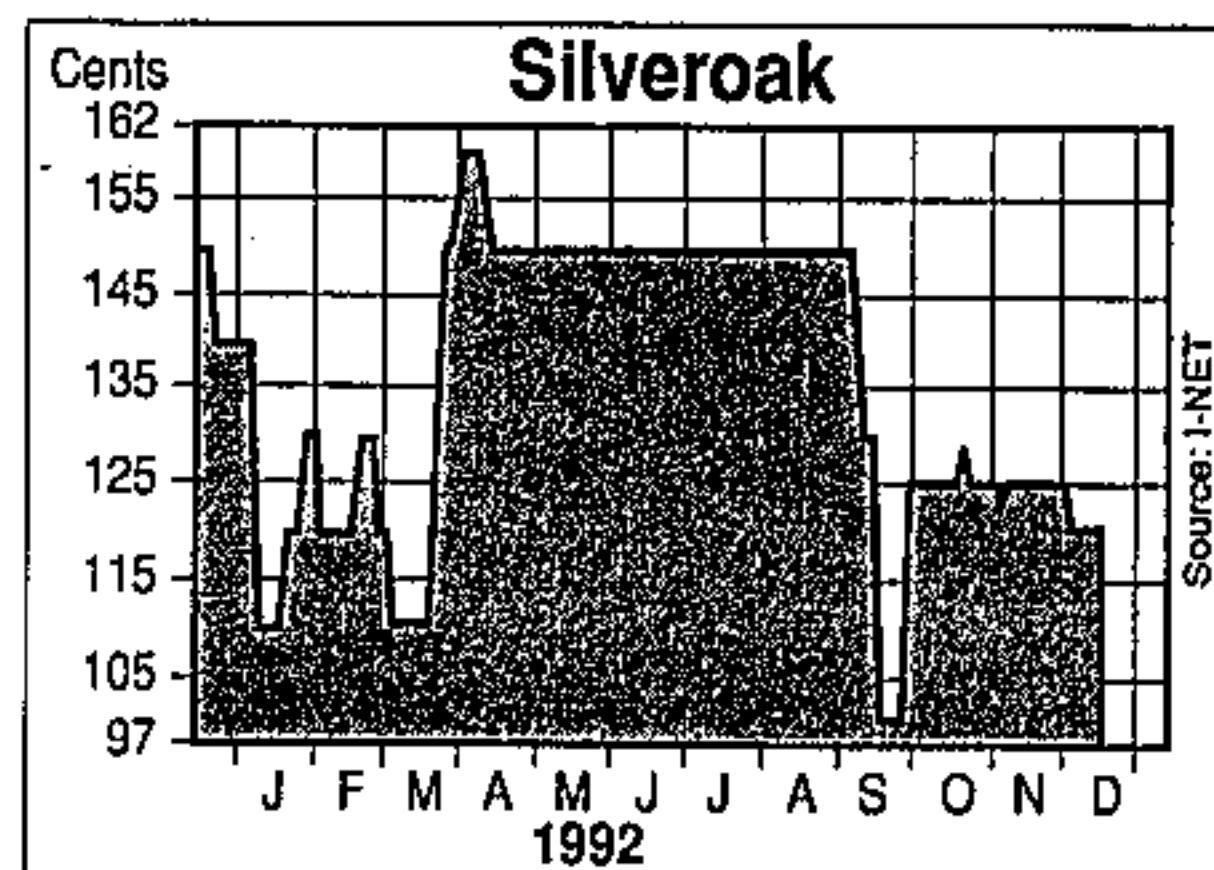
Share market: Price: 125c. Yields: 21,6% on dividend; 43,6% on earnings; p:e ratio, 2,3; cover, 2,0. 12-month high, 160c; low, 100c.

Trading volume last quarter, 702 000 shares.

Year to Jun 30	'89	'90	'91	'92
ST debt (Rm)	41,7	36,6	24,5	15,6
LT debt (Rm)	nil	6,6	10,2	10,5
Debt:equity ratio	0,74	1,11	0,85	0,59
Shareholders' interest	0,48	0,38	0,41	0,46
Int & leasing cover .	5,60	1,19	1,75	2,78
Return on cap (%) ..	8,3	9,6	14,6	18,2
Turnover (Rm)	203	200	175	179
Pre-int profit (Rm) ...	9,8	9,8	14,6	17,3
Pre-int margin (%) ..	4,8	4,9	8,3	9,7
Earnings (c)	41,0	nil	26,3	54,5
Dividends (c)	19,0	nil	8,1	10,8
Net worth (c)	300,6	262,3	220,2	227,6

tional expenditure will be necessary for improvements to finished products to maintain competitiveness in world markets.

Proposed deregulation of the meat industry, to allow Abacor to privatise the main city abattoirs — a move away from controlled marketing to free enterprise — will bring freer availability of hides and skins.



With efforts focused on improving finished leathers for export, Townsley is cautiously optimistic for this year. At 125c, close to its yearly low and on a 2,3 p:e, the share seems cheap.

Marylou Greig

SILVEROAK Fm 8/1/93

Focusing on exports (190)

Tighter control of costs and better utilisation of working capital helped Silveroak double EPS. The leather tanning group weathered difficult trading conditions well, only one division turning in a poor performance. But action has been taken to rectify this, says chairman Peter Kaufmann. Management has been replaced and efforts have been made to streamline production.

The economic downturn, strikes and imports of cheap shoes stemmed turnover growth, but a lower market price for hides in SA during the second half of the year allowed for healthier margins.

Turnover increased 2% to R179m (R175m) and attributable income 81% to R11,5m (R6,3m), allowing a dividend of 10,8c (8,1c). Interest-bearing debt fell 36% to R26,1m, thanks to conservative capital expenditure. MD Owen Townsley says addi-

Pointer hurt by imports

LINDA ENSOR

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CAPE TOWN — Cheap imports from Turkey and the Far East, together with the recession, sunk handbag and leather garment manufacturer Pointer Fashion International deeper into its loss-making situation in the year to end-June 1992.

Chairman Laurence Turok estimated that foreign imports were coming in at prices about 50% cheaper than local goods.

He said problems relating to adjustment of stock level figures and audit staff difficulties had caused the delay in submitting results.

A loss of 3,58c (4,63c) was suffered and no dividend was paid. Turnover fell to R11m (R14m) and there was a pretax loss of R717 000 (R277 000).

Turok said cost-cutting measures had been taken relating to turnover, labour costs, material handling and buying procedures, and the directors had taken a pay cut.

29/1/93

BIDAM

Pointer fashions an increase in profit

POINTER Fashion International (Pointer) had boosted operating profit by 27,2% to R1,9m (R1,49m) for the year to end-June after an extensive factory modernisation programme, chairman Sol Turok said yesterday.

The improved margins of the Cape-based leather garment and handbag manufacturer were achieved on a 14,7% rise in turnover to R15,8m (R13,8m).

Turok said he was pleased with the results in view of the slowdown in consumer spending that characterised the reporting period.

Attributable profit rose by 16,5% to R594 000 (R510 000) after allowing for a larger interest bill and a rise in the amount of tax paid.

ACHMED KARIEM

This translated into earnings a share of 7,40c (6,35c). A final dividend of 2,0c (1,75c) was declared, bringing the total payout for the year to 3,5c (3,0c).

The export and franchise programmes contributed to the increased sales.

"The results for the year have proven that the quality and styling of Pointer products are such that demand remains buoyant notwithstanding severe cutbacks in consumer spending," he said.

He said the group was ideally placed to take advantage of any upturn in the economy as production levels were running at optimum efficiency levels.

23/09/90 510190

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Item	1989	1990	% Change	Item	1989	1990	% Change
Raw Material	100	100	0	Wages	100	100	0
Head Office	100	100	0	Factory Overhead	100	100	0
Factory Overhead	100	100	0	Transport	100	100	0
Transport	100	100	0	Insurance	100	100	0
Insurance	100	100	0	Depreciation	100	100	0
Depreciation	100	100	0	Interest	100	100	0
Interest	100	100	0	Tax	100	100	0
Tax	100	100	0	Other	100	100	0
Other	100	100	0				

Unrest erodes Pointer earnings

Pointer Fashion International has reported a marginal increase in turnover to R7,70 million for the six months to December (R7,52 million at the previous interim).

However, there was a decline in attributable

profit from R274 000 to R128 000 because of general unrest in areas normally responsible for generating the highest sales.

The company was forced to reduce prices to compete with imported leather goods carrying

little or no duty.

This put margins under pressure, with operating profit dipping from R871 000 to R692 000.

To improve cash flow and reduce finance costs, no interim dividend is being paid. — Sapa.

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Star 28/3/71

Conshu poised for huge exports drive

TOM HOOD
Business Editor

CONSHU, the country's largest shoe manufacturer, expects to double its exports by June this year.

Chief executive Robert Feinblum says in spite of depressed consumer demand overseas, exports increased dramatically in the six months to December.

The export drive is headed by Conshu's British-based subsidiary Sterling and Hunt and has seen the purchase of thousands of pairs of top quality shoes by British consumers who are traditionally among the world's most discerning shoe buyers, said Mr Feinblum.

He described prospects for the half-year to June as satisfactory.

Sales figures for the summer shoe season, which is usually a busy time, should contribute to profits, he said.

"The destocked position of retailers and growing confidence stemming from recent positive political developments should see some improvement in capacity utilisation."

The extended drought is expected to make an impact on leather prices and on shoe prices, he added.

A 91 percent upsurge in shoe imports hit sales and brought a reduction in output, layoffs and short time in factories between July and December.

"In spite of increased tariffs

last August, the damage caused by the import of 6,7 million pairs of shoes in the first half of last year impacted heavily on our business," said Mr Feinblum.

Turnover rose by 4 percent to R330 million, reflecting inflationary pressure on materials and labour costs which led to higher prices.

But earnings fell by 8 percent to R14 million, partly due to additional depreciation of R1,5 million being charged, while tax benefits from the export allowance were received.

An unchanged interim dividend of 11,5c is being paid.

■ Sun International's Ciskei subsidiary, Sun Ciskei, reports a turnover increased of 13 percent to R59,5 million for the half-year to December but higher payroll costs reduced growth in operating profit to five percent at R17,2 million.

Revenue growth was hit by labour disputes and the expansion work at the Fish River Sun, which was completed in December.

Sun Ciskei's hotels averaged an occupancy of 55 percent, in line with the national average but below the occupancies recorded at Sun City and the Wild Coast Sun.

The directors say earnings should improve moderately in the second half of the year, due mainly to the recently completed extensions to the Fish River Sun, provided that there is no further significant deterioration in economic conditions.

■ BTR Dunlop's sales for

1991 dropped by 14 percent to R672 million while earnings were R10 million lower at R56,6 million.

Managing director Clive Hooper said the sales decline was mainly due to the continuing recession and the absence of major capital projects in the mining industry.

Four group companies were affected by the eight percent decline in new vehicle sales in 1991.

■ Siltek has reported after-tax profits of R19,4 million for the six months to December. This is an increase of 9 percent.

The group said that turnover was up by 12 percent to R415 million while earnings per share were 36,52c.

The dividend was unchanged at 10c.

The group says the outlook for the rest of the year is good.

■ The impact of reduced demand in the mining, motor and agricultural sectors hit Wayne Manufacturing profits for the six months to December.

The group said that attributable profits were down by 10 percent at R2,9 million compared to the previous period's R3,3 million.

Earnings per share were down by 9,2 percent at 4,9c (5,4c) while an unchanged interim of 1,7c was declared.

One of the main reasons for the drop in profits was the closure of a factory which led to relocation costs for employees.

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1990

ARC 18/2/92

Silveroak changes track and stages a turnaround

6/Day 27/9/91
190
WILLIAM GILFILLAN

TANNING group Silveroak surmounted difficult trading conditions to stage a turnaround for the year to June with earnings at 26c a share compared with a loss in the previous year.

The group, which tans hides and game skins for export and finished leather for local sale, declared a dividend of 8,1c a share to give a dividend cover of 3,2 times.

Operating income from normal operations was up 9% at R14,5m from R13,4m on turnover which decreased 15% to R174,9m from R200,4m.

A Silveroak spokesman

said the price war in raw materials continued as there was a shortage of good quality hides available locally.

He added that Silveroak's exports had come under pressure because the Soviet Union had been flooding the world markets with leather to earn scarce foreign exchange.

Directors said a new practice had developed during the year in which some of its overseas buyers had not been honouring forward sales contracts.

Trading with these cus-

tomers would be conducted with caution in future.

The production of unprofitable leather products at the Ladysmith Leathers division was being phased out. Instead, more emphasis had been given to producing automotive and furniture upholstery and the group had concluded an agreement with a German automotive upholstery manufacturer to supply seat upholstery to BMW in Germany.

Directors said that all the other divisions had performed satisfactorily.

A healthy order book boded well for the coming year, they said.

Hanni buys Star 1/8/91 Bop tannery

By Jabulani Sikhakhane (190)

Leather tannery Hanni, which is a subsidiary of the JSE-listed Kanhym Investments has acquired KRM Tannery in Bophuthatswana. The acquisition will increase Hanni's capacity for various leather types and enhance its export capabilities.

Chief executive, Boet Venter says the purchase has created additional tanning capacity near the PWV region which is the major hide source in the country.

"In addition we have increased the utilisation of local raw material and created more job opportunities in an economic development area."

Product lines will be rationalised with the Nigel plant's products for the best synergy regarding volume and quality.

KRM's existing facilities will be upgraded and supplementary equipment bought to increase production capacity by 40 percent and that of motor leather by 25 percent.

The capital expenditure programme, including the purchase price, will be in the region of R8 million to R10 million.

Hanni supplies about 95 percent of the domestic motor upholstery market, 55 percent of the total exports of motor leather and 50 percent of the domestic furniture leather market.

Silveroak sits pretty after upholstery deal

B/puy
WILLIAM GILFILLAN

21/10/91

THE highlight of Silveroak's year was the conclusion of a long-term agreement with a German automotive upholstery manufacturer for the supply of seat upholstery, Silveroak Industries MD Owen Townsley said in the annual report.

"This agreement not only creates in the short term a tremendous potential for growth through added value with minimum capital outlay, but must underwrite improved investment returns. This certainly places us in a top challenging position in the supply of leather as local content to the motor industry for both internal consumption and exports."

Townsley said the poor economic situation which has plagued the Soviet Union in the past years had contributed to the extremely difficult trading conditions which the group had experienced over the past year. Substantial quantities of poor quality raw materials were dumped on the European market by the Soviets and consequently had a depressing influence on the export market prices of hides and skins.

He said a new and discon-

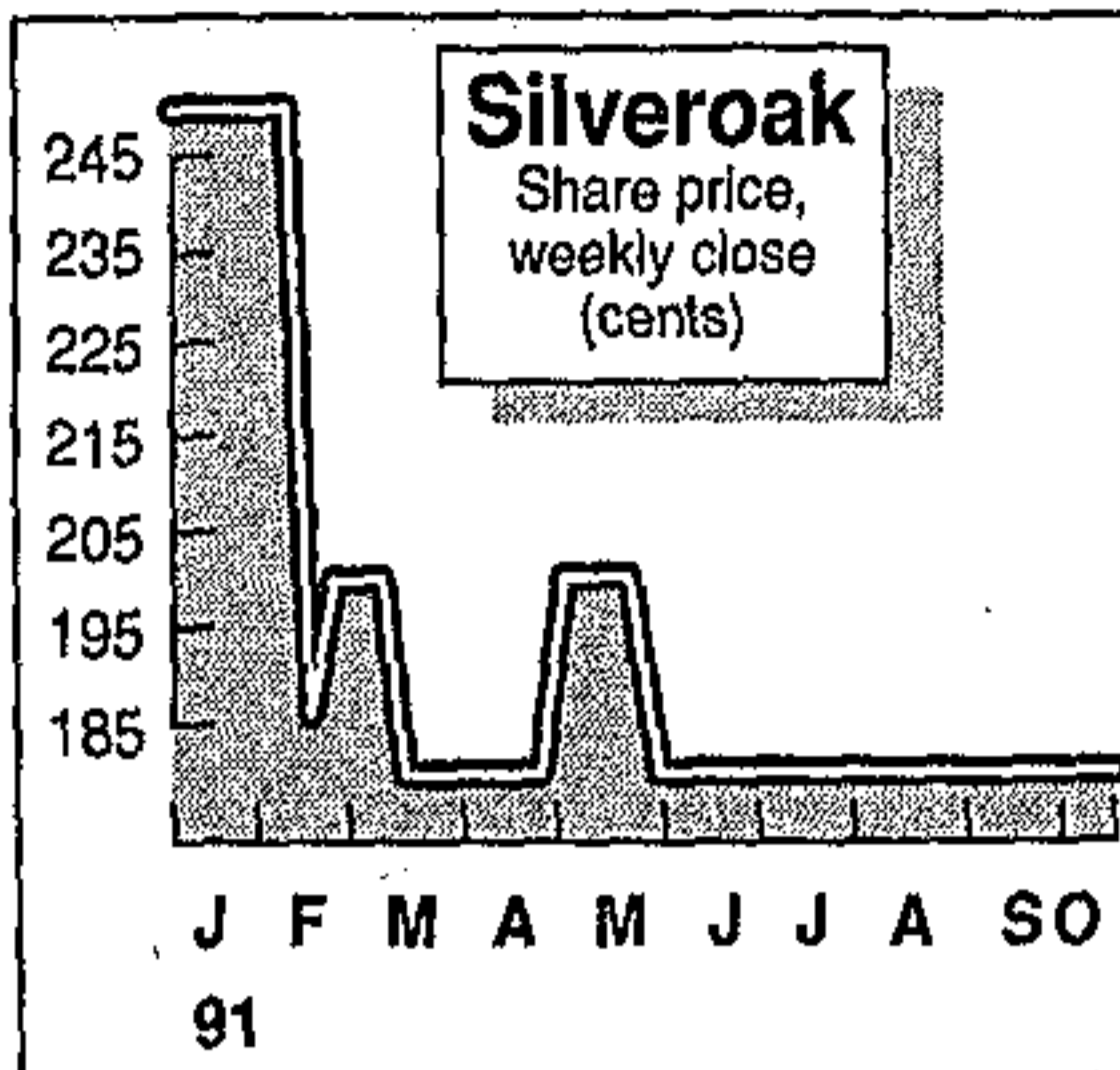
certing practice arose during the year which was the deteriorating degree of morality in the honouring of forward sales contracts by some of Silveroak's overseas buyers. This malpractice was most noticeable among southern European customers.

In the divisional review, he said African Hide Trading's year was characterised by a continuing decline in the market prices of hides and skins.

In the Afbro Country Buying division, Silveroak merged several branches and closed others, while ensuring the supply of hides was not reduced.

He said operating results at Ladysmith Leathers continued to disappoint despite the rationalisation in the division where the three units in the division moved under one roof.

The Mossop Leather division, traditionally a significant contributor to the group's profitability, continued to perform well last year. He said demand from

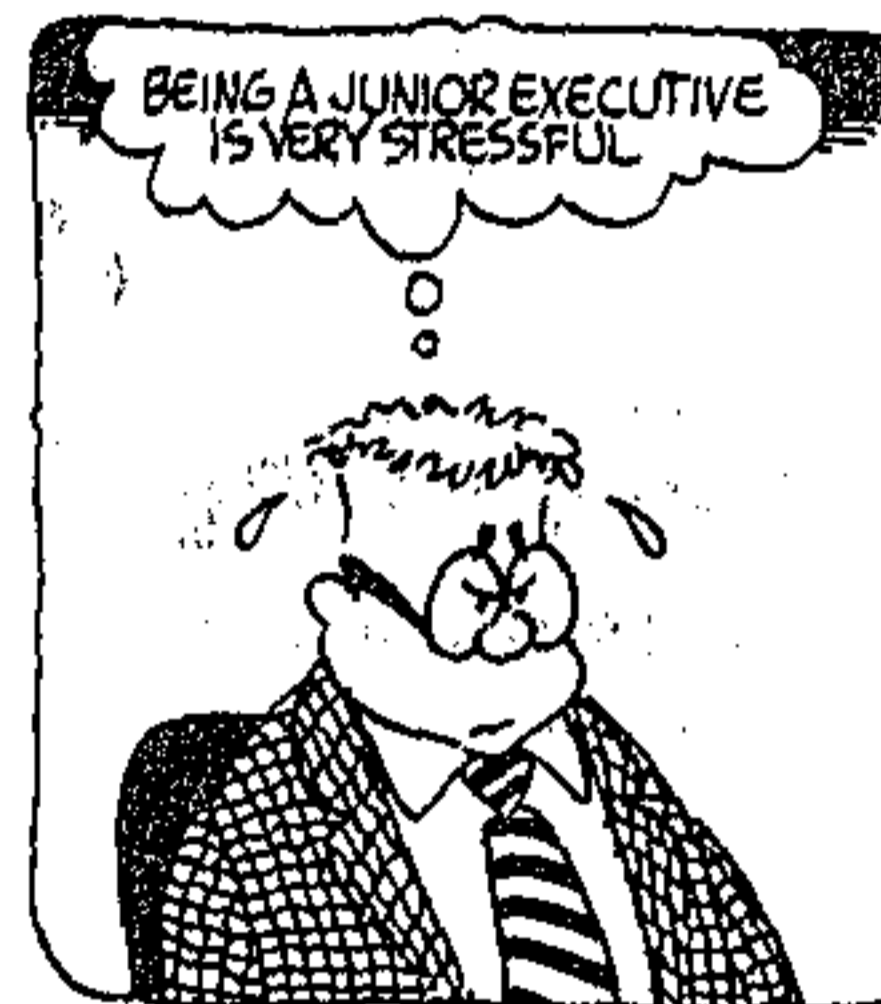


Graphic: LEE EMERTON Source: I-NET

the footwear manufacturers, which comprised the major portion of the division's customers, remained consistently high for most of the year.

Townsley said Silveroak closed last financial year with a healthy order book.

EXECUTIVE SUITE



Star 16/7/91.
Hanni getting R17,5-m facelift (190)

By Jabulani Sikhakhane

Hanni & Sons, a subsidiary of Kanhym, is expanding and upgrading its facilities at a cost of

more than R17,5 million to meet increasing demand from local and foreign customers.

Chief executive Boet Venter said yesterday

that the first phase of the project, which cost over R12 million, focused on increasing production of wet blue hides by 33 per cent from 1 500 to 2 000 hides daily. An estimated 10 per cent of the wet blue hides are for the export market.

Leather dyeing facilities have been extended, while Hannie has also introduced a new value-added product called Hanni Lux to the leather furniture manufacturing industry.

In the second phase, Hanni will invest about R5,5 million in machinery replacement.

Automation will be introduced to certain sections of the motor leather department to ensure uniformity of cut and quality. This will also help meet the increasing demand from the motor industry.

Relocation, rationalisation

puts Silveroak in the red

BIP
25/11/90
MARCIA KLEIN

190

SILVEROAK Industries has been badly hit by its relocation and rationalisation programmes over the past year and has gone into the red in its latest set of results.

The group tans hides and game skins for export and finished leather for local sale.

It reported a net attributable loss of R1,06m for the June year-end compared with earnings of R7,94m in June 1989.

No dividend was declared (19c last time round) and there was a 5,75c loss a share (earnings of 41c a share previously).

Turnover of R200,4m was unchanged from last year's R202,9m and net income was at R1,45m (R8,2m) before extraordinary items.

Extraordinary loss items of R2,5m have been attributed to the state of the industry.

A loss in operating income of R3,58m was reported from divisions affected by the relocation of Silverton Tannery to Ladysmith.

Group directors said the major rationalisation and specialisation had seen a move away from non-profitable traditional lines to a new product mix, which should be of benefit in the future.

In the past year, a fellmongery was established in Port Elizabeth. It commenced production during the course of this month.

Directors say the effect on profitability will therefore be felt only in the next financial year.

FM 4/1/91 (190)

POINTER FM 4/1/91 (190)
WIDENING MARGINS

Activities: Makes leatherwear and accessories.

Control: Directors 37%.

Chairman: S Turok; MD: J Stein.

Capital structure: 8,0m ords. Market capitalisation: R1,6m.

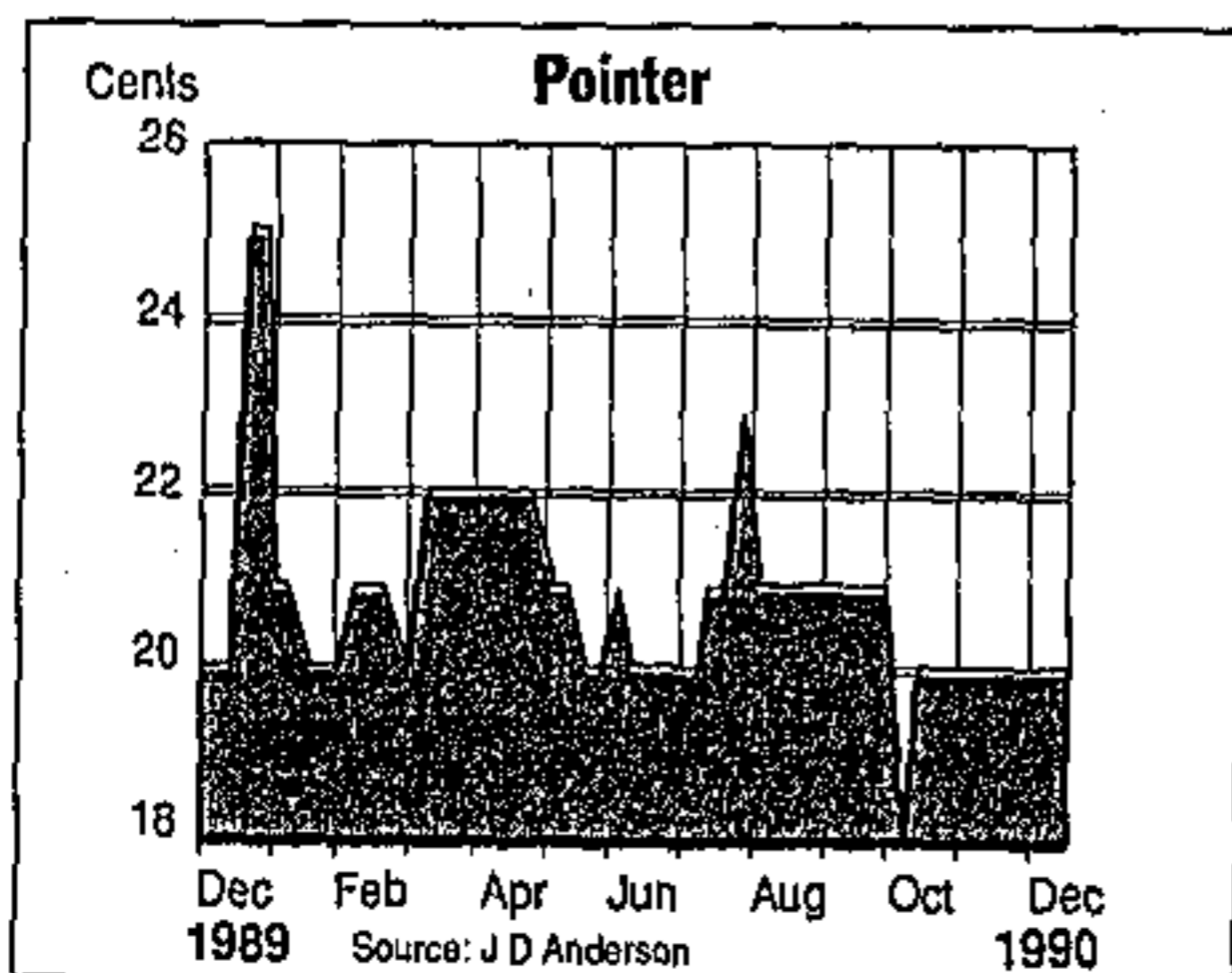
Share market: Price: 20c. Yields: 17,5% on dividend; 37% on earnings; p:e ratio, 2,7; cover, 2,1. 12-month high, 25c; low, 18c. Trading volume last quarter, 13 000 shares.

Year to June 30	'87	'88	'89	'90
ST debt (Rm)	1,59	1,42	1,80	2,04
LT debt (Rm)	0,05	0,09	0,26	0,37
Debt:equity ratio	1,27	0,67	0,75	0,78
Shareholders' interest	0,18	0,46	0,37	0,34
Int & leasing cover .	5,0	4,8	2,8	2,7
Return on cap (%) ..	20,3	24,3	24,5	20,8
Turnover (Rm)	7,6	9,1	13,8	15,8
Pre-int profit (Rm) ...	0,89	1,31	1,46	1,89
Pre-int margin (%) ..	11,7	14,4	10,6	12,0
Earnings (c)	4,8	6,6	6,4	7,4
Dividends (c)	2,45	3	3	3,5
Net worth (c)	16	18	22	26

An improvement in margins in the six months to June helped Pointer towards a 16,5% increase in EPS last year. Though in real terms that may not amount to the "substantial" gain chairman Sol Turok had forecast, it's better than many companies in the volatile fashion business achieved.

Whereas first half operating profit was 10% up, the gain for the full year was 27%. Turok tells the *FM* this largely reflects a switch in marketing strategy, with less emphasis on small boutiques and more on selling in bulk to larger chains, as well as the completion of plant refurbishment. The franchise programme also continued to raise its contribution (various garments and shoes are sold on a 5% royalty basis), while the purchase of increasing volumes of locally produced leather led to lower costs.

Also unusual for a fashion business is that sales are spread relatively evenly through the year, with no Christmas peak. Turok attributes this to the fact that high-ticket leather



garment sales peak in winter.

In the annual report Turok predicted further improvement in sales and profit this year. Though the market has since got tougher, Turok confirmed at the AGM in December that sales and profit for the first five months had held up well, and reiterated his hopes for the full year.

Liquidity is generally sound, though tightening marginally, and operating ratios are healthy. The smallness of the company and tight marketability will prevent the share from ever becoming an institutional stock, but it could have interest for an income-conscious small investor. *Michael Coulson*

Poor trading conditions knock IB Joffe

B 1007 18/9/90 (190)

OUTDOOR and leather goods manufacturer and distributor IB Joffe has been hard hit by poor trading conditions as a result of political uncertainty, by labour disputes and consumer boycotts in the six months to June.

The retail-listed company's interim results reflect a bottom-line loss of R540 000, compared with

MARCIA KLEIN

earnings of R900 000 for the same period last year, and a loss of 3,4c a share compared with a positive 5,4c to June 1989. No ordinary dividend (3c) was declared "in view of the results".

A hike of almost 300% in the group's interest burden to R579 000 from R150 000

contributed to the loss, following a small increase in turnover to R12,1m.

A group spokesman said last night a profit was expected at year-end, as the group now had "a monopoly on tubular furniture market". The positive impact of the acquisition of plastic furniture manufacturer Leisure Laze would be evident in the future.

F/M

13/4/90

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the listed broiler and feedgrain producer, advised shareholders on April 5 that it is involved in negotiations which could affect the share price, but chairman Boet van Wyk would only confirm he was talking about a merger. Kanhym was equally mum, saying no more than that negotiations were taking place.

Mielie-Kip draws 80% of its turnover from the overtraded broiler market and sells 130 000 chickens a week, giving an estimated 2,5% market share. Its market is, however, concentrated in the Witwatersrand and the company is one of the few independent broiler producers.

Kanhym's aim is to diversify into non-meat value-added areas. Per capita consumption of red meat has fallen over a number of years, whereas chicken sales are growing.

Still, the broiler market remains extremely competitive though that did not prevent Mielie-Kip from improving its margin to 8,4% (6,8%) in the year to end-February 1989. Turnover for the year was R37,9m (R31,6m) and taxed profit R2,9m (R1,6m).

A dividend of 6c was paid on earnings of 22c. At the 1990 interim stage, earnings improved to 8,4c (7,4c) and the dividend to 2,5c (2c). Turnover increased 17,5% to R20,3m.

While Kanhym gains entry into the broiler market, Mielie-Kip could benefit from Kanhym's maize farming for its own feedlots. Kanhym's maize fields are near Mielie-Kip's broiler houses and, at present, the chicken company grows only half of the maize its broilers eat.

Mielie-Kip shares, 78% of which are controlled by management, are trading at 72c giving a market capitalisation of R9,5m.

Pam Baskind

MIELIE-KIP F/M 13/4/90

Beefing up

Kanhym and Mielie-Kip are about to merge — an early move in the beef and leather company's diversification plans. Mielie-Kip,

By Day 12/4/90.

Silveroak somersaults into the red

BRENT MELVILLE

190

HEDGING against difficult trading conditions has proved immensely costly for Silveroak Industries for the six-month period to December.

The group, which tans bovine hides and game skins for export and finished leather for local sale, turned an operating profit of R6,5m for the same period last year into a R2,5m loss.

This is in spite of a 29% increase in turnover to R117,6m (R91,1m). Directors said the group had been hit by a number of adverse circumstances, although a major programme of rationalisation, consolidation and specialisation had been embarked upon.

Silverton Tannery, described by directors as a "developing negative", has relocated to a decentralisation point near Ladysmith. The group also acquired a vegetable leather tannery in Paarl for the production of shoe soles, saddlery and belt leather.

Released

The cost to the group of closure and relocation, as well as start-up costs at Ladysmith, reduced profits for the period by R6,3m.

However directors say plant and equipment worth R3,9m have been released for use throughout the group. The group also benefited from the sale and lease-back of buildings in Port Elizabeth and surplus plant in Pretoria to the tune of R1,4m.

On the books, the moves were not complementary: finance costs were up 80% to R2,6m (R1,5m), leaving an attributable loss — after an extraordinary item of R1,4m — of R3,7m (+R5,1m). Earnings were down to -27c (28c) a share.

On the balance sheet the current ratio dipped to 1,4:1 (1,8:1) with gearing up to 72% (56%).

Revamp reins in leather house

B/Dam 5/3/90

LESLEY LAMBERT

190

CAPE TOWN — High finance charges incurred in a major revamp of Cape-based Pointer Fashion International's production facilities limited growth, with taxed earnings increasing 10% to R274 000, or 3,4c a share, for the six months to December 1989.

The leather garment and handbag manufacturer reported 16% growth in turnover to R7,5m and 19% growth in operating profit to R871 000 during the interim period. But pre-tax profits were diluted by a 35% increase in finance charges. Tax increased by 10% to R224 000.

The directors decided, however, to boost the interim dividend payment by 20% to 1,5c a share.

Extended range boosts Pointer

CME Times 22/3/89

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By BRUCE WILLAN

EXTENDING its product range into the woman's leather garment sector has boosted Pointer Fashion International's turnover by 37%.

Turnover increased in the first six months of the year ended December 31, 1988 to R6,5m compared with the previous year's R4,7m.

Operating profit jumped by 55% to R728 000 but due to increased costs for financing, earnings per share only increased by 25% to 31c.

Finance costs almost

more than doubled to R276 000 (R109 000).

An interim dividend of 1,25c (1c) has been declared.

Chairman Sol Turok points out that apart from the contribution made by the new range of women's garments, all divisions within the group performed well.

"In addition, our franchising programme is making an increasing contribution to group profits."

Turok is optimistic about the group's prospects for the remainder of the financial year.

35 72

31 24

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CAPL T. J. 13 23/9/88

Workers to vote on strike

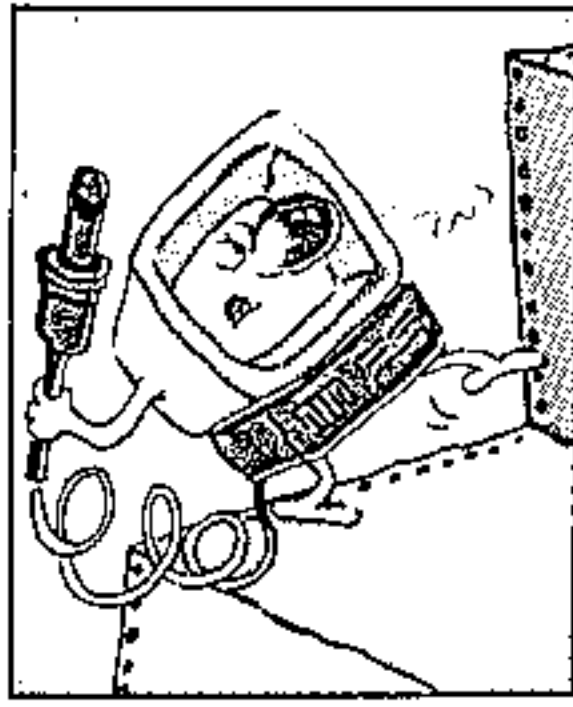
WORKERS at Mossop Leather in Epping this week resolved to prepare for a strike ballot after a month-long wage dispute with the company.

A South African Chemical Workers' Union (Sacwu) spokesman, Mr Peter Roman, said yesterday that the 140 Sacwu members at Mossop Leather initially demanded a R75 across-the-board increase.

Mr Roman said that after negotiations with management failed, the workers decided to ask for a R50 increase which the company still refused to give.

He said the company instead offered an 18,5% increase for workers earning below R100 and 15,5% for those earning above R100.

The cutting edge



A scant five years ago, Bill Venter's Altech was the only hi-tech company listed on the JSE. Then came the reconstruction of Barlow Rand's hi-tech interests into the new Reunert in 1983. But

since SPL's spectacular entrée in 1985, investors have been faced with a spate of "hi-tech" listings in the electronics sector and on the DCM. Prices of most of the new listings have soared, providing enormous staggering profits. Investors are now over-subscribing some issues by a hundred times and more.

Some indication of this interest can be seen from the market capitalisation of the Electronics sector. In December 1985 it was R1 885m; a year later it had risen 46% to R2 752m, while the sector index climbed 128,5% between April 1986 and April 1987 — substantially more than the Industrial index, which improved by 69%.

But do investors really know what they are buying — or are they investing in companies simply because they believe them to be hi-tech, with all the glamour that is meant to confer? Analyst Richard Jesse of stockbroker Martin & Co suggests that "a company's p/e should not be increased 10 points just because it is called hi-tech." And a number of analysts and industry managers believe expectations of these companies' performances are becoming unrealistic. The message for investors is simple: take care.

Yet even those in the industry have difficulty in defining just what constitutes hi-tech. Altron deputy chairman Don Snedden suggests it is the "cutting edge of technology which can extend across many disciplines. Obviously a hi-tech company is one with a significant proportion of its human and financial resources involved in advanced technology. These companies are usually characterised by rapid changes in product lines and the very large investments which have to be continually made in the business to maintain its competitive position."

Richard Lomborg of Davis Borkum Hare suggests another requirement is that a company be able to develop new technology and sell the results of its research and/or development. Tony Farah, executive chairman of soon-to-be-listed Spescom, believes the critical test is whether a product is once-off or is made continuously and is competitive on world markets.

To the man in the street, hi-tech means electronics, telecommunications and computers. These areas have the most impact on his life, and he has seen them continue to grow in times of recession. Our table lists 14 companies that are generally regarded by analysts as being worthy of the tag. Only four (including the then cash shell Fintech)

High technology is what many JSE investors want — but do they know precisely what it is? And do they know if a given company in the field is a good investment?

were listed 12 months ago. Excluded are several newly-announced listings whose prospectuses are not available — including Computer Warehouse, Sequel (which is being reversed into cash shell Barbican) and Dimension Data.

The graph shows the extent of the sector's growth. Electronics has far outstripped the manufacturing sector and is obviously the industry of the future. The market is expected to increase 125% worldwide in dollar terms between now and the end of the century. And with the rapid price falls recorded in electronic products, volumes may rise considerably more.

Entrées for the South African investor remain limited. Some of the most important hi-tech companies are unlisted subsidiaries of multinationals — Plessey and Siemens come to mind. Of the companies which are quoted in the Electronics sector or have a hi-tech image, few would actually be regarded as hi-tech in other countries.

Altech stands out. Apart from manufacturing and developing products in telecommunications, it has a subsidiary, MSN, which produces printed circuit boards (the basis of the electronics industry) and hybrid microcircuits. Altech also has 37% and management control in South African Micro-Electronic Systems (Sames), producing microchips, and in Integrated Circuit Design Centre (ICDC), which designs and develops chips for specific applications.

The computer and business systems arm of the Altron group is to be Fintech. The longer-established Powertech, which some may also regard as hi-tech, operates more in the heavy engineering sector. Its recent share price rise could be more realistically ascribed to internal rationalisation and

recovery than involvement in hi-tech.

Reunert is also regarded as a hi-tech stock, with a large technology and computer section, as well as fibre optics and telephone systems. Its heavy engineering division has not been as profitable as other divisions recently, and the industrial section caused problems in the past (see Fox). It is to be listed as Fenner. Indications are that Reunert is at last focusing on hi-tech, that it has a strong balance sheet, and could now achieve its growth targets.

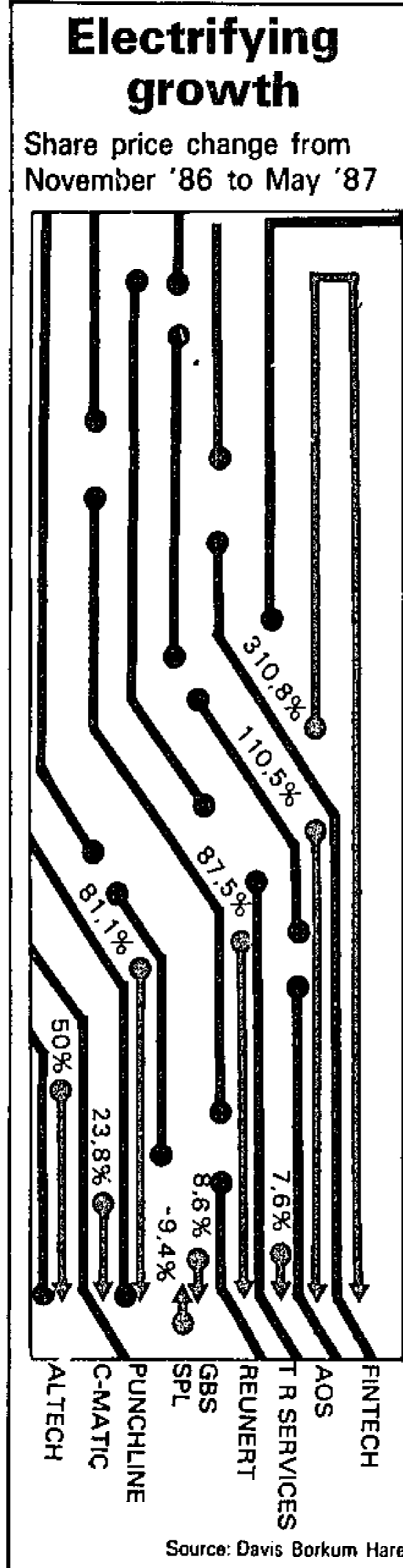
Two other companies regarded as hi-tech are Grinaker Electronics (Grinel), part of listed Grinaker Holdings, and Spescom. Grinel has produced and exported new technology, specifically in high-frequency radio lines, and developed a unique underground mine communicator. But Grinel accounts for only 35% of Grinaker's funds, so Grinaker is hardly worth chasing as an investment in hi-tech.

Spescom has concentrated on niche markets, in the belief that SA cannot produce the volumes required by world markets and must target specific areas. Spescom is concentrating on development of data capture and recording equipment.

A stockbroker points to an important differentiation between "hi-tech products and hi-tech people." Software groups, he considers, have their technology locked into the ability and training of their people. This, he says, is a fragile "technology" for any investor to back. People in SA are mobile — and especially computer people.

Unfortunately, a large proportion of the companies generally viewed as hi-tech on the JSE fall into this category. As the table indicates, several are concerned with developing and marketing software, a particularly difficult activity for an investor to assess. So the investor has to take into account the extent to which skilled staff are tied to the company. A notable aspect of the SPL issue, for example, was the large number of shares allocated to staff. Spescom has chosen a similar route — 70% will be owned by staff and senior executives after the issue.

It's also important to see how long a company has been around. A company es-





Altron's Snedden ... across many disciplines

Established some time ago is more likely to have loyal staff and be capable of the adaptations which are part of a rapidly changing industry. The date of listing can also be vital, since this is when funds became available for expansion and investment. Or the company must have the backing of a large group such as Fintech (Altron) and Reunert (Barlow).

The size and age of a company could influence its ability to obtain technology. Unlisted subsidiaries of multinationals have access to research and development of their parent companies, but others have to find their own sources of foreign technology. Here a small recently-formed company is

obviously at a disadvantage when compared with, say, Altech, which has developed overseas connections over many years.

And it is essential to keep up to date. In the *Siemens Review* of July/August 1986 the company points out that more than 50% of present sales are of products which did not exist five years ago.

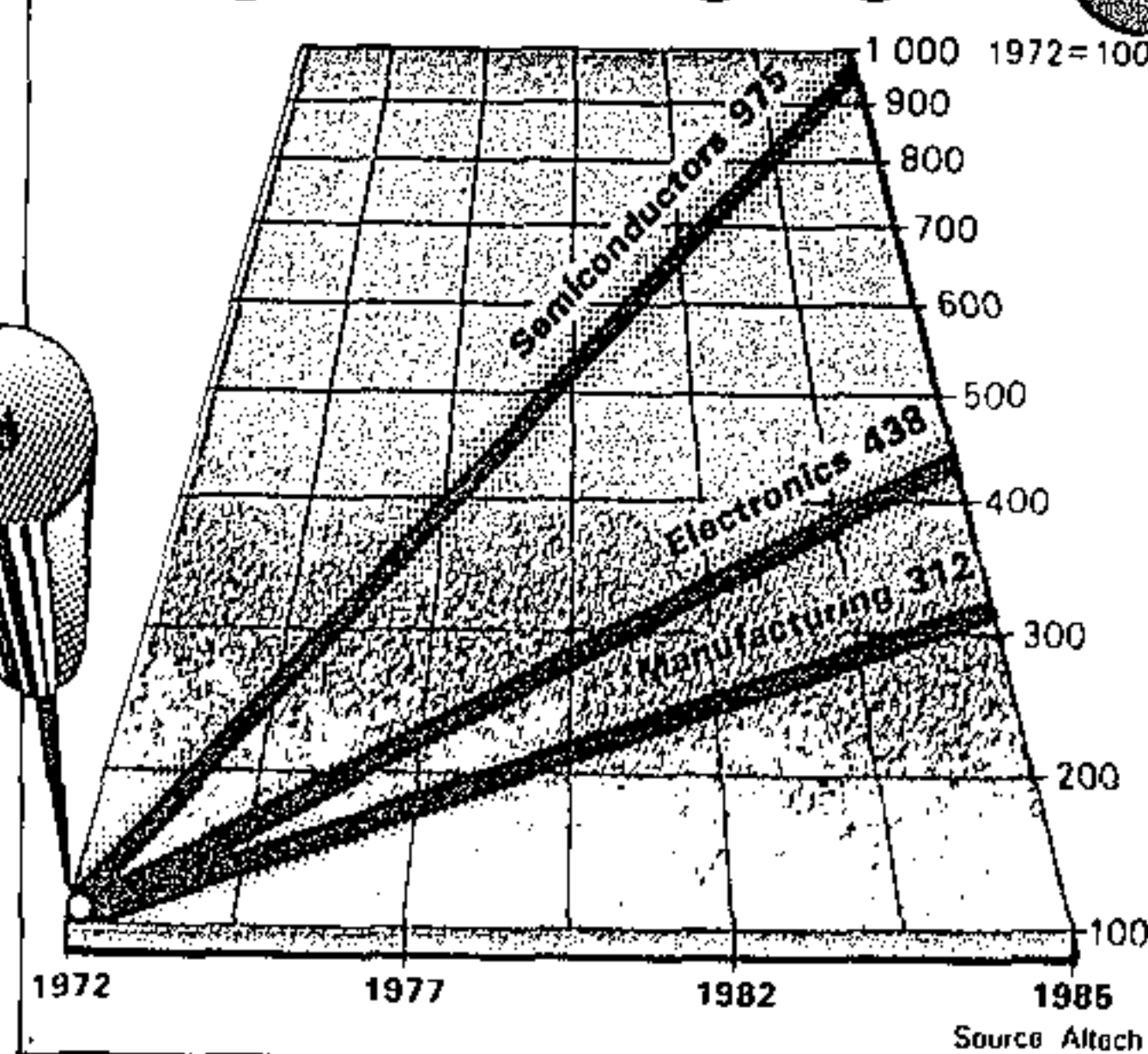
Size can influence performance in another way. While some investors in small companies hope to be in on the ground floor of another Apple, such companies are few and far between. Barriers to entry in the wider markets are high, as the cost of establishing large plants to supply public sector contracts could be prohibitive to the newcomer.

The table also lists a large number of companies concerned with sale and distribution of software and hardware. Though they perform important functions — whether products are sold to the computer industry or any other — the business remains a retail operation. The advantage of selling hi-tech products is simply that of a fast-growing market.

Pace of growth is the reason for the rating of the hi-tech stocks. As Jesse puts it — “you can get a growth rate much faster than GDP, as people switch from old to new products.”

But the kind of growth expected by investors right now seems so high that companies

High-tech highlights



can only meet expectations through acquisitions. Organic growth, with its fits and starts, may not be good enough for investors in this heated sector — witness disappointment expressed by analysts, and shown in SPL's market rating following its recent results. There is the fear that, as one analyst puts it, “some companies could be so absorbed in making acquisitions that they could forget the need to run their businesses.”

There are other grounds for investor confusion. Earnings yields of newly-listed companies, as stated by the JSE, are based on forecast earnings; whereas yields of companies listed for more than a year are calculated on historic performance. In a high-growth industry this distorts comparisons,

HI-TECH ROUNDUP

Company	JSE sector	Business	Date founded	Date listed	Rm turnover	Rm pre-tax profit
Altech	Electronics	Manufacturer of telecommunications; electronic components; electronic systems	1965	1975	641,4	106,2
C-Matic	Electronics	Bureau operations; hardware sales; software devel. & sales	1971	1986	36,5	6,0
GBS	Electronics	Distributes computer equipment supplies computer serv.	1978	1986	39,5	2,7
Punchline	Electronics	Supplies computer software and peripherals; trains users	1981	1986	24,7	3,0
Q Data	Electronics	Develops computer applications; sells & rents software prods	1978	1986	9,5	1,6
Reunert	Electronics	Electronics, telecommunication and electrical engineering manufacturing and sales	1983	1983	922,0	3,5
SPL	Electronics	Development of applications; sale of software products; placing of personnel	1969	1985	21,7	3,9
AOS	DCM	Distributors of micro software, peripherals & printers	1981	1986	5,6	0,4
Fintech	Cash Assets	Interests in Punchline; business information technology and computer markets	1984	1984*	3,6	1,6
ABS	DCM	Computer bureau; sells hardware and software	1968	1987	20,1	2,1
Ohio	Electronics	Specialising in turnkey computer systems	1980	1987	8,1	2,1
T R Services	Electronics	Marketing installation & maintenance of electronics recording & comm. equip.	1948	1986	13,3	3,9
Lithosaver	Printing	Manufactures computer business forms and data capture docs	1968	1987	22,9	4,2
Spescom	Electronics	Design, devel. manufacture & distribution of hi-tech products; marketing of sales	1977	due 1987	15,4	1,1

*Acquired by Altron

especially where acquisitions have been made. So the investor should keep up with latest developments in *all* the companies to assess relative yields.

A general industry complaint is that the funds going to relatively small companies are distorting the market — in terms of what

companies believe they are worth, and in terms of the sums they are investing. The head of one listed company suggests that every small computer operation is now valuing itself at stock market ratings. The upshot is that there are very few reasonably priced acquisitions around.

Rationalisation lies somewhere in the future. Those pushing for the highest growth rates will not necessarily survive. As Everett M Rogers and Judith K Larsen point out in *Silicon Valley Fever* (Basic Books, 1982), "it is entirely possible for a new firm to grow itself to death."
Pat Kenney

FM's ECONOMIC PANEL

'May we suggest' . . .

Parsons: Before we start making recommendations, we should outline how we see the present situation.

Dickman: Growth started improving from the middle of last year. For the first quarter of this year, I would say that the evidence is probably still positive but not startlingly dynamic. It is a mixed bag.

The BoP current account was running at a very high surplus in the fourth quarter of last year. In rand terms it certainly fell in the first quarter, but should be looked at in relation to the strengthening of the rand.

Financial conditions are still easy.

Kantor: If you look at expenditure growth certainly the final quarter was disappointing, but there is no doubt that domestic expenditure is now picking up strongly.

Hamersma: It is mainly stimulated by government expenditure. This recovery differs from previous recoveries in that it is not based on rising exports it depends on domestic demand. There is no strong underlying growth factor.

Kantor: One fundamental running very strongly is probably the most important: the gold price in dollar terms is significantly up, so exports in dollar terms are probably growing strongly, if not in rand or volume terms.

Parsons: How do you see consumer and business confidence?

Dickman: Confidence has improved.

Parsons: Short-term and long-term confidence are not the same thing. To what extent is there evidence of a real improvement in private fixed investment, as reflecting longer-term confidence?

Hamersma: In the banking sector interest is developing in the fixed investment field. But consumers are still not borrowing.

Kantor: The economy is running very lean and businesses are planning for small volumes. If this recovery is even moderately sustained, ability to meet demand will be threatened by capacity constraints. Private investment spending will improve in response. But the public sector is also a very important investor; last year declines in spending by public corporations and public authorities were an important contributor to very weak investment performance.

Dickman: Figures for real disposable income and sav-

Raymond Parsons chairs the first meeting of the FM's Board of Economists, which discusses what policies should be followed in the Budget on June 3. The panellists are Aubrey Dickman (of Anglo American), Brian Kantor (UCT) and André Hamersma (Standard Bank). The panel will meet again in August, after the annual address of the Governor of the Reserve Bank, when (again chaired by Parsons) it will comprise Ronnie Bethlehem (JCI), Rob Lee (Old Mutual) and Louis Geldenhuis (George Huysamer & Partners).

ings seem to show there are no personal savings left, which doesn't fit with our knowledge of what savings go into pension funds, etc.

Kantor: The savings mix has changed fundamentally and for good reason. Corporate savings have become the vast bulk of total savings, because the returns corporations can earn after tax have been much better than the returns savers can get for themselves through banks and building societies.

What is going to be critical for consumers is shortages of labour, shortages of skills which will come about again and put pressure on employment benefits.

Dickman: Wages are rising fast in mining, in contrast to the rest of the economy.

Parsons: Could we comment on the impact, if any, on business and consumer sentiment of the general election?

Dickman: The first reaction is positive in that the financial rand has not declined and the stock market has gone on strongly. This may well be a response to the return of a strong government.

Hamersma: The result has not been well

received abroad, particularly in the UK and US. In Europe people are more relaxed.

Kantor: I think reactions are mixed, depending on how you voted. People who voted for the PFP or perhaps the Independents, though I think the Independents did well, feel pretty bad. If anything the election will encourage emigration, not discourage it.

Hamersma: The results could foster a more inward-looking policy. People may feel that we must emphasise domestic security rather than reform, which would have a beneficial effect on the view the outside world takes. Because of the structure of our economy, we should be outward-looking.

Dickman: We use the term inward industrialisation, which is of course outward-looking in itself. You need a different attitude towards the export of the resources we have. If the emphasis is a return to a more security conscious approach, how we are going to carry on with this broader strategy of bringing the black population into private enterprise?

Kantor: The business community was shown to be irrelevant. If anything it campaigned against government, which won hands down.

Parsons: We have identified some major elements in the background to the Budget. So what do you see as the main challenges facing the minister of finance?

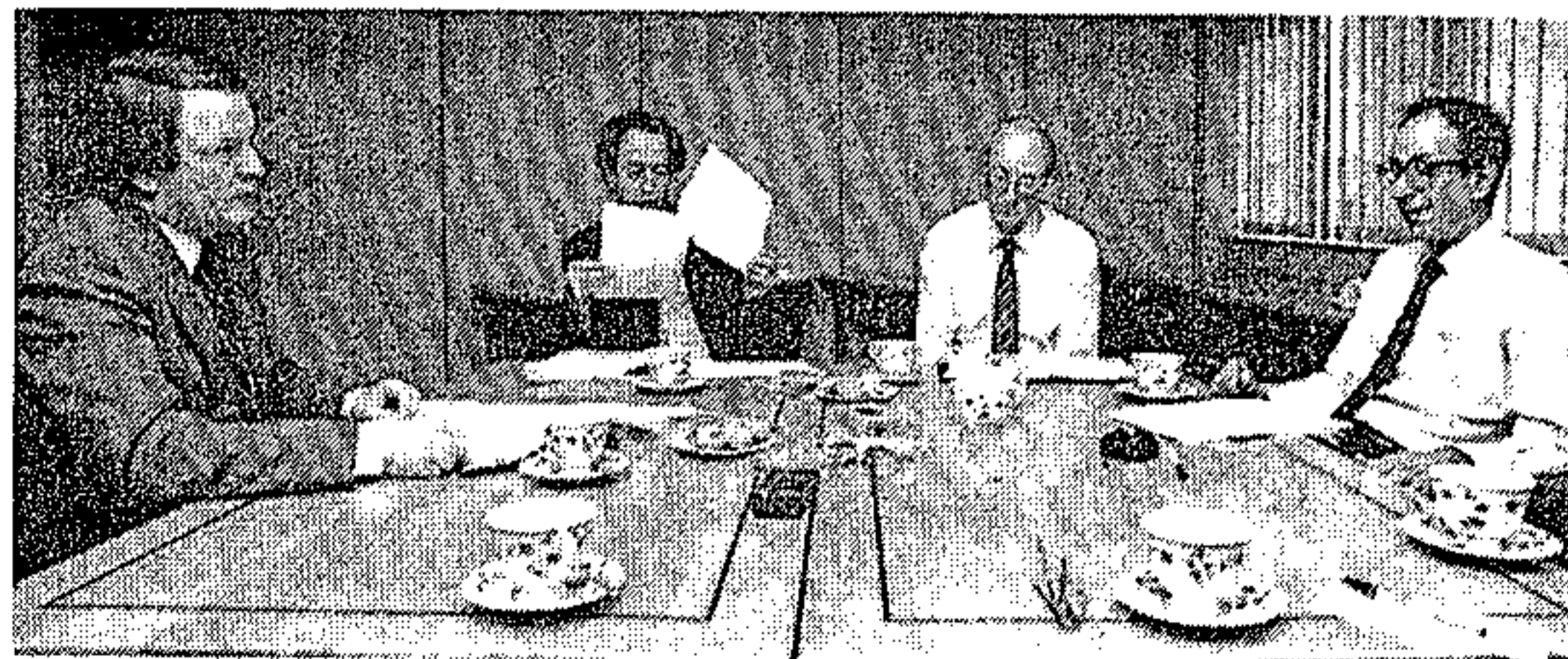
Kantor: The challenges are always the same: to design policies that maximise growth within the political constraints.

Parsons: What is the maximum growth we can afford, given the constraints?

Kantor: The potential growth of SA is enormous. There's no ceiling. The problem is not generally deficient demand, but the appropriate structures for growth.

Hamersma: No, there obviously is a constraint. We know how weakly the economy has performed. It is wrong to try to stimulate the economy by massaging it in the short term, adding a bit of spending here and there. We must take a longer-term view and decide what is going to create growth, depending on our comparative advantages.

The world economy is not performing in a way which could provide positive reliable stimulus. And we are out of phase; we are trying to create growth at the wrong



The panel (l to r): Parsons, Kantor, Hamersma, Dickman

Tanning industry slump takes toll on Silveroak

ACHMED KARIEM

B 129 8/11/90

THE tanning industry was experiencing a major market downturn, Silveroak Industries chairman Peter Kaufmann said in his annual review.

The tanning and leather group recently posted a net attributable loss of R1,06m in the year to end-June, compared with earnings of R7,94m in June 1989.

"Recession and consumer tiredness in North America and Western Europe, the abrupt falling away of Eastern European imports and ecological problems are all taking their toll," he said.

However, Kaufmann anticipated a growing world-wide demand for footwear and leather.

"As SA continues to make important strides towards an acceptable interracial partnership, I feel confident that our group will be well positioned to participate in this growth and to benefit from it."

He said although the world ban on elephant products was a blow, Silveroak had been able to replace this volume with new speciality leathers.

Kaufmann said the establishment of Exofell, a fellmongery in Port Elizabeth which started production in June, held good prospects for the current year.

"The effect on profitability will therefore be evident in the new financial year, but already the results are interesting."

The group had followed a world trend to small specialised tanneries and had a new upholstery leather tannery in Ladysmith; a vegetable leather tannery in Paarl and a pickling plant in Exofell. It also had southern Africa's game skin tannery in Port Elizabeth.

Rationalisation yields silver lining for leather firm

B/10/11
28/3/91

BEVERLY HUCKLESBY

190

AFTER a year of heavy losses, Silveroak Industries saw a return to profitability in the six months to end-December with earnings of 3c a share compared with a loss of 27c a share in the same period in 1989.

The group tans hides and game skins for export and makes finished leather for local sale.

Despite a 20,9% drop in turnover to R93m (R117,6m), operating profit rose to R5,5m compared with a loss of R2,5m in the 1989 review period.

Finance costs of R4,1m (R2,6m) and a massive hike in the interest bill to R4,1m (R1,8m) reduced after tax profits to R518 000. However, this represented an increase compared with after tax loss of R5,1m in the previous review period.

No interim dividend has been declared.

Directors said adverse factors which had affected results in 1989 had basically come to an end. Rationalisation strategies already in place would also increase efficiency and margins.

Savings instituted in the first six months would only become evident in the next half-year.

Acceptance

Although Ladysmith Leather had not yet reached its full potential, the operation now had permanent facilities which augured well for future profits, they said.

This was already evident in the improved output levels as well as the fact that product lines were gaining acceptance in the market place.

"Mossop Leather continues to be a meaningful contributor to group profits and has improved its market share in the retail and production sector of the semi-durable market and is at present heading for a financial return," they said.

Exotan, which operated in the luxury non-footwear and clothing goods market, was affected by the impact of cheaper imports of raw materials and finished goods.

"Our hide and skin trading activities, although coming under pressure from the downturn in export markets, continues to be a major contributor to group results," they said.

Order books of most divisions were mostly filled and together with cost rationalisations should result in increased profit and dividends.

Decentralisation and export incentive claims due from government were not shown on the statement as the cash for these claims had not been received, they said.

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B 10 cm
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AECI slows after 5-year surge

THE recent disappointing performance of chemical giant AECI brought to an end a five-year period during which earnings a share increased by 23% a year from the low point reached in 1984, AECI chairman Gavin Relly said in this year's annual review.

Relly said adverse local and international conditions persisted throughout the year, and unfavourable weather in most of the summer rainfall area during the last quarter exacerbated the position in the agricultural sector.

B 10 cm
28/3/91

BRENT VON MELVILLE

"In consequence, the normal business pattern which favours second-half results did not materialise," Relly said, adding that demand remained weak in most major industries supplied by the group and margins were generally reduced.

Relly said the decision by the board to maintain the dividend, despite the lower level of dividend cover, reflected the belief that 1990 marked the low point for the group in the current business cycle.

COMPANY RESULTS WRAP-UP

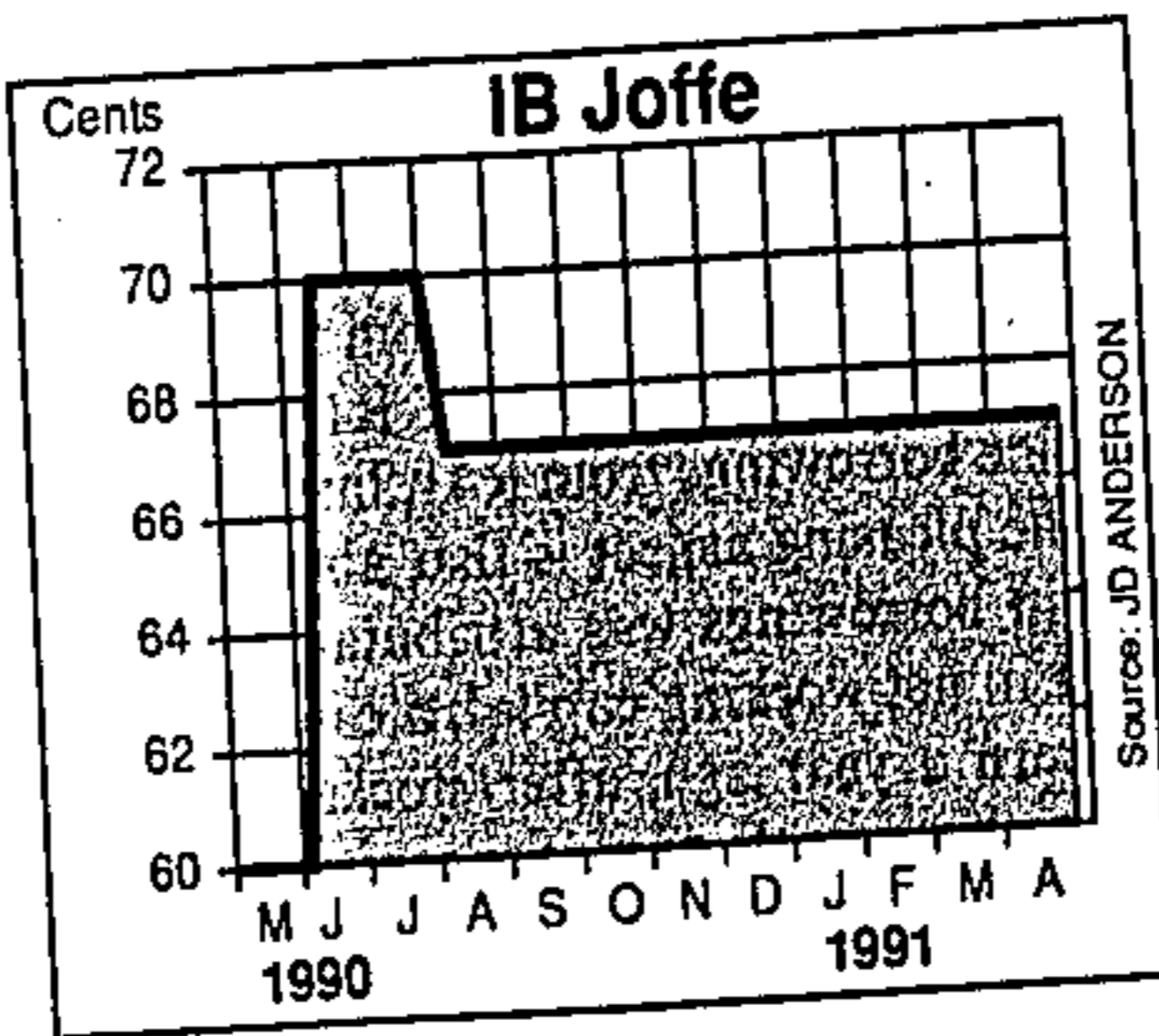
Pratt

COMPANIES

Leisure Laze (for 2m shares at 60c) contributed; but Peter Joffe tells the *FM* it kicked in sales of about R800 000 and had a "very negative" effect on the bottom line because of start-up and relocation costs.

Bill Joffe says higher loans largely reflect the Leisure Laze acquisition, adding that "a considerable portion" of short-term loans has been refunded longer-term at more favourable interest rates.

There is no comment on current trading or forecast for this year; however, Peter Joffe tells the *FM* that first-quarter sales were up



to budget and Leisure Laze should contribute sales of R2,5m-R4m this year (at least 75% of that coming in the second half). But margins are still under "extreme pressure," because of lower demand and the trend for retailers to destock and rely on manufacturers to provide stock and service at much shorter notice than ever before.

This does not suggest that a major recovery in profits is imminent. So even were it possible to deal, the share would not appear worth considering except at well below the present nominal price.

Michael Coulson

FM 17/5/91

190

IB JOFFE *FM* 17/5/91

LITTLE APPEAL 190

There can be few companies with R30m turnover that produce photo-copied annual reports, but given the collapse in earnings since I B Joffe's 1987 listing no doubt any economy is useful. And there aren't likely to be many objecting shareholders: only 32 000 shares changed hands in the whole of last year, and none so far this year.

Unfortunately, economy of production cost is matched by economy of disclosure. The report nowhere lists the directors, and as there's no longer even a breakdown of individual directors' shareholdings, their identity can't even be inferred. MD Peter Joffe calls this a "total oversight." The sectoral profit breakdown has also been changed, with no comparative figures on the new basis.

Other than referring to industrial action

FM 17/5/91 (190)
Activities: Makes and distributes leather and canvas goods and outdoor equipment and furniture.

Control: Directors 59%.
Chairman: B M Joffe; MD: P R Joffe.
Capital structure: 17,8m ord. Market capitalisation: R11,9m.

Share market: Price: 67c. Yields: 2,2% on earnings; p:e ratio, 44,7. 12-month high, 70c; low, 60c. Trading volume last quarter, nil.
Year to Dec 31 '88 '89 '90

ST debt (Rm)	1,4	2,3	5,5
LT debt (Rm)	4,7	4,6	7,2
Debt:equity ratio	0,54	0,62	1,04
Shareholders' interest	0,44	0,45	0,43
Int & leasing cover	20,7	5,5	1,5
Return on cap (%)	15,4	15,4	6,0
Turnover (Rm)	25,9	28,5	30,5
Pre-int profit (Rm)	3,7	3,9	1,8
Pre-int margin (%)	14,6	13,8	5,9
Earnings (c)	16,7	14,3	1,5
Dividends (c)	5	6	---
Net worth (c)	70	77	71

and consumer boycotts in the early part of the year, chairman Bill Joffe does not explain the failure to reach the target turnover of R36m.

First-half turnover was only R200 000 higher than last year and there was a six-month net loss of R540 000, so there was a significant pick-up in the second half, which Bill Joffe says was helped by improved labour relations and cost-cutting.

The report does not say what the mid-year acquisition of plastic furniture manufacturer

Continue →

Silveroak resumes dividend 190

31 day 23/3/92

MARCIA KLEIN

DRAMATICALLY improved interim results from leather manufacturer and tanner Silveroak Industries saw it resume payment of its interim dividend by paying shareholders an extraordinary dividend of 5,4c a share.

After passing on dividend payments for the entire financial 1991 year, the company's R4m dividend payout, including an ordinary dividend of 16,2c a share, was covered 2,3 times by earnings.

Off a low base, the company lifted its earnings from 2,8c to 36,7c a share in the six months to end-December. These results come on the back of a healthy order book, improved cost control and improved world markets.

Although turnover fell 5,8% to R87,7m from R93,1m, operating income rose 81,7% to R10,2m (R5,6m).

MD Owen Townsley said substantial savings in financing and operations costs, combined with improved world market conditions contributed to the good results.

Finance costs were reduced from R4,1m to R2,6m, and Townsley said that balance sheet ratios had improved significantly. Attributable income grew to R2,8m from R263 000. This compares with attributable income of R1,4m for the full year to end-June 1991.

FULL OF CRACKS

Six months to	Dec 31 '90	Jun 30 '91	Dec 31 '91
Turnover (Rm)	7,6	6,5	6,1
Pre-interest profit (Rm)	1,0	0,3	0,5
Pre-tax profit (Rm) ..	0,3	B/E	(0,4)
Attributable (Rm) ..	0,1	(0,2)	(0,4)
Earnings (c)	1,6	(3,0)	(5,2)
Dividends (c)	nil	nil	nil

ence Turok, who took over from his father in July last year, is not expecting a material improvement for the remainder of the financial year. The loss for fiscal 1992 will be relatively large.

Turok complains of the effects of the cheap imported leather goods from Turkey and Hong Kong, emphasising the paradox of 3% duty on imported finished goods whereas a 20% duty is levied on imported raw material. "How can we be competitive?" he asks.

No doubt, the company's performance over the past two years raises questions about the quality of management, who might have considered earlier whether tariff protection was too good to last, and what necessitated increased borrowings — and many other such questions.

Now, says Turok, it is a case of "hanging in there" until the economy turns. Then Pointer will be well positioned to trade profitably again. That is all very well. But what happens if the economy does not turn fast enough? Like Pointer, there are many small operations that are simply just managing to survive.

From the sidelines, we must sit and watch and wait and hope that it won't take too long and that, while the politicians fight for the power stakes, the economy, Pointer and the many other small companies in a similar position, will not deteriorate further.

Gerald Hirshon

FM 3/7/92
 (190)
POINTER FASHION

Something to bleat about

It is difficult not to continue bleating about the way that the economy has been ruined because of the politics of the past 40-odd years. But when the reality is driven home through the plight of small business, it's all but impossible to avoid doing so.

The Pointer story fits into this category. It is an old, relatively small Cape leather goods manufacturer that was listed in 1986. Until 1990, it was a successful business and showed solid financial growth. Turnover grew by a compound 31% a year; operating income before interest and tax by 36%; after-tax profit by 34% and EPS by 33%.

In 1990 and 1991, everything seems to have turned against it as the cost of its borrowings rose, labour unions received the "unreasonably" high wages they demanded, strikes, boycotts and unrest and smaller disposable incomes impacted on the consumer, and off-take declined along with GDP.

What was once a flourishing small business, is today on its knees. The interim report for the six months to end-December shows turnover reduced by a fifth, operating income barely beating breakeven level and attributable earnings showing a net loss that is larger than for the whole of 1991.

At the halfway stage, therefore, share capital (including convertible debentures) shrank by 17%, even though fixed assets were revalued just over a year ago. Net working capital fell to R1,9m from R2,7m in December 1990. The debtors book is factored. Trade is not good and chairman Laur-

Tanneries' strike ballot

ARG 11/1/92 (190)
SHARON SOROUR, Labour Reporter

STRIKE action is looming in the South African tanning industry after employers and unionists were unable to resolve a wage impasse.

According to SA Clothing and Textile Workers' Union negotiator Mr Freddie Magugu, more than 2 500 workers at 14 tanneries nationwide will take part in a strike ballot next week.

The union declared a dispute with the SA Tanning Employers' Association after rejecting a wage offer of 12,5 percent. The union is demanding an increase of 17,8 percent, which includes demands for improved annual and long leave bonus.

Clothing dispute mended

W/MC/1717192-2317192 (190)
By MONDLI MAKHANYA

WHILE strike threats in the beleaguered clothing industry may have receded, the tanning industry is teetering on the verge of strike action.

Eleventh-hour negotiations between the National Clothing Manufacturers' Association and the South African Clothing and Textile Workers' Union (Sactwu) at the weekend averted a strike by 20 000 workers nationwide which would have dealt a deadly blow to the ailing industry.

Workers have settled for raises of between 12,75 percent in the Cape and 13,11 percent in the Transvaal, as against the opening demand of 22 percent and an opening offer of eight per-

cent. A dispute had already been declared and workers were poised for strike ballots. 1717-2317192

At the same time, a pay dispute in tanning has been referred to the executive committee of the leather industrial council, and 2 500 workers are due to begin strike ballots on Tuesday.

Sactwu, which joined forces in the talks with its long-standing rival, the National Union of Leatherworkers, is demanding a 17,8 percent raise, while the South African Tanning Employers' Association has offered 12,5 percent. Negotiations began in April and increases should have come into effect at the beginning of this month.

B (DAM) 25/9/92.
**Export margins
boost Silveroak**

MARCIA KLEIN (190)

LEATHER tanner and manufacturer Silveroak Industries increased its attributable income more than threefold to R9,4m (R2,9m) in the year to end-June after improved margins in export markets and lower finance costs.

The rise was achieved on turnover of R178,8m, only 2,2% higher than the previous year's R175m.

Despite the pedestrian turnover growth, operating income rose by 18,3% to R17,3m (R14,6m). MD Owen Townsley said growth in turnover and improved margins "resulted from concentrating on adding value to raw material through our industrial divisions".

The local price of hides had exceeded international prices early in the year. When these came in line, margins improved in export markets. Townsley said exports accounted for about 50% of turnover. Finance costs were reduced to R5,7m from R8m resulting from a lower inventory cost due to the reduced price of hides, lower borrowings and the drop in bank rates.

Pre-tax income was up by 77,3% to R11,6m, and the 317% rise in attributable income came after "a generous tax holiday" and fewer extraordinary items.

A final dividend of 10,8c a share was declared to bring the full year dividend up 333% to 27c (8,1c) a share. Townsley said results were better than expected despite poor conditions locally and an excess of raw materials overseas.

The drought had resulted in "substantially poorer quality raw material, but this should improve in the coming year.

Townsley was cautiously optimistic about the coming months, particularly if the export of finished leather provided the expected returns.

... Lindstrom

A silver lining at Silveroaks

BIDM 20/11/92
Business Day Reporter

(187) (190)

SILVEROAKS Industries chairman Peter Kaufmann is cautiously optimistic about the company's future in spite of adverse worldwide economic and local market conditions.

He said in the company's annual report the share price had not performed well, but shareholders had been rewarded with a 300% increase in dividend payments.

One of the divisions in the leather tanning and manufacturing group did badly, but new management had been appointed and production streamlined.

MD Owen Townsley said the trading division's operations remained satisfactory, but this would have not been the case if the market price of hides in SA had remained unrealistically high.

The footwear leather division had been affected severely by the downturn, strikes and importation of cheap shoes. The garment and exotic hides division had been affected by declining market demands and trends.

The upholstery leather division had been hit by fragile labour relations in the motor industry, and furniture upholstery demand collapsed in the second half of the financial year to end June, Townsley said.

Metair, Toyota labour action holds back Wesco

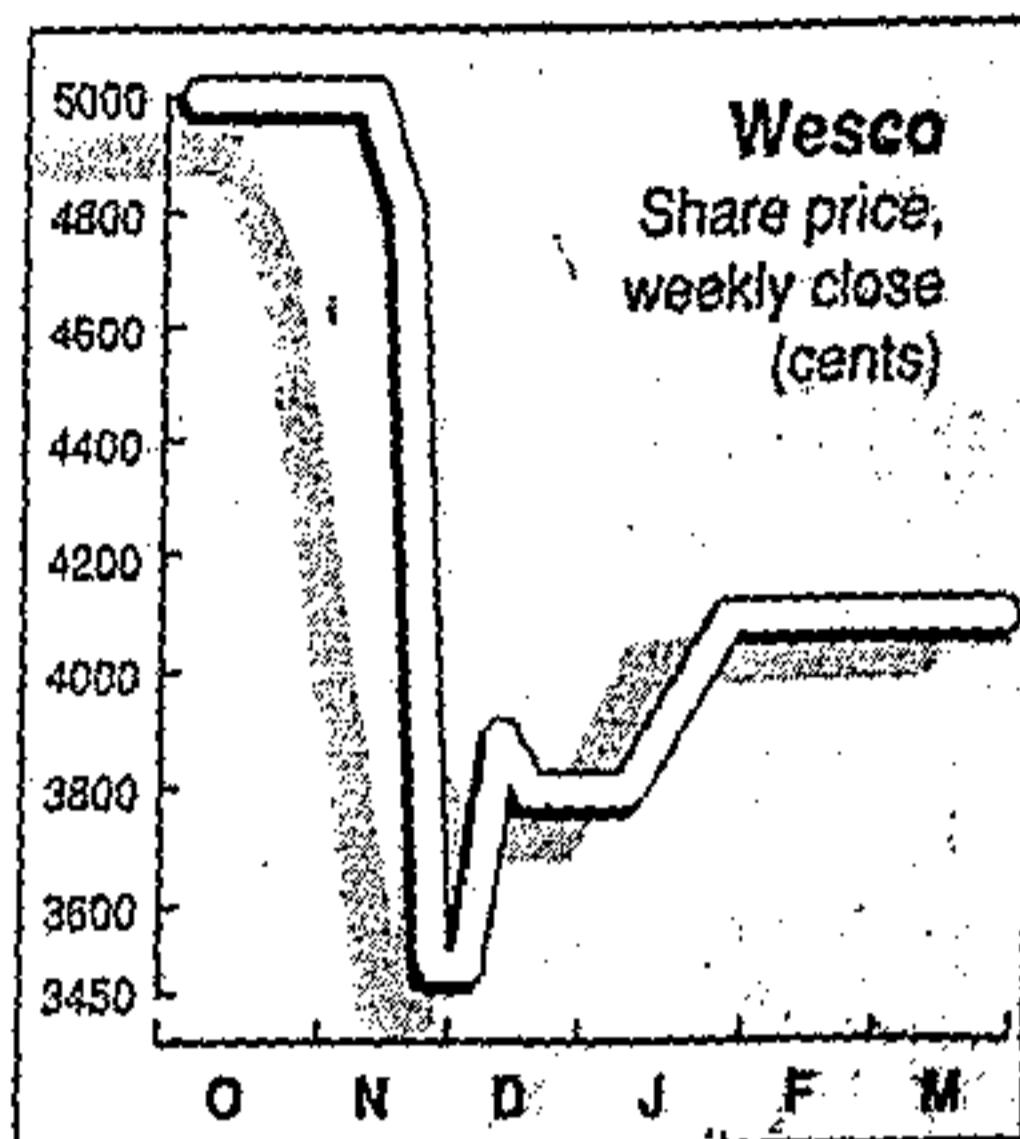
EDWARD WEST

LABOUR unrest at Toyota SA and Metair reduced holding company Wesco Investments' earnings a share by more than two-thirds to 261c (714c) in the year to end-December 1992.

Wesco, which derives most of its income from a 50% stake in Toyota SA and 42% of the motor component manufacturer Metair, maintained dividend for the year at 86c.

Turnover was R3,45bn (R3,47bn), but pre-tax income dropped by nearly half to R136,2m (R262,7m). This was caused by costs associated with the Toyota strike last year, and to a lesser degree labour stoppages at Metair, said Wesco company secretary Allan Stewart.

Tax was lower at R77,7m (R139,9m). No interest charge was disclosed. Interest bearing debt more than doubled to R493m (R239,5m)



Graphic: RUBY GAY MARTIN Source: I-NET

which brought gearing up to 44% from 24%. Fixed assets climbed 22% to R848,1m (R695,3m).

Stewart said gearing — still at comfortable levels — periodically fluctuated because Toyota SA needed to keep its products up to date with demand for new technology.

Income before extraordinary

items was sharply lower at R22m (R60m). An extraordinary item of R2,78m related to Wesco's share of income derived from Metair's sale of subsidiary Metlink to Toyota SA.

Directors reported the outlook for 1993 was not as gloomy as 1992's results which were affected by a fourth year of economic downturn, lower vehicle sales and labour disruption.

The recession would abate toward the end of 1993 and expectations of an upturn were uncertain. However, Wesco did not expect to operate in the same confrontational and hostile industrial relations environment.

At most of Wesco's companies, management and employees were engaged in serious attempts to forge better relationships at all levels, directors said. Toyota SA was working toward increased market share.

Metair's subsidiaries should also perform better in 1993 and directors expected a gradual return to previous profit levels.

Bergers going to market

CAPE TOWN — The Bergers group, which skidded badly into the red in the year to end-December with a loss of 7,7c a share, compared with a profit previously of 6,2c, is to go to the market to raise R35m.

Bergers Trading Holdings (Bertrad) hopes to raise R18m by means of a renounceable rights offer, while parent company Bergers Group intends to raise R17m to follow its rights in the Bertrad offer.

Executive chairman Howard Mauerberger said yesterday the funds raised would increase the capital base of the group, reduce gearing and provide for future growth. An announcement on the terms of the offers would be made shortly.

With an onerous interest burden and a gearing which increased to 119% (86%) during the 1992 year, the group needs to recapitalise.

Mauerberger said major institutions and other investors had indicated they intended to follow their rights in the offer.

Payment of dividends by Bertrad and Bergers has been waived.

An aggressive approach to stock reduction by means of markdowns and write-offs cost the group R8m

LINDA ENSOR

and contributed to the sharp fall in operating profit to R425 000 (R11,6m) on a 1% rise in turnover to R166,7m (R165m). The real decline in turnover was produced on a larger number of stores, an indication, Mauerberger said, of the tough trading conditions.

MD Mervyn Jacobson said carry-over stock was reduced by about R10m over the year to improve cash flow and get rid of surpluses. Heavy discounts were introduced to protect the group's market share.

All the chains in the group — Bergers, Weiner and Jones — had performed negatively and marked down heavily, Jacobson said.

With an interest bill of R6,4m (R4,8m) and an abnormal item of R1m relating to retrenchments and the closure of the Johannesburg head office of Jones, the group was deep in the red.

However, Jacobson was confident about the group returning to profitability this year, despite trading conditions remaining harsh.

Parent company Bergers, which has a 94% interest in Bertrad, reported a loss of 30,8c a share (24,5c profit).

Silveroak takes severe tanning

DUMA GOUBULE

LEATHER tanner and manufacturer Silveroak Industries reported a 72% drop in attributable income to R1,9m (R6,8m) on an 11% advance in turnover to R96,9m (R87,7m) for the half-year ended December.

This was equivalent to earnings of 12,3c (38,1c) a share. The company did not declare an interim dividend. The payout at the half-way stage last year was 16,2c a share.

MD Owen Townsley blamed the "exceptionally severe drought", which had resulted in poorer quality and lower quantities of raw material creating an over-competitive demand at higher values in spite of falling consumer demand for unfinished leather. Margins were squeezed and operating income dropped by almost half to R5,4m from R10,4m.

Finance costs fell to R1,7m (R2,6m) and pre-tax income was down 52% to R3,7m (R7,8m).

Pressure on margins would continue until a freer and more transparent marketing system had been established, Townsley said. The second half of the year was unlikely to show much improvement.

Pointer back in the black, passes div ⁽¹⁹⁰⁾

MARC HASENFUSS
Business Staff

CAPE Town-based leatherware manufacturer Pointer Fashion International crept back into the black in the six months to end December.

The group managed a small R57 000 profit compared with a heftier R415 000 loss in the corresponding period last year. No dividend was declared.

Operating margins were drastically improved in the half year under review. The group showed pre-tax/interest income of R493 000 (previously a meagre R38 000) from static turnover at R6,1 million.

Unfortunately, Pointer's interest bill was only reduced to R436 000 (R453 000), and still swallowed up most of the bottom line.

■ Earnings for Port Elizabeth-based leather group Silveroak plummeted 72 percent to R1,9 million for the six months ended December 1992.

Directors said poor quality and lower raw material quantities due to the severe drought created an over competitive demand at higher values.

The group passed the interim dividend for the period under review (previously 16,2c a share).

■ Packaging group Harwill Investments bucked the recessionary trend to post a 24 percent gain in net profit to R1,1 million in the six months to end December.

Directors modestly noted that existing businesses, and newly acquired operations, performed satisfactorily. No interim dividend was declared in line with group policy to payout after year end.

■ Clothing group Pals Holdings reported a 73 percent plunge in attributable earnings to R137 000 for the six months to end December.

Directors attributed the profit slump to reduced margins stemming

from difficult and deteriorating trading conditions.

With no prospect of a trading recovery in the immediate future, directors passed the interim dividend (previously 2c a share).

■ Recession-induced markdowns and stock write-offs pushed Bergers R6 million into the red for the year to end December.

Directors said markdowns and write-offs affected profit adversely by about R8 million.

They said measures to reduce costs for the ensuing year had already been instituted and substantial savings were anticipated.

■ Textile group Fenix Industries reduced its net losses dramatically to R2,6 million in the year to end December from R17 million in the previous period.

Directors said the group traded profitably in the second half of the year.

Fenix's holding company Abbey Holdings cut its losses by almost a third to R7,2 million in the year to December.

■ A poor performance from Manpower knocked communications, research and manpower specialists Adcorp in the year to end December.

Earnings dropped 43 percent to R617 000 in spite of sound showings from Research Surveys, The Qualitative Consultancy and TWS Communications.

The cost of financing Adcorp's diversification — which requires liquidity on the balance sheet — precluded the paying of an interim dividend.

■ Consolidated Diamond Corporation remained in the red for half year to end December 1992.

However, shareholders will be heartened that the loss was cut to R1,4 million — down dramatically from the previous year's interim loss of R28,1 million.

SILVEROAK FM 9/4/93.

Six of the best (190)

A tanning may not have been what leather manufacturer Silveroak deserved but it's what it got during the first six months of financial 1993. There was a 66% drop in EPS to 12.3c — a sharp contrast to its best-ever reported results to year-end June 1992.

MD Owen Townsley says poorer quality and lower quantities of raw materials, because of drought, created an unusually competitive demand and much higher prices. He adds that deregulation of the meat industry has left great confusion in raw hide and skin marketing: "There have been misguided efforts apparently to entrench the protectionism once provided by the statutory power of the Meat Control Board."

Merchandise produced includes footwear, clothing and automotive upholstery leather. Taking into account the decline in vehicle sales over recent years, the automotive division must be under pressure.

Overseas dumping of poor-quality goods has worked its way through the system and the company is now looking at other international markets to which it can sell. Management has to cope with the prevailing high price of hides — the largest component of the group's raw material base — which makes it increasingly difficult to control gross margins.

Townsley says the second half of the year is unlikely to show much improvement. Pressure on margins will continue until a "freer and more transparent marketing system is established." Stringent cost control and the

FM 9/4/93

(190)

expansion of the export market should help matters.

The share trades on a p/e of 2.9; a 37.7% discount to NAV. A stronger track record needs to be established before serious investor interest can be invoked.

Kate Rushton

2. PERIOD OF OPERATION OF AGREEMENT

Substitute the following for clause 2 of the Re-enacting Agreement:

"This Agreement shall come into operation on a date to be fixed by the Minister of Manpower in terms of section 48 (1) of the Act and shall remain in force until 31 October 1993, or for such period as may be determined by him."

Signed at Cape Town this First day of February 1993.

H. McCARTHY,
Chairman.

E. R. KAPP,
Vice-Chairman.

J. J. KITSHOFF,
Secretary.

No. R. 639

23 April 1993

LABOUR RELATIONS ACT, 1956

LEATHER INDUSTRY, REPUBLIC OF SOUTH AFRICA: AMENDMENT OF ADMINISTRATION EXPENSES AGREEMENT

I, Leon Wessels, Minister of Manpower, hereby—

- (a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding with effect from the second Monday after the date of publication of this notice and for the period ending 30 April 1997, upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or unions; and
- (b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1) (a), shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 April 1997, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or occupation in the areas specified in clause 1 of the Amending Agreement.

L. WESSELS,
Minister of Manpower.

SCHEDULE

NATIONAL INDUSTRIAL COUNCIL OF THE LEATHER INDUSTRY OF SOUTH AFRICA

AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between the

- (a) Midland and Border Leather Industry Manufacturers' Association;

2. GELDIGHEIDSDUUR VAN OOREENKOMS

Vervang klousule 2 van die Herbekragting van die Ooreenkoms deur die volgende:

"Hierdie Ooreenkoms tree in werking op die datum wat die Minister van Mannekrag kragtens artikel 48 (1) van die Wet vasstel en bly van krag tot 31 Oktober 1993 of vir die tydperk wat hy bepaal."

Geteken te Kaapstad op hede die Eerste dag van Februarie 1993.

H. McCARTHY,
Voorsitter.

E. R. KAPP,
Ondervoorsitter.

J. J. KITSHOFF,
Sekretaris.

No. R. 639

23 April 1993

WET OP ARBEIDSVERHOUDINGE, 1956

LEERNYWERHEID, REPUBLIEK VAN SUID-AFRIKA: WYSIGING VAN ADMINSTRASIEFONDSOOREENKOMS

Ek, Leon Wessels, Minister van Mannekrag, verklaar hierby—

- (a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie Kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1997 eindig, bindend is vir die werkgewersorganisasies en die vakverenigings wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasies of verenigings is; en
- (b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousule 1 (1) (a) met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 April 1997 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebied in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

L. WESSELS,
Minister van Mannekrag.

BYLAE

NASIONALE NYWERHEIDSRaad VIR DIE LEERNYWERHEID VAN SUID-AFRIKA

OOREENKOMS

ooreenkoms die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen die

- (a) Midland and Border Leader Industry Manufacturers' Association;

- (b) Western Cape Leather Industries Association;
- (c) Transvaal Footwear, Tanning and Leather Trades Association;
- (d) South African Tanning Employers' Organisation;
- (e) Footwear Manufacturers' Federation of South Africa;

and

- (f) Association of South African Manufacturers of Luggage, Handbags and General Goods

(hereinafter referred to as the "employers" or the "employers' organisations"), of the one part, and the

- (g) National Union of Leather Workers;
- (h) Transvaal Leather and Allied Trades Industrial Union;

and

- (i) South African Clothing and Textile Workers Union

(hereinafter referred to as the "employees" or the "trade unions"), of the other part,

being the parties to the National Industrial Council of the Leather Industry of South Africa,

to amend the Administration Expenses Agreement published under Government Notice No. R. 1789 of 3 September 1982, as amended and extended by Government Notices Nos. R. 87 of 14 January 1983, R. 2443 of 4 November 1983, R. 1669 of 26 July 1985, R. 1759 of 22 August 1986, R. 306 of 13 February 1987, R. 319 of 26 February 1988, R. 273 of 24 February 1989, R. 830 of 12 April 1990, R. 2282 of 30 September 1991 and R. 1151 of 24 April 1992.

1. SCOPE OF APPLICATION OF AGREEMENT

(1) The terms of this Agreement shall be observed in the Leather Industry—

- (a) by all employers who are members of the employers' organisations and by all employees who are members of the trade unions, who are engaged and or employed in the Industry, respectively (other than persons engaged exclusively on repair work);
- (b) in the Republic of South Africa, excluding the port and settlement of Walvis Bay: Provided that on the operations set forth in paragraph (6) of the definition of "Industry" or "Leather Industry" in clause 3 of the Agreement published under Government Notice No. R. 1789 of 3 September 1982 it shall be observed only in the Magisterial Districts of Bellville, including that portion of the Magisterial District of Bellville which, subsequent to the publication of Government Notice No. 1683 of 7 August 1987, falls within the Magisterial District of Kuils River, The Cape, Goodwood, Durban, including that portion of the Magisterial District of Chatsworth which, prior to the publication of Government Notice No. 501 of 8 March 1985, fell within the Magisterial District of Durban, but excluding those portions of the Magisterial District of Durban which; prior to the publication of Government Notices Nos. 1939 and 2067 of 10 September 1982 and 1 October 1982, respectively, fell within the Magisterial District of Inanda, and Johannesburg: Provided further that on the operations set forth in paragraph (7) of the definition of "Industry" or "Leather Industry" in clause 3 of the said Agreement it shall be observed only in the Magisterial Districts of Bellville, including that portion of the Magisterial District of Bellville which, subsequent to the publication of Government Notice No. 1683 of 7 August 1987, falls

- (b) Western Cape Leather Industries Association;
- (c) Transvaal Footwear, Tanning and Leather Trades Association;
- (d) South African Tanning Employers' Organisation;
- (e) Footwear Manufacturers' Federation of South Africa;

en

- (f) Association of South African Manufacturers of Luggage, Handbags and General Goods

(hierna die "werkgewers" of die "werkgewersorganisasies" genoem), aan die een kant, en die

- (g) National Union of Leather Workers;
- (h) Transvaal Leather and Allied Trades Industrial Union;

en

- (i) South African Clothing and Textile Workers Union

(hierna die "werknemers" of die "vakverenigings" genoem), aan die ander kant,

wat die partye is by die Nasionale Nywerheidsraad vir die Leernywerheid van Suid-Afrika,

tot wysiging van die Administrasiefondsooreenkoms gepubliseer by Goewermentskennisgewing No. R. 1789 van 3 September 1982, soos gewysig en verleng by Goewermentskennisgewings Nos. R. 87 van 14 Januarie 1983, R. 2443 van 4 November 1983, R. 1669 van 26 Julie 1985, R. 1759 van 22 Augustus 1986, R. 306 van 13 Februarie 1987, R. 319 van 26 Februarie 1988, R. 273 van 24 Februarie 1989, R. 830 van 12 April 1990, R. 2282 van 30 September 1991 en R. 1151 van 24 April 1992.

1. TOEPASSINGSBESTEK VAN OOREENKOMS

(1) Hierdie Ooreenkoms moet in die Leernywerheid nagekom word—

- (a) deur alle werkgewers wat lede van die werkgewersorganisasies is en deur alle werknemers wat lede van die vakverenigings is, en wat onderskeidelik by die Nywerheid betrokke en daarin werksaam is (uitgesonderd persone wat uitsluitlik herstelwerk doen);
- (b) in die Republiek van Suid-Afrika, uitgesonderd die hawe en nedersetting van Walvisbaai: Met dien verstande dat in verband met die werksaamhede uiteengesit in paragraaf (6) van die omskrywing van "Nywerheid" of "Leernywerheid" in klousule 3 van die Ooreenkoms gepubliseer by Goewermentskennisgewing No. R. 1789 van 3 September 1982, dit nagekom moet word net in die landdrostdistrikte Bellville, met inbegrip van die gedeelte van die landdrostdistrik Bellville wat na die publikasie van Goewermentskennisgewing No. 1683 van 7 Augustus 1987 binne die landdrostdistrik Kuilsrivier val, Die Kaap, Goodwood, Durban, met inbegrip van die gedeelte van die landdrostdistrik Chatsworth wat voor die publikasie van Goewermentskennisgewing No. 501 van 8 Maart 1985 binne die landdrostdistrik Durban geval het, maar uitgesonderd die gedeeltes van die landdrostdistrik Durban wat voor die publikasie van Goewermentskennisgewings Nos. 1939 en 2067 van onderskeidelik 10 September 1982 en 1 Oktober 1982 binne die landdrostdistrik Inanda geval het, en Johannesburg: Voorts met dien verstande dat in verband met die werksaamhede uiteengesit in paragraaf (7) van die omskrywing van "Nywerheid" of "Leernywerheid" in klousule 3 van genoemde Ooreenkoms, dit nagekom moet word net in die landdrostdistrikte Bellville, met inbegrip van gedeelte van die landdrostdistrik Bellville wat na die publikasie van Goewermentskennisgewing No. 1683 van 7 Augustus 1987 binne die landdrostdistrik Kuilsrivier val, Goodwood en

within the Magisterial District of Kuils River, Goodwood and Durban, including that portion of the Magisterial District of Chatsworth which, prior to the publication of Government Notice No. 501 of 8 March 1985, fell within the Magisterial District of Durban, but excluding those portions of the Magisterial District of Durban which, prior to the publication of Government Notices Nos. 1939 and 2067 of 10 September 1982 and 1 October 1982, respectively, fell within the Magisterial District of Inanda: Provided further that on the operations set forth in paragraph (8) of the definition of "Industry" or "Leather Industry" in clause 3 of the said Agreement it shall be observed only in the Magisterial Districts of Bellville, including that portion of the Magisterial District of Bellville which, subsequent to the publication of Government Notice No. 1683 of 7 August 1987, falls within the Magisterial District of Kuils River, Germiston, Goodwood, Johannesburg, Middelburg (Transvaal), Pretoria, Roodepoort and The Cape.

(2) Notwithstanding the provisions of subclause (1), the terms of this Agreement shall, however, apply only to those employees for whom wages are prescribed in any of the Main Agreements of the Council.

2. CLAUSE 5: COUNCIL FUNDS

In subclause (1), substitute the expression "36c" for the expression "26c".

This Agreement is signed at Port Elizabeth, on behalf of the parties this 29th day of October 1992.

D. J. F. LINDE,
Member of the Council.

K. N. MOODLEY,
Member of the Council.

L. M. VAN LOGGERENBERG,
General Secretary of the Council.

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No. R. 640 **23 April 1993**

LABOUR RELATIONS ACT, 1956

MILLINERY INDUSTRY (TRANSVAAL):
RENEWAL OF AGREEMENT

I, Leon Wessels, Minister of Manpower, hereby, in terms of section 48 (4) (a) (ii) of the Labour Relations Act, 1956, declare the provisions of Government Notices No. R. 2477 of 19 November 1982, R. 1898 of 31 August 1984, R. 1807 of 29 August 1986 and R. 727 of 5 April 1991, to be effective from the date of publication of this notice and for the period ending 30 June 1993.

L. WESSELS,
Minister of Manpower.

No. R. 641 **23 April 1993**

LABOUR RELATIONS ACT, 1956

MILLINERY INDUSTRY (TRANSVAAL):
AMENDMENT OF AGREEMENT

I, Leon Wessels, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the

Durban, met inbegrip van die gedeelte van die landdrosdistrik Chatsworth wat voor die publikasie van Goewermentskennisgewing No. 501 van 8 Maart 1985 binne die landdrosdistrik Durban geval het, maar uitgesonderd die gedeeltes van die landdrosdistrik Durban wat voor die publikasie van Goewermentskennisgewings Nos. 1939 en 2067 van onderskeidelik 10 September 1982 en 1 Oktober 1982 binne die landdrosdistrik Inanda geval het: Voorts met dien verstande dat in verband met die werksaamhede uiteengesit in paragraaf (8) van die omskrywing "Nywerheid" of "Leernywerheid" in klousule 3 van genoemde Ooreenkoms, dit nagekom moet word net in die landdrosdistrikte Bellville, met inbegrip van die gedeelte van die landdrosdistrik Bellville wat na die publikasie van Goewermentskennisgewing No. 1683 van 7 Augustus 1987 binne die landdrosdistrik Kuilsrivier val, Die Kaap, Germiston, Goodwood, Johannesburg, Middelburg (Transvaal), Pretoria en Roodepoort.

(2) Ondanks subklousule (1) is hierdie Ooreenkoms egter van toepassing slegs op dié werknemers vir wie lone in enige van die Hoofooreenkomste van die Raad voorgeskryf word.

2. KLOUSULE 5: FONDSE VAN DIE RAAD

In subklousule (1), vervang die uitdrukking "26c" deur die uitdrukking "36c".

Hierdie Ooreenkoms is namens die partye op hede die 29ste dag van Oktober 1992 te Port Elizabeth onderteken.

D. J. F. LINDE,
Lid van die Raad.

K. N. MOODLEY,
Lid van die Raad.

L. M. VAN LOGGERENBERG,
Hoofsekretaris van die Raad.

No. R. 640 **23 April 1993**

WET OP ARBEIDSVERHOUDINGE, 1956

HOEDENYWERHEID (TRANSVAAL):
HERNUWING VAN OOREENKOMS

Ek, Leon Wessels, Minister van Mannekrag, verklaar hierby kragtens artikel 48 (4) (a) (ii) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van Goewermentskennisgewings R. 2477 van 19 November 1982, R. 1898 van 31 Augustus 1984, R. 1807 van 29 Augustus 1986 en R. 727 van 5 April 1991, van krag is vanaf die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 Junie 1993 eindig.

L. WESSELS,
Minister van Mannekrag.

No. R. 641 **23 April 1993**

WET OP ARBEIDSVERHOUDINGE, 1956

HOEDENYWERHEID (TRANSVAAL): WYSIGING
VAN OOREENKOMS

Ek, Leon Wessels, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan

Leather industry wage talks drag on

B/Dag 22/6/93

ERICA JANKOWITZ

THE SA Clothing, Textile and Allied Workers' Union (Sactwu) is locked in several sets of wage negotiations in the leather sector, but seems far from settling any of them soon.

In all cases, wages are being negotiated at industrial council level and involve more than one union, including the conservative National Union of Leather Workers. (NULW)

Sactwu negotiator Mark Bennett said that in response to the unions' demand of a 15% wage increase, footwear manufacturers had conditionally offered 7%. The conditions were the unions' acceptance of workers' wages being automatically paid into bank accounts; the removal of the annual renewal requirement of certain exemptions to the agreement; and flexibility of annual leave.

Bennett said Sactwu did not have major problems with these conditions, but the parties were still far

apart on the wage issue.

The discovery that directors' fee increases were higher than inflation had hardened workers' attitudes and there was little hope of them accepting a below-inflation offer, he said.

An employer spokesman said the 7% increase was the federation's final offer.

The industry was in "deep trouble" because, despite tariffs and duties, oriental imports cost a quarter of the price of locally made goods.

Many factories were working short time and retrenchments and closures had become common. (S&S)

In the tanning sector, employers offered a 7,5% increase in contrast to the unions' demand of 10%, but had conceded to two days' paid paternity leave and 72 hours' notice of short-time demands, Bennett said.

Sactwu was concerned with employers' apparent plan to break up the existing industrial council with a proposal that next year hours of work, annual leave arrangements and public holidays be negotiated at plant level and in 1995 wages be added to the list. This would leave the council with a purely administrative function, which was unacceptable, said Bennett.

In the general goods and bags negotiations, Bennett said employers had proposed a R10 across-the-board increase — on average a 5% increase — against the unions' 11,5% demand.

Employers had agreed to maternity pay equal to 20% of a worker's weekly basic wage for three months.

He said Sactwu was consulting members on the offers, but he doubted whether workers would accept a drop in living standards for the second consecutive year. (190)

30 000 workers to vote on strike

B/Say 14/7/93

ERICA JANKOWITZ

UNIONS in the footwear, tanning and general goods sector will conduct national strike ballots this week over a wage dispute with employers.

National Union of Leather Workers spokesman Kessie Moodley said about 30 000 workers were involved.

There have been work stoppages in Maritzburg, Cape Town and Durban.

Moodley said sporadic strikes involving about 3 000 workers had occurred in Durban, but the union had resolved the dispute at individual

factories by signing agreements granting wage increases above those on offer at the industrial council.

He said footwear and tanning employers had indicated their willingness to negotiate and a meeting had been scheduled for today with footwear manufacturers.

Footwear employers have offered a 7% conditional increase in response to the unions' 10% demand.

Leather trade debates strike

Labour Reporter

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THOUSANDS of leather workers at footwear factories and tanneries nationwide are expected to go to the polls today to decide whether to strike because wage negotiations are deadlocked. ET 14/7/93

A strike ballot will be conducted in about 300 factories, said Mr Kessie Moodley, of the National Union of Leatherworkers, the biggest union in the industry.

There have been stoppages at several factories and more than 8 000 workers downed tools at Western Cape and Natal factories.

Mr Moodley said there were between 26 000 and 28 000 workers in the tanning and footwear industries and all would be balloted.

The results would be known in about a fortnight.

The union was demanding a 10 percent unconditional pay increase from July 1.

Industrial council role under spotlight

THE role of industrial councils has again come under the spotlight in the leather and footwear sectors with the National Union of Leather Workers, the majority union in these sectors, envisaging a different role for the councils. (190)

Union spokesman Kessie Moodley yesterday said footwear employers had started concluding factory level wage settlements last week as unprecedented industrial action impacted on them. Deals ranged from 8.5% to 10% more than the 7% industrial council offer, but below the union's

ERICA JANKOWITZ

10% demand. 20/7/93

Moodley said the union envisaged the footwear industrial council to become the forum at which conditions of employment were set, whereas wages would be negotiated at plant level. (355)

In the tanning sector, Moodley felt the opposite would be true with wages set nationally and conditions negotiated at plant level.

He said the Conshu group had been the first to approach the union to

conclude a wage deal as the two-and-a-half week strike had had an adverse effect on the group. The deal was signed just before the group's interdicts against strikers were due to be heard, hence the compromise deal.

However, the union had started a national strike ballot of all members, Moodley said.

If a majority yes vote was returned, Moodley said selective strikes and go-slows could be implemented in both sectors. He expected the ballot to be completed by the middle of next week, he said.

Leather strike ahead?

SOUTH 247-287193

By Barbara-Ann
Boswell

LEATHER compa-
nies could be on the
brink of a strike.

The National Coun-
cil of the National
Union of Leather
Workers (NULW) is
conducting a strike bal-
lot in the footwear and
tanning sections coun-
trywide. (SS) (SS)

Mr Kessie Moodley,
a spokesperson from
the legal department of
the NULW, said: "We
are in the process of
visiting over 300 facto-
ries and informing
employers and employ-
ees about the strike."

Workers demand a
10 percent increase,
but employers have
offered only a seven
percent hike, subject to
three conditions. (190)

The employers want
the options to pay
workers through bank-
ing accounts, cut and
split employees' annual
four-week leave, and
the option to individu-
ally introduce Industrial
Council Wage Incentive
Schemes. (SS)

"Workers are paid
weekly and are used to
this. Electronic banking
will cause workers
immense problems,"
Moodley said.

Workers are also
opposed to the intro-
duction of individual
Industrial Council
Wage Incentive
schemes. "We believe
that whatever scheme
to be devised should be
a national and uniform
one", said Moodley.
Meanwhile, Cape
Town leather workers
who stopped work last
week to protest against
management proposals,
have been persuaded to
return to work by the
NULW until the strike
becomes legal.

Moodley said the
workers would proba-
bly vote to strike:
"The mood of the
workers is such that
they will reject of the
employers' offer".

Leatherworkers win case against employer

Supreme Court Reporter

A FAILURE by the Industrial Court to allow the National Union of Leatherworkers to lead oral evidence at a retrenchment dispute was contrary to the tenets of natural justice and was grossly unreasonable, the Supreme Court found yesterday.

This was said by the Judge-President, Mr Justice G Friedman in a review application the union had brought against Mr P P de Klerk and Olympic Flair.

Evidence claimed Olympic had re-

trenched 100 workers and refused to make its financial records available to the union.

The union then brought an application to the Industrial Court for the reinstatement of the workers until Olympic provided the statements.

The Supreme Court set aside the refusal to allow the union to lead oral evidence and ordered the matter to return to the Industrial Court for judgment after that evidence has been led.

Olympic was ordered to pay the costs of the Supreme Court review and those of two counsel.

CJ 21/1/93

(190)

NEWS Inkatha chief criticises FW

Union goes to court

Sowetan 15/11/93

By Ike Motsapi

THE National Union of Leather Workers is challenging the dismissal of 85 of its members by a Johannesburg company in the Industrial Court.

Mr Phillip Basson, organising secretary of the NULW's Johannesburg branch, said 85 workers at Transvaal Hide and Skin Producers, City Deep, were dismissed without valid reasons on August 13.

The matter is due to come before the court by the end of the month.

He said some of the dismissed workers were not "even at work when management took a decision to fire them".

Mr Urie Fourie, human resources manager of the company, confirmed that the matter had been referred to court by the union. (190)

Fourie said the workers were dismissed when they went on a wage strike while talks over the matter were still continuing.

NEWS Inkatha chief criticises FW de Klerk • Dismissal of 85 workers challenged

Union goes to court

Sowetan 15/11/93

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FA, Govt 'poles apart'

Sowetan 15/11/93

THERE were still "very complex differences" between the Government and the Freedom Alliance and it would be a miracle if they managed to reconcile them, KwaZulu Chief Minister Mangosuthu Buthelezi said on Saturday night.

"It will really be a miracle if we find any rapprochement with the South African Government. They have stated repeatedly to us that whatever is agreed

upon, has to get the green light from the ANC-SACP alliance," he told a Greek Chamber of Commerce and Industries' Man of the Year award ceremony in Sandton, Johannesburg.

He said he was astonished about President FW de Klerk's announcement that most of the alliance's problems had been solved in talks.

Buthelezi also launched a scathing attack on De Klerk, saying he had lost

respect for the President.

Stung by De Klerk's reported reference to "builders and breakers" of democracy, Buthelezi said that had he not been a "builder" he would not have advocated non-violence.

"And if I was a breaker I would have urged my people to take up arms and engage themselves in the armed struggle." — Sapa.

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SITE refunds 'may top R700m'

B I Day 16/11/93

BEATRIX PAYNE

SITE tax repayments could exceed R700m, Cosatu said at a news conference yesterday.

Cosatu's negotiations co-ordinator Jayendra Naidoo said an independent audit conducted by Cosatu found that an average of R350 in refunds was owed to each worker — regardless of union affiliations — in the manufacturing, heavy industrial, textiles and catering sectors.

According to the audit, one in every four workers had paid too much SITE tax, Naidoo said.

Commissioner of Inland Revenue spokesman Sydney Pope could not confirm the R700m figure and reiterated previous statements that the department could not quantify figures until applications had been received.

Sources said the department could pay out hundreds of millions of rands in refunds. Many non-Cosatu members, such as teachers and office workers, earned less than R50 000 and may have overpaid.

Research showed workers with children and female breadwinners had made the most overpayments, said Cosatu information officer Sarah Cliffe.

Under SITE tax new IRP2 forms had to be submitted every time an employee's personal circumstances changed.

Naidoo said overpayments had occurred where many employers had not bothered to ascertain the personal circumstances of their employees

and had classified their workforce for the highest rate of deductions.

Claims that Cosatu had encouraged workers not to fill in IRP2 forms were incorrect. He said, however, the unilateral nature of the introduction of SITE had meant it had not received the co-operation of workers at the time.

Cosatu vice-president Connie September said the refunding process should be speeded up so that employees could receive repayments as soon as possible. She said refunds should be granted before April 27 to ensure they came from current government's coffers.

Pope could not say when refunds would be paid, but the department would process applications as swiftly as possible. This would depend on how quickly employees and employers were able to collect IRP2 forms and ID documents, he said.

Cliffe said the tax was unwieldy and not understood by employers or employees.

Cosatu would begin a campaign from November 20 to inform and educate its membership to assist fellow employees and non-union workers to make applications for refunds, said September. She said unemployed and retrenched workers would also be urged to make applications if they had paid too much SITE.

Leather workers' strike called off

B I Day

Own Correspondent

CAPE TOWN — A national strike planned for today by the National Union of Leather Workers' was called off yesterday after the union and the Footwear Manufacturers' Federation agreed to meet this morning and discuss wage issues. 16/11/93

Union spokesman Kessie Moodley said yesterday that although members at 80% of SA's footwear factories had "downed tools" as part of a one-day protest when the federation failed to respond to a 10am deadline yesterday, the union later called off the action after the federation agreed to talks in Johannesburg this morning. (190)

Moodley said the "vast majority" of footwear manufacturers had agreed to a 10% salary increase and urged the federation to sign an Indus-

trial Council agreement granting a 10% increase to all footwear workers retrospectively from July 1.

"The Footwear Manufacturers' Federation has agreed to hold a meeting with the union this morning and also agreed to discuss the 10% wage increase and the signing of an industrial council agreement. What is left is to agree to a 10% wage increase retrospective to July 1," Moodley said.

The union would go ahead with a nationwide strike if the talks failed.

Moodley said the largest footwear group, Conshu, had signed a written undertaking to grant a 10% wage increase. However, the union's demand that the increase be made retrospective to July 1 had not been met.

SILVEROAK
Fm 24/12/93

Tightly stretched

190

Activities: Tanning of hides and skins for sale as finished leather in local and overseas shoe, clothing and upholstery markets.

Control: African Hide Holdings 62,7%.

Chairman: P G Kaufmann; MD: O R Townsley.

Capital structure: 18,5m ords. Market capitalisation: R25m.

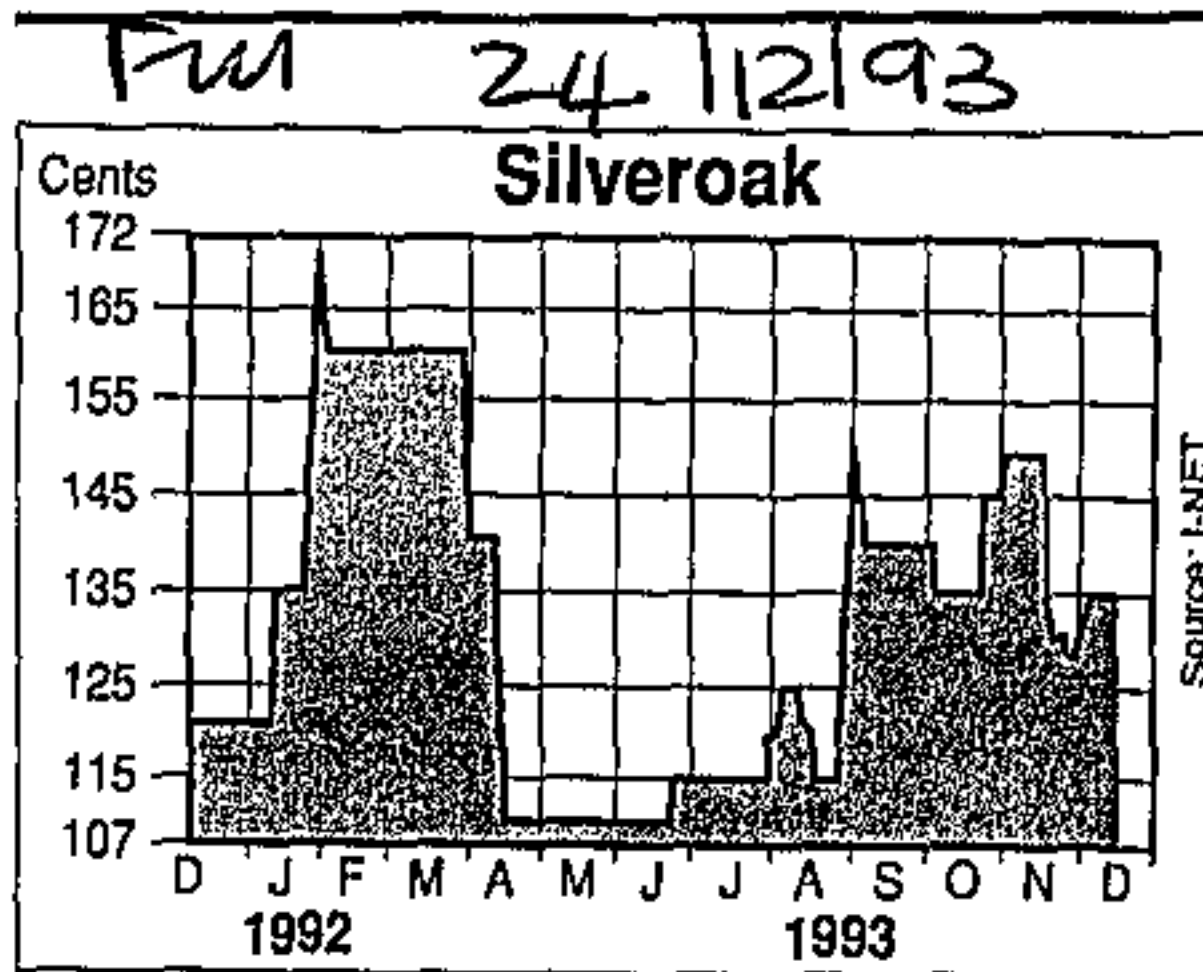
Share market: Price: 135c. Yields: 8,0% on dividend; 18,8% on earnings; p:e ratio, 5,3; cover, 2,4. 12-month high, 170c; low, 110c.

Trading volume last quarter, 264 200 shares.

Year to June 30	'90	'91	'92	'93
ST debt (Rm)	36,6	24,5	15,6	18,7
LT debt (Rm)	6,6	10,2	10,5	9,8
Debt:equity ratio	1,08	0,82	0,47	0,26
Shareholders' interest	0,39	0,42	0,52	0,54
Int & leasing cover ..	1,19	1,70	2,51	2,36
Return on cap (%) ..	9,5	14,4	15,6	11,0
Turnover (Rm)	200	175	179	197
Pre-int profit (Rm) ...	9,9	14,6	16,6	11,9
Pre-int margin (%) ..	4,9	8,3	9,3	6,0
Earnings (c)	nil	26,3	50,6	25,4
Dividends (c)	nil	8,1	10,8	10,8
Tangible NAV (c)	269	220	237	251

Severe price competition took its toll on earnings in the year to June. Tight control of costs and working capital helped the leather tanner and manufacturer stem the decline but EPS still halved. Though 1993 turnover was up a tenth, operating income dropped 28% on squeezed margins. Fortunately, lower gearing of 26% and declining interest rates reduced finance costs to R4,1m (R5,7m).

MD Owen Townsley attributes the decline in operating income to poorer quality and lower quantities of raw materials caused by



the drought, which created an unusually competitive demand and much higher prices. The deregulation of the meat industry has made hide values volatile, depressing margins in raw material and finished goods.

Management has focused on increasing exports and reducing dependence on local markets. Townsley says results have been encouraging, particularly exports of finished leather, and he is confident a trend has been established.

Weakening rand values

190

All divisions contributed to profit, the trading division producing results better than expected, helped by fluctuating raw material and weakening rand values. Order books have improved in the footwear and upholstery leather divisions. A joint venture with a French operation has trebled production in the garment leather division — 70% of which will be exported.

Capex in 1994 will be confined to necessities. The Port Elizabeth effluent plant is being upgraded at a cost of R2m because sheepskin production is expected to increase substantially.

Management is optimistic about overall performance prospects this year.

On a p:e of 5,3, the share prospects stands at a 46% discount to NAV. Though the share is reasonably cheap, a better track record and improved prospects are needed to make it an attractive investment.

Marylou Greig

MANUF. - LEATHER PRODUCTS

1996

'Chinese
goods'

Leather
workers

hit out

ESTELLE RANDALL
Labour Reporter

THE independent National Union of Leather Workers (NULW) has said it will "openly" attack government "if there is no immediate action to stop cheap imports from China entering South Africa."

NULW Cape Town coordinator William Desai said employers had given workers paid time off for a march to parliament today to hand a memorandum to Minister of Trade and Industry Trevor Manuel.

The union also threatened to show their dissatisfaction with government trade policy by not voting in the coming local government elections.

"Our union's official policy is no jobs, no votes," NULW said after a march and public campaign by the South African Clothing and Textile Workers' Union (Sactwu) to get government to implement a R4 billion plan to save jobs in the clothing, textile and leather industry.

Earlier this week Mr Manuel met representatives from Sactwu in a bid to resolve the war of words which had erupted between his ministry and the union.

Mr Desai said the union wanted protection for the industry — a limitation on imports, and penalties for illegal dumping of goods.

Earlier this month the government announced that from March 1 the Department of Customs and Excise might require a cash payment of 125 percent of customs duty payable on textiles, clothing and other goods involved in smuggling.

The government industry and trade unions will also work jointly to combat illegal imports flooding the South African market.

Kolosus in move to allay fears about beef

60 28/2/96

190

~~MEAT~~ (190)

FEARS about "mad cow" disease struck the JSE this week as shares in beef producer Kolosus Holdings slumped. The stock was hit by fears that SA consumers would be scared away from its meat products by the furore.

Management at Kolosus, a producer of livestock, processed foods and leather, moved to allay consumer and shareholder concerns yesterday following a 7% dive in its share price since Friday. The share was untraded yesterday, stuck at an all-time low of 500c.

The beef scare follows the UK government's admission last week that scientists had discovered a possible link between "mad cow disease", a lethal brain condition, and its fatal human equivalent, Creutzfeldt-Jakob disease.

"Although we are firmly entrenched in the meat industry ... Kolosus is not a meat-only company," Kolosus said. It said 60% of attributable income came from its leather business. Although meat-related activities contributed the

remaining 40% of income, only 20% was beef-related.

"About 20% of our meat business is food processing and distribution. Our processing is mainly pork-based, not beef, and distribution is a service industry," Kolosus financial director Ronnie van Rensburg said.

He said Kolosus did import beef from the UK for processed products, but group policy had always been to import from herds free of BSE (bovine spongiform encephalopathy), substantiated by veterinary certificates. "All fresh and frozen beef we sell to retailers comes from our local feedlots."

Last week an agriculture ministry spokesman said SA imported 3% of its beef from Britain. SA's Federation of Meat Traders said this equalled 27 000 tons in 1995.

Although in the past a significant quantity of Kolosus's imports stemmed from the UK, it was already sourcing supplies of beef from countries such as those in South America. — Reuter.

Vleissentraal revamps itself

Edward West

20 7/6/96
VLEISSENTRAAL Co-operative — holding company of listed meat and leather group Kolosus Holdings — has changed its corporate structure to simplify its operations.

The co-operative said the R3bn-a-year meat group had been restructured after deregulation of the meat industry had dramatically changed its operating environment.

Vleissentraal was one of the co-operatives to head for the JSE through the listing of Kolosus.

This followed changes to the Land Bank's loan terms and an amendment in the Co-operatives Act in 1994 which prompted industrial co-operatives to restructure into companies.

Directors said yesterday Vleissentraal no longer enjoyed the full support of all primary co-operatives or fulfilled the role of agent and marketer of livestock.

By ridding itself of its complex structure the group would be free to enter into alliances, issue shares to

~~ST~~ (190)
strategic partners and to make acquisitions, the company said.

"Vleissentraal Holdings will in future devote its full attention to its investments, particularly in the listed Kolosus Holdings, and arrange the mutual relationships of its members on a co-operative basis."

Vleissentraal has been restructured into three operating divisions, mainly livestock, Agmex and agencies.

The shareholders in the new Vleissentraal would initially be unchanged to those of the old company, but would have different shareholdings.

However, as Vleissentraal's shares were traded in due course, share registers would increasingly differ, the company said.

In the six months to November Kolosus posted a 9,7% decline in attributable profit before exceptional items to R23,9m after the take-over of Silveroak Industries pushed up the interest bill and cut the bottom line.

Kolosus' sales increased 31,9% to R936,1m, but finance charges surged 136,5% to R19,8m.

2/11

KOLOSUS

1995 (190)

GRAPPLING WITH DEBT

pm 9/8/96

The process of transformation is not without its costs, as Kolosus has found. Its acquisition of Silveroak last year left it with a weighty burden of debt and a one-time restructuring charge that chopped R28m off income.

Turnover rose 27% and operating income grew 33% as the group shifted its focus from fresh meat wholesaler to diversified industrial group.

Group MD Tito Vorster says it has divested its fresh carcass business and expects to earn 60% of income from its leather business next year.

The quality of its car seat leather has been greatly enhanced, and the group expects to produce about 1,2m m² in the next year.

Borrowings dropped by R90m in the last five months of the year, helped by better cash flow management and a dramatic reduction in working capital, says Vorster. "It was a collective effort to cut throughput time and increase productivity, and we plan to cut another R80m next year," he remarks. "It will be more difficult, but we can do it."

Despite the progress during the second half, at last balance sheet gearing was clearly excessive at about 84%, with total borrowings of about R290m. (The group inherited about R185m of Silveroak's debt, including the purchase price.)

Vorster also wants to reduce finance charges, which almost doubled to R41m, by R10m next year.

Vorster says six months down the line, the Silveroak purchase is proving of great benefit. "I ask myself whether the

LESS BEEFY

Year to May 31	1995	1996
Turnover (Rm)	1 425	1 808
Operating income (Rm)	61,9	82,5
Attributable (Rm)	46,3	14,0
Earnings (c)	77	23
Dividends (c)	13	23

funding mechanism was correct, and the answer is yes. It was cheaper to incur the debt rather than dilute the shareholding at the time. When the share appreciates, we might look at a rights issue."

Benefits accruing from the merger include the elimination of duplicated hide procurement and marketing structures, and the sale of the ostrich abattoir in Oudtshoorn.

Vorster observes that no production was lost and increased capacity utilisation should deliver annual savings of more than R30m.

The final quarter of 1996 was strong, says Vorster. If the group can continue in this vein, he expects a good year in 1997.

The share is trading at 495c, on a p:e of 21,5. If the restructuring charge is excluded, the p:e is 7, a wide discount to the food sector. The market may continue holding off until gearing reaches more comfortable levels.

Margaret-Anne Halse

Board launches a new probe of Kolosus deal

Jacqueline Zaina

THE Competition Board has launched a formal investigation of food and tanning group Kolosus Holdings' takeover of Silveroak Industries — almost nine months after approving the deal.

Group MD Tito Vorster said yesterday it was disconcerting that the board had not requested his response before launching the investigation, particularly as it had approved the deal in January, after a four-month probe.

He said that the takeover was now "irreversible" with businesses merged, plants closed, and almost 600 employees retrenched.

"The board's decision is surprising considering its initial judgment that the deal did not unduly impede competition," he said.

The regulator had given Vorster 30 days to respond, but had failed to forward a copy of the complaint, which had come from a player in the automotive leather industry.

The board said it would look into whether Kolosus constituted a monopoly and whether any act or omission on the part of the group subsequent to the takeover — involving ac-

tual or potential competitors — could be regarded as restrictive practice in terms of the Competition Act.

It invited the public to submit written representation on the matter within 30 days.

Vorster said he failed to see how the situation could be remedied if the board now reached a different finding.

He said it was odd that the complaint should have emanated from the automotive leather industry, which was one sector to have remained unaffected by the takeover.

Vorster suspected, however, that the complaint had been lodged by a disgruntled business partner within the industry.

The group was one of six players in the sector, and although it had recently decided to increase its production of car seat leather, could not be said to enjoy an unfair competitive advantage in this area, said Vorster.

It expected to earn 60% of income from its leather business in the current financial year, after having divested itself of its fresh carcass business.

Kolosus's attributable earnings slipped to R14m (R46,3m) for the year to May, on sales of R1,8bn (R1,4bn).

BD 16/8/96

(190)

Kolosus strips and sells Silveroak

BD 21/8/96 (190)

Adrienne Giliomee

FOOD group Kolosus has quietly stripped Silveroak Industries of assets and sold it after the subsidiary was landed with a \$100m damages claim from its former US partner.

MD Tito Vorster said yesterday that the R1,8bn-a-year group, currently facing a Competition Board probe of its takeover of Silveroak, had taken most of the leather-making subsidiary's assets and sold what remained to a consortium led by his brother Henry, who chairs Mercantile Bank.

The move — which Vorster dubbed "strategic" — followed the lodging of a claim against Silveroak by US automotive leather group Seton four months ago in the International Court of Arbitration in Paris. Seton claimed that its joint venture with Silveroak's Lady-smith Leathers in 1994 faced competition from Kolosus subsidiary King Tanning. The two groups had agreed, when Silveroak was owned by German investor Claas Daun, not to compete. However, Kolosus bought 89,9% of Silveroak from Daun last August.

The US group, which supplied leather to Chrysler, Mercedes-Benz and General Motors, complained to the Competition Board, prompting the new probe. It also lodged a civil suit

against Vorster as director of Lady-smith Leathers and MD of Kolosus.

Vorster said stripping Silveroak was not linked to the damages claim. "Silveroak and Kolosus were mirror images of one another. We had to close some plants and move business to others. In most instances the technology was more advanced at Kolosus and this made the move to incorporate the assets with Kolosus an obvious one."

The remnants of Silveroak were thought to be worth about \$12,5m. Seton still had an option to buy it.

Nine months after clearing the Silveroak takeover, the Competition Board said last week that it would investigate the deal. "It is not so much the acquisition of Silveroak that is of major concern but certain of the downstream activities affected by it," board chairman Pierre Brooks said.

Vorster said Seton had not yet submitted documentation to back its \$100m claim. Silveroak had met its contractual agreements. "Ladysmith had not made a profit before our involvement but moved into the black when we became involved," he said. "It would be unfair of Seton to argue that we inflicted any damage on Ladysmith's performance." Kolosus had proposed merging the joint venture into Kolosus, but Seton had blocked this.

US partner Seaton instigates probe into Kolosus

By Stuart Rutherford

Durban — Seaton, a US-based company, is responsible for initiating the Competition Board's investigation into Kolosus Holdings over the group's R106 million acquisition of Silveroak Industries, the leather tanner and manufacturer.

Robert Appelbaum, Seaton's local attorney, said yesterday that the company had decided to lay the complaint after the alleged "crip-

pling" of Ladysmith Leathers by Kolosus. Kolosus acquired a 50 per cent stake in Ladysmith Leathers when it took over Silveroak. Ladysmith Leathers is jointly owned by Seaton.

Appelbaum claimed Kolosus wanted to kill Ladysmith Leathers so that King Tanning, another Kolosus-owned company, could take its share of the automotive upholstery hide business. Tito Vorster, the managing

director of Kolosus, denied the allegations.

"If you look at the client base, the two companies are materially different and if we could resolve the dispute the two could be a strong marketing force within the industry," he said.

The investigation came nine months after Kolosus acquired Silveroak, a deal the Competition Board decided not to investigate formally at the time.

"That particular part of the business was not something we considered, we were looking mainly at Silveroak," said Pierre Brooks, the chairman of the Competition Board.

Vorster said the companies were still talking and that Seaton had lodged the complaint as a negotiating tactic.

"I only received a notice from the Competition Board the day they decided to do the investigation. If I

had been given the opportunity to reply to the complaint, this investigation would not have taken place."

Vorster said the acquisition would not result in a monopoly.

"At best the two tanneries would have a 45 per cent share of the automotive market and there are three other competitors in South Africa. These five companies supply 70 per cent of the local requirements and the other 30 per cent is imported," he said.

CF (Mr) 21/8/96
[Signature]
(1992)

US company accused of trying to stifle international competition

Kolosus-Seton war hots up

(190) CT(BE) 22/8/96

By Stuart Rutherford

Durban — Kolosus Holdings, the South African food group, yesterday claimed that the international row between it and the US automotive leather company Seton was the result of Seton's attempts to keep it out of the international market.

Tito Vorster, the managing director of Kolosus, said Seton was not aiming to protect its local business, but to stop Kolosus from competing against it internationally.

That claim is the latest blow in an international battle between the two. The clash stems from Seton's allegations that Kolosus-owned King Tanning is deliberately destroying co-owned Ladysmith Leathers in order to take its share of the automotive leather industry.

Last year, Kolosus took over Silveroak, the company that jointly owned Ladysmith Leathers together with Seton, for R106 million.

"South Africa's competitive advantage as a result of the weakening rand and the influx of new car manufacturers has made the country a threat to Seton's international trade," said Vorster.

Robert DeMajistre, the vice-president of Seton, yesterday dismissed these claims as nonsense. He said Seton was one of the two largest automotive leather suppliers in the world and did not consider Kolosus a threat.

He said their primary concern was to protect their state-of-the-art technology from Kolosus because it was substantially better than that used by the local group.

Vorster based his claim on Seton's alleged proposal that Kolosus should "donate" a 70 percent interest in Ladysmith Leathers and a 50 percent interest in King Tanning to Seton without compensation and on the understanding that the local company should not compete with Seton internationally.

In turn, Seton would withdraw its fierce assault upon Kolosus, according to the alleged proposal.

"Seton's attempt is clearly aimed at preventing Kolosus from competing against it internationally and its main aim is not to further its local business, but to protect its American business."

DeMajistre said the proposed settlement was for a 50 percent stake in both Ladysmith Leathers

and King Tanning, after which the plan was for two companies to be merged.

He said the only reason for this proposal, which was subsequently rejected by Kolosus, was that it made "economic sense".

Seton is one of the two biggest suppliers in the world of automotive leather and its projected turnover for this financial year is \$450 million.

Concerning Kolosus' claims that it was not aware of the agreement between Silveroak and Seton in terms of which Silveroak would not compete with Ladysmith Leathers at the time of the takeover, DeMajistre said it was incumbent on Kolosus to have found out what agreements existed before they took over Silveroak.

KOLOSUS IN AUTO LEATHER INDUSTRY FURORE

SKINNED ALIVE?

FM 23/8/96

(186) (190) (255)

Silveroak, the company acquired last year by meat and leather group Kolosus, faces a US\$100m-plus claim for breach of contract in a bitter row for dominance in SA's R900m/year automotive leather industry.

The action is being brought by US automotive leather giant Seton at the International Court of Arbitration in Paris. The major portion of Seton's annual revenue (projected \$450m in financial 1996) comes from the sale of automotive leather. One of the two biggest players in the world, the company supplies all global leather requirements for Chrysler. Other customers include General Motors, Mercedes-Benz, BMW and Nissan.

Pennsylvania-based Seton bought into a 50-50 joint venture in SA in 1994 but found itself in a nightmare situation when the joint venture's parent, Silveroak, was sold to JSE-listed Kolosus last September. Kolosus owns 100% of one of Seton's main SA competitors, King Tanning.

Seton is also preparing an action against Kolosus in the US courts.

Seton came to SA in September 1994. Four months earlier, the company entered the European automotive upholstery business with the acquisition of Lindgens, a German company which is one of the largest upholstery suppliers to Mercedes-Benz. Mercedes, hit by 61% duty on vehicles it imports into SA, wanted to reduce this by building up export credits from components made in SA. In the 50-50 joint venture, Seton bought into Silveroak's upholstery facility, Ladysmith Leathers, spending \$5m in its purchase and upgrading.

When the venture was formed, Silveroak and Seton signed reciprocal covenants restraining them from competing with each other.

However, in a bonafide development in late August 1995, German investor Claas Daun sold his 89,9% stake in Silveroak to Kolosus for R94,6m.

Kolosus Group MD Tito Vorster and King Tanning MD Pieter Brand were appointed to the Ladysmith board. Both are also on the board of Ladysmith's rival,

King Tanning.

At the time, the Competition Board approved the takeover. But last week the board announced it was launching a new investigation to establish whether the Kolosus acquisition of Silveroak had created a monopoly.

In a separate action, Seton has filed affidavits in the Transvaal Supreme Court, charging Vorster and Brand with being in breach of their fiduciary duties, by sitting on the boards of competing companies.

Seton is applying to the court for an order to prevent Kolosus from:

- Passing on confidential Ladysmith pricing and cost structure information to King Tanning;
- Operating a secret two-tier price structure whereby hides supplied by a Silveroak subsidiary were sold to King Tanning cheaper than to Ladysmith.

Seton vice-president and Ladysmith director Robert DeMajistre says: "Despite assurances by Vorster that he would never compete with the joint venture, King Tanning started engaging in various restrictive practices which amount to unlawful competition. These intensified, involving the main customers and prospective customers of Ladysmith such as Mercedes-Benz, BMW, Opel and Rover."

Papers filed by Seton with the Supreme Court recount how Ladysmith's marketing director was instructed by Vorster to share confidential price information relating to its major customer, Mercedes-Benz, with King Tanning. This, claims Seton, enabled King Tanning to put in a lower quote for Mercedes business.

In Germany, Claas Daun, who chairs furniture group Morkels, reveals that he has had a "bit of a struggle" getting the R94,6m payment for his Silveroak shares



Tito Vorster . . . won't be bullied

from Kolosus. "We tried to settle this fight outside the courts and only a small amount is still outstanding."

In a final twist, it appears that Kolosus has quietly disposed of Silveroak. When they met in Paris at the start of the arbitration case on July 30,

Vorster told DeMajistre that Silveroak, whose only asset is the Ladysmith joint venture, had been sold to an unidentified group of investors that includes Tito Vorster's brother, Henry, who apart from chairing Mercantile Bank, is attorney to Kolosus.

Though much was made of the Silveroak takeover by Kolosus when it announced disappointing results on August 5, news of its apparent disposal was not imparted to shareholders.

As the FM went to press, Tito Vorster maintained that Kolosus sold Sil-

veroak to an investment group in May. "Silveroak is not a subsidiary company of Kolosus and Kolosus is not affected by this \$100m claim," he says.

Why was the sale not disclosed to shareholders or mentioned in the Kolosus results? "It was a small transaction. We had stripped all the businesses out of Silveroak, apart from the joint venture, and incorporated them into our own businesses."

Vorster declares that Seton's allegations filed in the Supreme Court are "patently untrue" and of "no substance." He adds: "They want to take a controlling interest in our business in the automotive industry in SA and they're trying to prevent the joint venture from competing against them worldwide. I'm not going to be bullied by these people."

Seton responds: "As far as we are concerned, Silveroak was and remains a subsidiary of Kolosus." Jack Lundin

Board alters the focus of Kolosus study

By Stuart Rutherford

Durban — The Competition Board announced this week that it would not formally investigate Kolosus Holding's recent R106 million purchase of Silveroak Industries, but would rather look at the implications of the deal.

Pierre Brooks, the chairman of the Competition Board, said the issues relating to possible anti-competitive practices in the supply of products to Lindgens Ladysmith Trimming and Ladysmith Lindgens Leather by other companies within the Kolosus group would be considered.

The investigation stemmed from Seton's allegations that Kolosus-owned King Tanning was deliberately destroying Lindgens Ladysmith Trimming and

Ladysmith Lindgens Leather, to take its share of the automotive leather industry.

Seton, a US-based producer of automotive leather, and Kolosus, co-own Lindgens Ladysmith Trimming and Ladysmith Lindgens Leather.

Brooks said the Board had cleared the acquisition of Silveroak and its subsidiaries. The deal did not warrant a formal

re-evaluation, although it was a "causal factor" in the present investigation.

Tito Vorster, the managing director of Kolosus, said he was satisfied that the purchase of Silveroak had been put to bed, though he was not happy with the board's decision to investigate the deal's implications. He said he had seen Seton's complaint. Its claim that Kolosus controlled 90 percent of the raw material in

South Africa suitable for automotive leather was incorrect. He said Kolosus controlled only 50 percent. Vorster said they did not prejudice Lindgens Ladysmith Trimming and Ladysmith Lindgens Leather in product supply. "I have no doubt that once the Competition Board receives my reply it will just die away."

Robert Appelbaum, Seton's local attorney, said the company wanted equal attention paid to the Silveroak take-over, the possible monopolistic situation and any restrictive practices. The Southern African Clothing and Textile Workers Union, which represents most of the affected workers, complained that Kolosus did not consult it before the acquisition.

(190)

(192)

ET(BR) 30/8/96

Customs and excise reverses decision after pleas from shoe producers

Customs backs off skins duty

By Stuart Rutherford

Durban — The customs and excise department has backed down and decided not to charge duty on whole bovine-skin leather of less than 2,15m² provided importers have only trimmed off unusable areas, customs and excise commissioner Cecil Gaze confirmed yesterday.

This decision follows appeals from the Footwear Manufacturer's Federation and the Footwear Institute of South Africa to remove the 16 percent duty on whole bovine leather of less than 2,15 m², which

CT (BE) 27/8/96

was introduced two months ago.

The Footwear Institute said the duty was crippling imports of buffalo leather, which was used in between 60 and 65 percent of all local shoes, and would have cost footwear manufacturers R100 million a year.

The imposition of the duty was the result of certain importers deliberately trimming leather to make it look like whole skins to avoid paying duty.

David Berry, the president of the institute, said while there had been someone who had trimmed

skins in this way, the rest of the industry was acting with integrity. He appealed to manufacturers to make sure their sources were bona fide, and principled, to ensure that this type of thing did not happen again.

Gaze said customs was prepared to accept as duty-free whole skins from which unusable areas had been trimmed.

"This office appreciates that importers pay for leather on the basis of the square footage supplied and are loath to pay for leather which, for the purposes of produc-

ing footwear, is not usable."

He said in cases where duty or a deposit had been charged incorrectly on leather, it would be paid back, but the onus would be on the importer to satisfy controllers of customs and excise that goods declared were in fact whole.

"In this regard, the testimony of impartial technical experts, such as may be found at tanneries, for example, would hopefully assist. This, however, is a matter to be taken up and negotiated, in the first instance, with the controllers concerned," he said.

Seton wants delay for Silveroak claim fee

~~932~~ ~~933~~ (190) NOV. '96
STUART RUTHERFORD

Durban — Kolosus, the South African food group, said yesterday that Seton, the US motor leather company, had asked for an extension of the deadline to pay US\$515 000 to the International Chamber of Commerce for the arbitration action against Silveroak Industries.

Tito Vorster, the managing director of Kolosus, said he believed the extension would not be granted since Seton had only paid US\$257 500 by the October 31 deadline, and the claim would be chucked out.

Seton refused to comment on these claims yesterday, other than to voice "general disagree-

ment" with the statements made by Kolosus.

Vorster said Kolosus had refused to pay half the costs of the action and had been under no obligation to do so, thus leaving Seton with the total bill.

Seton had initiated the proceedings earlier this year, claiming Silveroak had breached a competition agreement with it, because its majority shareholder had sold its shares to competitor Kolosus. The sale effectively gave Kolosus and Seton joint control of Ladysmith Leathers, a leather tanner and manufacturer in competition with Kolosus-owned King Tanning.

Seton was then requested to submit briefs on this alleged

breach and damages incurred thereby and to pay the necessary advance on costs.

A spokesman for the Secretariat of the International Court of Arbitration refused to comment on the state of the action yesterday, saying this was a confidential matter.

A recent letter addressed to Seton from Fernando Mantilla-Serrano, counsel for the Secretariat of the International Court of Arbitration, said that if Seton did not pay the remaining portion of the advance on costs it should withdraw the claims.

Vorster said he was confident that if the action did go ahead and Kolosus was given an opportunity to respond, then the dis-

pute would be dismissed.

He maintained the action was part of Seton's game plan to force Kolosus into accepting an unfavourable compromise and sign an international non-competing agreement with Seton.

"Since we took over Silveroak, our throughput at the two automotive tanneries (King Tanning and Ladysmith Leathers) has grown by 40 per cent. And it is all exported so we are directly competing with one of Kolosus's subsidiaries in Germany," said Vorster.

Seton is one of the two biggest suppliers in the world of car leather. Its projected turnover for this financial year is \$450 million.

(1890)
FM 11/11/96

Group MD Tito Vorster describes financial 1996 as a watershed for Kolosus as it completed its transformation from a co-op into what he calls "a leading diversi-

- **ACTIVITIES:** Processes, markets and distributes meat products; produces leather and hide products.
- **CONTROL:** Vleissentraal Holdings 39,3%.
- **CHAIRMAN:** J F Besselaar. MD: A T Vorster.
- **CAPITAL STRUCTURE:** 60m ords. Market capitalisation: R219m.
- **SHARE MARKET:** Price: 365c. Yields: 6,3% on dividend; 6,4% on earnings; p:e ratio, 15,6; cover, 1,0. 12-month high, 670c; low, 360c. Trading volume last quarter, 856 949 shares.

Year to May 31	'95	'96
ST debt (Rm)	48,6	114,7
LT debt (Rm)	159,2	176,3
Debt:equity ratio	0,70	0,98
Shareholders' interest	0,47	0,38
Int & leasing cover	2,9	2,0
Return on cap (%)	9,8	10,7
Turnover (Rbn)	1,43	1,81
Pre-int profit (Rm)	61,9	82,5
Pre-int margin (Rm)	4,3	4,6
Earnings (c)	77,2	23,3
Dividends (c)	13,0	23,0
Tangible NAV (c)	491	492

fied industrial group that will satisfy the demands of not only the local, but also the international markets."

It involved radical curtailment of operations in the highly cyclical wholesale fresh meat market and a redirection of resources into manufacturing activities.

Equally important was the additional R186m investment in the leather industry through controversial acquisition of Silveroak Industries. This, says chairman Hannes Besselaar, further enhanced the group's position as SA's leading leather producer, which in turn has promoted prospects for increased involvement in foreign markets.

Vorster concedes that, short-term, the Silveroak deal has impaired both profitability and balance sheet structure. Finance director Ronnie van Rensburg quantifies this with the view that Kolosus without Silveroak would have increased attributable EPS by about 20% instead of the marginal 3% improvement reported before exceptional items (mainly restructuring costs).

In the case of the balance sheet he notes that the group immediately after the takeover had borrowings of R380m, with debt:equity ratio of 1,27, up from 0,70 at the previous balance sheet date.

By year-end, and by the FM's calculation, borrowings had fallen to R290m (net of cash) and the debt ratio was under 1 — still excessive, but materially better.

Management are obviously confident the initial costs of acquiring Silveroak had largely been absorbed by year-end, and that from now on the benefits should flow as duplication of management and marketing structures are eliminated and production facilities rationalised. This view presumably influenced the decision to pay out almost all 1996's net earnings (after exceptional items) in dividends.

It is as well that Vorster and Van Rensburg have gone to considerable lengths to fill shareholders in on the effects of the Silveroak deal as the financial statements without this background are, at best, a mixed bag.

Turnover and operating profit were up 27% and 33% respectively, but the benefits here were largely absorbed by higher interest charges which left pre-tax profit only R1m higher than in 1995. Headline earnings, as indicated earlier, reflected an improvement of only 3%.

Profitability ratios were up across the board. Apart from the improvement in trading margin, gross returns on total assets and capital employed were both higher though, at 10,7% and 14,1%, still leave something to be desired. The same applies to ROE of 14,2% based on headline earnings from 13,8% previously.

Negatives mostly relate to the balance sheet. The unsatisfactory gearing position is acknowledged by Van Rensburg who notes that a rights issue is being considered — "but only at a stage when the share price of the group justifies it." The need is underscored by an interest cover which has dipped to a precarious two times, as well as the narrow debt cover (the ratio of cash flow to borrowings) of only 0,2.

In both cases these ratios are well down on 1995 levels though, if the benefits of Silveroak flow though as expected, the next financial statements could look better even without a capital injection.

Kolosus may well have found itself in a Catch 22 situation. The financial position has clearly reinforced the downtrend in the share price which started around the beginning of this calendar year. At 365c, the price is only 5c off its 12-month low which, in turn, reflected a 46% slump from the year's high. It is also 26% below net worth which, by itself, makes a rights issue unviable unless one is desperate.

The best action would probably be for the group to concentrate on consolidating its position to maximise performance of its existing assets — with luck it could find that in a year's time the need for

fresh capital will largely have fallen away. It could then look at fresh expansion opportunities free of the present financial constraints. *Brian Thompson*

MANUF. - LEATHER PRODUCTS

1997.

CT (BR) 4/2/97
**Tanning industry is saved by
volume exports to carmakers**

~~(188)~~ (190)
STUART RUTHERFORD

Durban — The South African tanning industry, which had a crisis following the decline of the local shoe industry, is fast becoming one of the big suppliers of automotive leather in the world.

Anthony Black, an adviser to the government on the Motor Industry Development Programme (MIDP), said exports of automotive leather had grown from R464 million in 1994 to R1,019 billion in 1995, and were estimated at R1,5 billion for last year.

Two of South Africa's largest customers are BMW and Mercedes. Black said local producers had a comparative advantage in that area thanks to the MIDP, which enabled them to get re-

bates on duties paid for imports, and the declining value of the rand.

Dave Sweetnam, the general manager of the Skin, Hide and Leather Council, said that during the early 1990s, about 80 percent of South Africa's tanning production went to the footwear industry.

Today, between 70 percent and 75 percent of production goes to the automotive industry. "Fortunately for us, the MIDP kicked in at the same time as there was the dramatic decline in the local manufacture of shoes," he said.

Black said while the quality of the local leather was highly regarded, the industry was dependent on a lot of imports to get sufficient quality hide.

Court reinstates fired W Cape leather workers

Cape Town - The Labour Appeal Court has reinstated all 87 members of the National Union of Leather Workers who were dismissed after they went on strike in Wellington in 1995.

The court found that the strike on September 6, 1995 was legal and that workers had lost their jobs through an unfair

labour practice.

It reinstated all the union members retrospectively to November 27, 1995, with 18 months backpay and allowed 14 days for employees to report for duty.

In a statement yesterday, the union said the judgment was a victory for the members and their representatives.

(190) (190) ARG 7/5/97
"The LAC confirmed the protection of workers against unfair dismissal during a legal strike," the union said.

According to the union, the dispute began in June 1995 after wage negotiations between the union and the SA Tanning Employers' Organisation deadlocked over annual wage increases. - Sapa

US grants ostrich leather duty-free status

Simon Barber

WASHINGTON — The good news for SA ostrich farmers is that the US has granted duty-free status to SA ostrich leather under the US generalised system of preferences (GSP). The bad news is that US importers will still have to pay the duty — 2.1% — because congress let authority for the GSP programme expire at the end of May.

Sasol is another victim of Washington's now-you-see-them-now-you-don't trade preferences. The office of the US trade representative announced last week

that it was eliminating the 2.2% duty on Sasol's growing exports to the US of alpha-olefins, a valuable byproduct of its oil-from-coal chemistry used to make plastic wrap.

The US trade representative also rejected a petition by the US Ferroalloys Association to deny GSP treatment to SA manganese dioxide; added SA railway axles to the GSP list; and granted waivers to allow SA furfuryl alcohol and vanadium compounds to continue enjoying GSP benefits although their share of the US import market exceeded the 50% "competitive need limit" on GSP eligibility.

A similar waiver was granted for SA ostrich leather, exports of which to the US were worth \$20.3m last year, accounting for 67% of all US imports in the tariff category "leather of other animals, without hair on, fancy". Pretoria had been lobbying for the waiver since 1995 on grounds that SA was the world's only major supplier and no damage was threatened to US producers.

Sasol's petition for duty-free status in the category "other unsaturated acyclic hydrocarbons" also dates to 1995, the year after the Clinton administration made

SA eligible for GSP.

Sasol has been working hard to establish a market for its alpha-olefins in the US, and successfully sought approval from the food and drug administration for a new kind of food wrap containing one of products, pentene.

Its GSP request was granted outright, but it may have to seek a "competitive need limit" waiver down the line.

In the category for which it has been granted GSP benefits, Sasol accounted for US imports worth \$14.4m last year, or 76% by value of US imports from all sources.

Chemicals are one of SA's fastest growing exports to the US. In the-ory, SA was by far the biggest African beneficiary of GSP last year: \$431m of its exports to the US — a fifth — were eligible for duty-free treatment under GSP, whose purpose is to stimulate the exports of developing countries.

However, after lapsing in July 1995, the programme was inoperative until October, when congress renewed it until May 31 this year, when it was allowed to lapse again. The Clinton administration is trying to persuade congress to renew it on a long-term basis.

(1994)

(1990)

BD 13/16/97

Rag trade in union merger talks

et (BR) 24/6/97
RAVIN MAHARAJ

Durban — Cosatu said yesterday it would support the amalgamation of the South African Clothing and Textile Workers' Union (Sactwu) and the National Union of Leatherworkers (NULW), the two largest labour voices in the footwear and leather industries.

John Zikhali, the KwaZulu Natal chairman of Cosatu, said the federation was "waiting patiently" for a single voice to represent the clothing, textile, leather and footwear sectors which, he said, were "inextricably linked".

He said an amalgamation of the unions would give labour a powerful voice in lobbying the government in the tanning, footwear and general leather

goods manufacturing sectors.

Zikhali was reacting to moves by Sactwu — the majority voice in the tanning sector which has a 40 percent voice in the footwear sector — to join the NULW to create a single voice in the troubled leather and footwear industry, which is facing a surge in imports.

But the NULW yesterday questioned Sactwu's motives behind the amalgamation, saying its independence as the majority voice in the general goods, handbags and footwear sectors would be "threatened".

However, Kevin Perumal, the national leather co-ordinator at Sactwu, said the idea behind the proposed amalgamation was to remove the "fragmented voice" in an industry which, he said,

(BR) (BR) (90)
was rapidly declining.

Perumal said poor management, unskilled labour, the lack of training facilities and the "constant bickering" between unions were "dragging the industry down".

Andrew van Rooyen, the NULW general secretary, said it would only consider an amalgamation if its membership was returned to the NULW.

He said Sactwu could keep members in the clothing and textile sectors, but should return NULW's leather and footwear membership.

Van Rooyen said it was not just a matter of combining strengths, but maintaining its independence as a force in the leather and footwear sectors was also important.

Setback for proposed union merger

ARC 25/6/97

THABO MABASO
BUSINESS REPORTER

Moves to set up a united trade union in the clothing, textile and leather industries suffered a set-back yesterday when the National Union of Leather Workers (NULW) said its independence would be undermined if it merged with another union.

The NULW's Cape Town branch co-ordinator, Ashraf Ryklief, told Business Argus that the South African Clothing and Textile Workers' Union's (Sactwu) open relationship with the African National Congress (ANC) would not appeal to his union's membership.

"We are an independent union and we represent a broad spectrum of people who have very different views on many political issues," Mr Ryklief said.

Sactwu is affiliated to the Congress of South African Trade Unions, which has an alliance with the ANC.

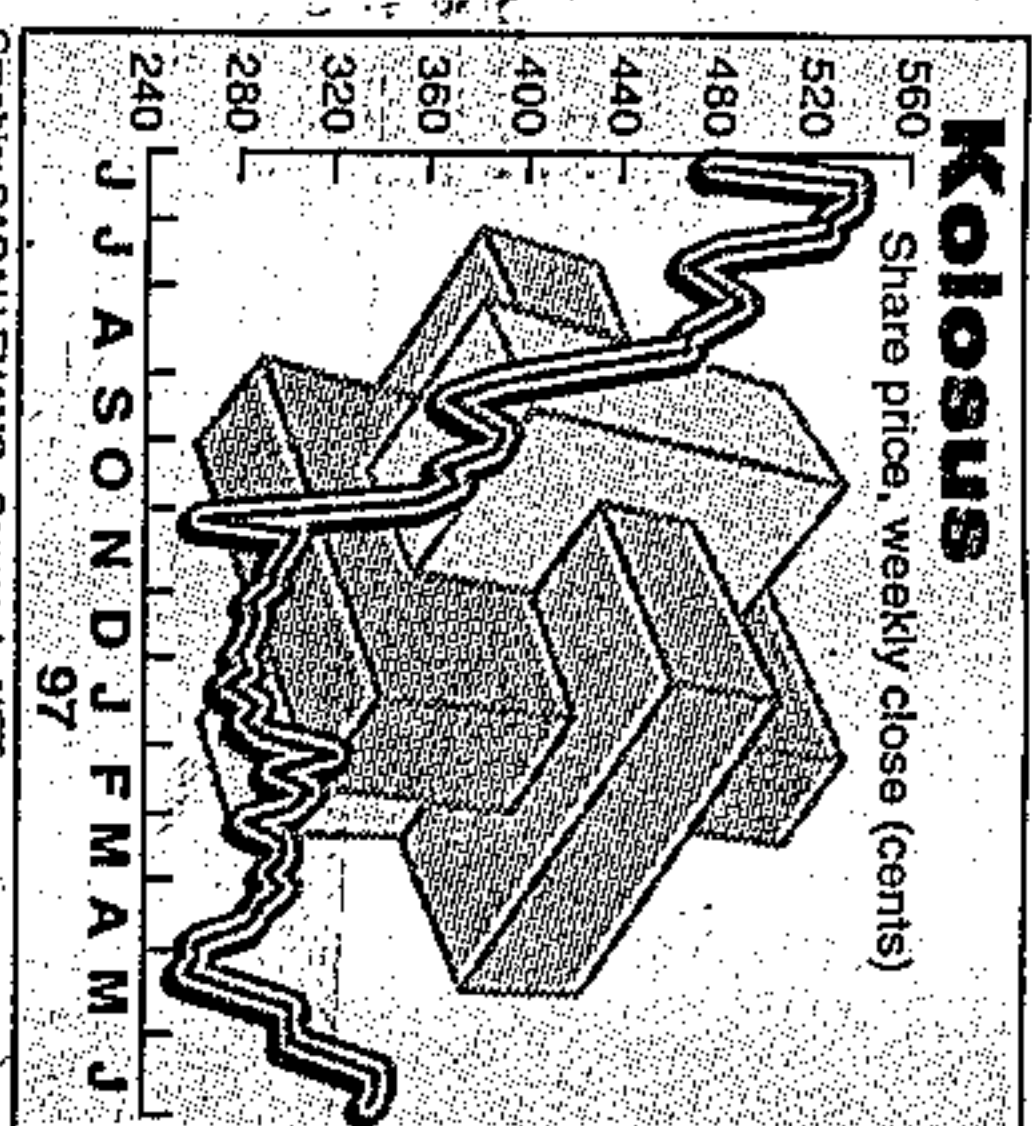
Sactwu's secretary general, Jabu Ngcobo, said the union had requested a meeting with the NULW for sometime in July to discuss the possibility of the two merging.

Net income at Kolosus falls 46% in 12-month

BA 26/6/97

(1997)

Period



Janet Parker

INTEGRATED leather and food group Kolosus Holdings' net income fell 46% to R7,6m in the interim 12 months to May due to high acquisition-related finance costs, restructuring costs, poor market conditions and losses from associated companies.

Earnings a share on net income slumped 46% to 12,61c from 23,33c. Kolosus' year end has been changed to September 30. In view of the present level of gearing the board decided not to declare a fur-

ther interim dividend.

Despite the unfavourable market conditions, particularly a world oversupply of leather to the fashion industry, Kolosus lifted operating income 22,6% to R101,2m. Turnover increased to R2,1bn from R1,8bn in the previous financial period.

However, finance charges rose 92,5% to R78,3m largely due to the final payment for the acquisition of the Silveroak group which was financed by interest-bearing debt. The group said plans were under way to recapitalise the group.

The purchase of Ladysmith Ladgens Leathers (LLL) in January, increases in local and imported raw material as well as an increased debtors' book owing to higher international sales values all contributed to the group's finance charges almost doubling. No tax was paid for the 12 months under review.

Group financial director Ronnie van Rensburg said at the time of the LLL purchase that it would boost the group's direct and indirect export earnings from leather to more than R800m annually,

and Kolosus would be responsible for about 40% of domestic automotive leather production.

Kolosus had bought the entire shareholding in LLL and Ladgens Ladysmith Trimmings for R25,8m from Silveroak Industries. Kolosus MD Tito Vorster said at the time the acquisition marked another phase in a strategy to reposition Kolosus as a rand hedge, export-orientated organisation rather than a predominantly red meat company.

The share of associated companies retained loss was R4,6m com-

pared with a retained profit of R3,1m for the previous financial period, leaving net operating income down 56,7% at R18,3m (1996: R42,2m). The group said the loss was largely due to the effect of subdued market conditions on its chicken production facility, in which it has a 33,3% interest.

Restructuring costs dropped 61% to R10,7m. The group said its meat processing operations at the Vanderbijlpark plant were discontinued, resulting in the consolidation of the product range in Supreme Belville.

Sactwu and Nulaw merger talks stalled

CT(BB) 24/7/77 (190)

RAVIN MAHARAJ

Durban — Cosatu said yesterday it would continue its attempts to persuade the leadership of the South African Clothing and Textile Workers' Union (Sactwu) and the National Leather and Allied Workers' Union (Nulaw) to amalgamate and create one voice in the troubled footwear, leather, clothing and textile industries.

John Zikhali, Cosatu's Kwa-Zulu Natal chairman, said the federation was "waiting patiently" for a single voice to lobby the government and save the industries, all of which were facing a surge in imports, factory closures and increasing unemployment.

Industry sources have said in Pietermaritzburg alone, employment in the footwear manufacturing sector had dropped from 7 700 to 4 800, production had declined by 40 percent and 19 factories had shut down.

Zikhali said the issue of amalgamation was a priority for

Cosatu. Sactwu, he said, had indicated the matter would be debated at its forthcoming annual congress.

Zikhali was reacting to last month's moves by Sactwu — the tanning sector's majority voice and which has a 40 percent voice in the footwear sector — to join Nulaw to create a single power in the leather and footwear industry.

But Andrew van Rooyen, the general secretary at Nulaw, said the union "would not entertain" any amalgamation talks — as it had indicated last month — unless its footwear membership was returned.

He said Nulaw's status as an independent union — which was the majority voice in the general goods, handbags and footwear sectors — was under threat.

Van Rooyen said the amalgamation of independent unions under a separate federation not affiliated to Cosatu was likely to create a "more balanced labour voice in South Africa".

Huge revamp ahead for footwear, leather sector

ET (RR) 14/10/97 (190) (190)

RAVIN MAHARAJ

Durban — The ailing footwear and leather industry would undergo massive restructuring to ensure it created more jobs and became globally competitive, industry leaders said yesterday.

They said the Footwear and Leather Industry Accord, which was signed last week by industry partners, organised labour, the department of trade and industry, the KwaZulu Natal department of economic affairs and tourism and the Pietermaritzburg-Msunduzi transitional local council, was geared to "save and strengthen" the sectors in Pietermaritzburg and the rest of KwaZulu Natal.

The aim was to "secure the survival of enterprises, jobs of workers and the future of the industry".

The accord came from the findings of the Industrial Development Corporation's footwear cluster study, which envisaged the industry projected total exports increasing from 3 million pairs last year to 70 million in 2005. It suggested the industry targets niche markets, South Africa's brand image be built internationally and an additional 100 000 jobs be created by 2005.

In addition, the study said indirect employment for about 25 000 people

would be created in the farming, tanning, chemical, component and general leather industries.

It said local companies were better placed to develop a competitive position in men's leather footwear for the medium and higher-priced markets.

Kevin Perumal, a leather co-ordinator for the South African Clothing and Textile Workers' Union, said a local footwear and leather steering committee had been established to "find the way forward" after the signing of the accord.

The committee would meet soon to focus on industry challenges — including labour and management restructuring, developing union leadership and improving industrial relations, he said.

Commenting on government support, Perumal said efforts to stop illegal imports of footwear and leather goods had to be given priority. In addition, efforts had to be made to raise the awareness of footwear manufacturers regarding supply-side measures.

Andrew van Rooyen, a spokesman for the National Leather and Allied Workers' Union, said "massive employment" had to be the aim, if the accord was to be meaningful. He said government incentives, contractual labour and productivity also had to be addressed.

Leather and footwear sector pressures state to 'get serious'

RAVIN MAHARAJ

Durban — Small, medium and micro enterprises (SMMEs) in Durban and Pietermaritzburg were putting pressure on the government and official leather and footwear structures to "get serious" about creating more opportunities for them.

They also demanded the elimination of apartheid structures, which had been responsible for the "sickening downfall" of the sector, industry leaders said yesterday.

According to Harry Naicker, the managing director of Coastal Components, a shoe

component manufacturer, SMMEs had approached the newly formed South African Footwear and Leather Industries Association — formerly the Footwear Manufacturers Federation — and the Leather Bargaining Council (LBC), to "come back to the negotiating forum" and make it easier for SMMEs to start up.

Naicker said SMMEs also wanted to clear up areas of contention for the smaller operators who were finding it difficult to survive under conditions "meted out" by administering bodies.

About 100 SMMEs in the

Durban metro region were in the process of constituting an organisation called the Association of Small and Medium Footwear and Component Manufacturers, which would provide a voice for SMMEs in the region, Naicker said.

In addition, the Association of Small and Medium Footwear Manufacturers and Allied Products — representing 26 footwear manufacturers — had been formed for similar reasons in Pietermaritzburg.

The new bodies would also challenge the bargaining council on training and skills development, technology and other

areas of contention.

"It's time for the playing fields to be levelled. The government has said it is serious about SMME involvement in footwear. But does this mean that we continue to live under the same dictatorial bureaucratic structures?"

Naicker said smaller operators did not have a voice, and were scared of being "swallowed" by the bigger operators, and the conditions under which they operated.

Naicker said another problem facing SMMEs was the lack of access to finance and infrastructure.

Also, registration fees, leave-pay guarantees and technology fund fees — which are required by the LBC — had robbed the small operator of cash flow. Among others, these were areas that needed to be addressed, Naicker said.

Contrary to the Industrial Development Corporation's footwear cluster study, Naicker believed the sector could create jobs in both synthetic and leather footwear.

A university study was being done to investigate the possibility of creating labour-intensive "employment villages" in the province, he said.

AT (Pse) 25/11/97 (1928)



Trade and Industry Minister Alec Erwin graciously refuses the offer of a leather jacket from Haile Selassie Derso, who is with an Ethiopian delegation exhibiting on the Africa Leather '97 show at Gallagher Estate in Midrand. It was opened by Erwin yesterday. Picture: ROBERT BOTHA

Africa supplies 35% of world's leather

Patrick Wadula

AFRICA supplied only 35% of the global leather industry's needs although the continent accounted for 57% of world livestock, Eastern and Southern African Leather Industries Association head of secretariat Samuel Kiruthu said yesterday.

Addressing the opening of Africa's first international leather show, Africa Leather '97, in Midrand, Kiruthu said Africa had 12%, 15% and 30%

of the total world cattle, sheep and goat populations.

"Yet it only supplies 5%, 10% and 20% of the world's hides and skins." He said the low performance in Africa was as a result of noncollection of raw hides and skins and the sector's poor image on the international market.

"The African leather sector must strive for quality, reliability and high value in order to be fully integrated in the global leather business."

Trade and Industry Minis-

ter Alec Erwin urged African countries to work together in developing their own industrial potential in the leather industry and other sectors.

He said with the leather industry the process had to start in the agricultural sector where the quality of hides and the care of cattle had to be improved. The government would embark on projects to educate cattle owners to take the necessary steps in ensuring the quality of the hide was more "usable".

205/12/97 (188)

Italian leather maker to assist African industry

Patrick Wadula

ITALY's largest manufacturer and exporter of leather products, Areapelle, will enter into agreement with African countries in the leather industry.

Areapelle director Salvatore Mercogliano said at the Africa Leather '97 show in Midrand, which ended on Friday, that the time had come to offer its help to Africa operators. It could introduce them to the international markets, both for their competitiveness and to enlarge Areapelle's activities.

Areapelle was an organisation made up of industrial associations of which Unic, the tanners' association, was most important.

"We shall offer finished leather and services that will allow African manufacturers from SA and surrounding countries to give added value and quality to their products, in order to face foreign competitors head on," he said.

Mercogliano said the Italian group would like to buy raw materials, including hides and chemical products to be processed, from African companies.

"We shall propose a co-operation to transfer know-how and establish joint ventures aiming at the export of semi-

processed with local economical benefit, and respect for the environment," he said.

Mercogliano said the group's commitment in consolidating trade with Africa would be through co-operation with the Eastern and Southern African Leather Industries Association which represented Ethiopia, Kenya, Malawi, Namibia, Sudan, Tanzania, Uganda, Zambia and Zimbabwe.

It was aimed at creating a structure capable of certifying quality and the specifications of African semi-processed and semi-finished products.

United Nation Industrial Development Organisation (Unido) industrial development officer Aurelia Calabro said its leather unit provided technical assistance to the entire sector in a number of African countries.

Unido was instrumental in the rehabilitation of 20 tanneries, the establishment of 17 effluent treatment plants and the rehabilitation of 10 footwear manufacturing plants in member east African countries.

However, as the industry progressed it needed foreign investment for further development in both southern and east Africa, he said.



Kevin Davidow of Kakara Namibia shows a selection of skins to Trade and Industry Minister Alec Erwin at the Africa Leather exhibition last week. Picture: ROBERT BOTHA.

Kolossus issue 'ambitious'

(190)
Nicola Jenvey

BD 9/12/97
DURBAN — Integrated leather and food group Kolossus was likely to struggle to raise R200m in a rights issue, since the group was technically insolvent and the share price was trading at a significant discount to net asset value, analysts said yesterday.

Kolossus reported a R132,3m accumulated loss for the 16 months to September (1996: R6,2m accumulated loss for the year to May), attributed to poor trading conditions in African Hide Trading and Supreme Foods and to the growth in interest-bearing debt to R106,1m (R40,7m).

The group aims to finalise a R200m rights issue in March to reduce its 334% gearing.

BP Bernstein analyst Stefan Coetsee said technically the "disastrous" results released at the weekend declared Kolossus insolvent, as the group's liabilities were nearly six times its assets. Any company in this position "deserves a share price of 90c" despite its net asset value being nearer 266c, he said. He believed the rights issue would not be well received by investors given the dramatic share dilution.

Kolossus finance manager Anton Bischof acknowledged the losses were dramatic, but said significant steps had been taken to counteract the problems.

Kolossus not technically insolvent (190)

YESTERDAY Business Day quoted Durban stockbrokerage BP Bernstein's investment analyst, Stefan Coetsee, as saying that Kolossus was technically insolvent. Coetsee was wrong and, clearly, Business Day should not have paid attention to him. In fact, Kolossus's assets exceed its liabilities by R159m and the group is not technically insolvent. Business Day regrets its error.

REPORTS: Business Day Reporters and Sapa.

BD 10/12/97

KOLOSUS

(190)

Case of the missing rands

FM 12/12/97
Vorster and Van Rensburg's creative school of accounting

When MD Tito Vorster and FD Ronnie van Rensburg suddenly quit in late August, the *FM* (Fox September 19) suggested there was more to the move than stated "differences in strategy." Sure enough, four months later, Kolosus has admitted that unaudited year-end figures to May "were not correct."

The extent of these inaccuracies is colossal, and points to some creative book-keeping by the departed leaders of this disaster-prone group. Results for the 16 months to September show operating profit down to R54,8m, from R101,2m for the 12 months to May, while attributable profit of R7,6m to May has become a R96,6m loss.

New group financial manager Anton Bischof is reluctant to identify the nature of adjustments to the results, but says the board is satisfied that all inaccuracies have been identified. It will fall to KPMG, which is involved in a forensic audit, to sniff out the guilty ones.

Management has decided to empty its closet of skeletons. In the income statement it has written off R14,1m pension fund

costs and also included closure costs of R14,6m to September 1997 and R28,2m to May 1996. On the balance sheet it has written off R39m goodwill on the 1995 acquisition of Silveroak and brought off-balance sheet "financial arrangements," totalling R44m, back into the books.

As a result, shareholders' interest now stands at R159,9m (1996: R295,1m), interest-bearing debt at R534,3m and gearing at 334%. Bischof says the company would be in "serious trouble" if it were not for the support of its bankers.

To address the heavy debt, Kolosus will go ahead with a R200m rights offer in the next few weeks, and try to reduce working capital by a mammoth R100m this year. Bischof admits these cash targets are "very ambitious," but must be accomplished.

The company says it will secure an underwriter, and that this may be Sentraalwes (Senwes), until recently SA's largest co-operative. Kolosus' major shareholders will meet on Friday (December 12) to consider an offer by Senwes to purchase 34,9% of Kolosus from Vleisentraal. This is believed to be the only offer on the table and will expire that day.

Senwes CE Hennie Davel says he is confident of picking up the stake, and describes the offer price as "fair." He says Senwes does have a master plan for Kolosus, but that it will only consider options, like reversing assets into Kolosus, if it can gain a controlling stake of 50,1% or more.

If Senwes underwrites the rights offer it should be assured of getting control. At 78c a share, Kolosus would have to issue 256m shares to raise the required capital. There are now just 60m in issue.

In recent months Kolosus has made several important internal changes: a new financial manager and MD have been appointed, stricter reporting controls implemented and problematic operational areas addressed. Bischof says Supreme Foods is budgeted to break even by the end of the new financial year and African Hide Trading is already making profits.

All this is good news for shareholders. Kolosus is, however, still awaiting a judgment from the International Chamber of Commerce regarding a claim by US-based Seton against Silveroak, a company once owned by Kolosus. The outcome should be announced in February and is for an amount of between US\$19m and \$30m, which may come out of Kolosus' pocket.

The key issue in an investment decision is whether Senwes's takeover bid succeeds. Senwes will undoubtedly bring financial strength, new assets and synergistic ben-

efits to Kolosus, so these negotiations should be closely monitored. Bear in mind though, that the number of shares on issue will be increasing by 423% post-rights offer and further restructuring costs may soak up profits initially.

Stuart Rutherford

'Involve blacks in leather industry'

BD 13/12/97 (188)

Patrick Wadula

THE National African Federated Chamber of Commerce (Nafcoc) has called on black South Africans to get involved in the commercial and industrial sectors to play an active role in developing SA's leather industry.

Speaking at the Africa Leather '97 exhibition in Midrand last week, Nafcoc member and African Leather Manufacturing Association in SA chairman Jutas Mukwevho said that for blacks to succeed they had to make a meaningful contribution to the local leather industry. "The leather industry is good but the source of skins is a problem because it is expensive," he said. There was a need to source machines and raw materials from other countries at

competitive prices.

Africa Leather '97 organisers Ente Areapelle and Miller Freeman said they had achieved their objective in bringing together African countries with the rest of the world. The show was also seen as a platform to build new contacts and enhance technological knowledge.

Mukwevho said there were about 30 black-owned leather businesses in Johannesburg, but not all were successful. They lacked knowledge on buying leather at cheaper prices, and this meant they were at a disadvantage against foreign competition in Africa.

Leather goods producer Jabu Simelane said there was a need to identify raw material suppliers, both locally and overseas, and link up with them.

Indonesian trade with SA soars

Patrick Wadula

INDONESIA's economic and trade relations with SA increased in value by more than R300m last year, with the trade balance being in favour of SA, said Indonesian ambassador Rachadi Iskandar.

Total trade in 1995 was worth R910m, with R550m of it applying to SA exports.

Iskandar said since SA had emerged from the "scourge of apartheid", both countries could make great strides forward.

SA and Indonesia belonged to the nonaligned movement and, in this context, could play significant roles in encouraging "south-south co-operation".

During a business forum in Durban, Iskandar said the door was wide open for trade oppor-

tunities in KwaZulu-Natal in the clothing and industrial-products sector.

He said a treaty signed earlier in the year with SA on the avoidance of double taxation of companies trading between the two countries would increase bilateral trade.

Indonesian Chamber of Commerce representative Rosita Verdoren said the Indonesian government's development strategy was focused on reforming trade, deregulating industry, strengthening the financial sector, investing in infrastructure and increasing the technical skills and capacity of the labour force.

"SA investors could benefit from these moves as both countries face similar challenges," she said.

Senwes takes a large bite of Kolosus

ST(BT) 21/12/97 (182)

SENWES, the Klerksdorp group which converted from a farmers' co-operative into a company in April this year, has bought 34.9% of the loss-making leather and food company Kolosus from Vleissentraal Holdings for an undisclosed amount.

Kolosus has suffered management upheaval, poor trading conditions and growing debt. It lost R132-million in the 16 months to September on top of a smaller loss in the previous reporting period.

The share price has dived

ACQUISITION By JULIE WALKER

from a high of 705c in February 1995 to 60c earlier this month, and is now 73c.

The price paid by Senwes has not been disclosed and, because it is a rescue attempt, no offer need be extended to the minority. Senwes and Absa are now the major shareholders in Kolosus, whose current board of directors will remain unchanged until the annual shareholders meeting in February.

Senwes will underwrite a R250-million rights issue in Kolosus intended to reduce debt. Pieter Meyer, chairman of Senwes, said he is confident Kolosus can — with the right management, financial recapitalisation and favourable market conditions — realise good profits.

Hennie Davel, chief executive of Senwes, said Kolosus's established national food brands, such as Bull Brand, Gants, Supreme, Sam's and Spekenam, fit in well with Senwes, as Kolosus has a strong value-added focus.

Davel said Kolosus would also strengthen Senwes' hand in export trading.

Senwes recently bought the Vaalharts Co-operative, and has been active in Mozambique.

Following the Kolosus transaction, Senwes will consolidate its business interests and restructure its finances ahead of a listing.

It is already negotiating with a large local food group with a view to further rationalisation in the processing of primary agricultural products.

MANUFACTURING - LEATHER PRODUCTS

1998 - 1999

Wage strike continues as talks end in deadlock

(84) (190)
SPECIAL CORRESPONDENTS

The national strike by thousands of leather and clothing workers entered its fifth day today.

About 6 000 National Union of Leather Workers and South African Clothing and Textile Workers Union members are demanding a 12% wage increase and have rejected the 8,5% offered by the South African Footwear Leather Industry Association.

This week, about 350 Western Cape workers gathered at the union's headquarters in Salt River to hear the outcome of a meeting between the National Union of Leather Workers and the employers only to be told it had ended in deadlock.

Ashraf Ryklief, NULW Cape regional coordinator, said the union was sticking to its initial demand of 12%.

It was also demanding the inclusion of spouses and children as beneficiaries of sick fund schemes.

Mr Ryklief said that if employers were not willing to offer "an acceptable wage", and the inclusion of dependents in their packages, the strike would continue.

Negotiations between employers and unions were expected to continue today.

AAU 10/7/98

90

Sactwu challenges Nulaw to create unity in leather industry

ET (MR) 30/7/98
18 (190)

RAVIN MAHARAJ

Durban — The South African Clothing and Textile Workers' Union (Sactwu) yesterday challenged the leadership of the National Union of Leather and Allied Workers (Nulaw) to meet it in the next two weeks to map out a joint programme of action to unite leather workers.

Andre Kriel, Sactwu's national education officer, said it was better for workers to be united, rather than to perpetuate divisions. Combined, both unions represent more than 35 000 workers in the troubled leather and footwear industries.

Kriel was reacting to reports

that Sactwu had "missed the boat" with regard to creating a single voice in the footwear and leather industries. Both parties were in talks early last year, but an agreement was not reached.

Kriel said Nulaw had created the impression that Sactwu was not actively pursuing worker unity in the sector.

"On the contrary, we have always stood for, and promoted, unity of leather workers. Our actions at factory, branch and national level offer concrete proof," he said.

At factory level, Sactwu had encouraged members and shop stewards to work jointly with Nulaw members and shop stew-

ards. At branch level, Sactwu had invited Nulaw branch leadership to participate in joint campaigns, Kriel said.

He said Nulaw leadership had not shown the same commitment to the unity of leather workers.

"They have never taken up any of our offers to concretely promote unity. Instead, like their recent signing of a divisive collective agreement which smashed emerging unity among footwear workers, they have snubbed our genuine attempts to unite leather workers," said Kriel.

Nulaw said it would respond to Sactwu's unity challenge in due course.

REVIEW 98 Cheap imports continue to batter ailing footwear sector

Shoe and leather industry on its uppers

RAVIN MAHARAJ

Durban — Crippled by job losses, imports and consumer preferences for European fashion, the footwear and leather industry would embark on major restructuring to become globally competitive next year, industry leaders said last week.

The woes of 1997 had crept into 1998, resulting in more labour trouble, steeper prices for materials and a flood of counterfeit goods. In addition, the imposition of quotas from non-World Trade Organisation countries had not stemmed imports as the bona fides of certain importers had yet to be established.

Robert Feinblum, the president of the Southern African Footwear and Leather Industries Association (Saffia), said illegal and undervalued footwear imports continued to pose a threat to jobs.

On a positive note, the Footwear Manufacturers' Federation was restructured to include suppliers, including tanners and the components sector, under the umbrella of Saffia.

Also, small, medium and micro-enterprises (SMMEs) have rallied around demoralised workers and created work for-ruins. Larger players have outsourced activities to SMMEs.

On the labour front, however, the South African Clothing and

Textile Workers' Union and the National Union of Leather and Allied Workers, the majority union, have been at odds over amalgamation talks to create a single voice for labour.

In 1999, industry leaders said all eyes would be on trade liberalisation between the EU and South Africa, which could result in a flood of legal footwear imports from EU countries.

At present, there is a 30 per cent import duty on leather and footwear products from EU nations. Legal imports account for 60 percent of local footwear consumption. A decade ago, local footwear production accounted for 80 percent of local consumption, but has suffered a decline.

In Saffia's 1998 annual report, Feinblum said business uncertainty and adversity were inevitably accompanied by opportunity. Conditions in the footwear and leather industry were no exception, and should provide the industry with a "unique opportunity to make the strategic moves that would increase participation in global markets", Feinblum said.

"Improved labour productivity, tempered wage demands and investment in technology are essential for a stable, growing industry."

He said the vision of the industry was to create 100 000 jobs and produce 120 million pairs of shoes by 2005.

ET (GSR) 21/12/98 (1905)

Kolosus's cuts reduce bottom line deficit

CT(MR) 6/7/99

(190)

RAVIN MAHARAJ

Durban - Kolosus Holdings, the leather tanning and food group which has shed non-core interests, yesterday turned in a R6,9 million loss for the year to April, against a R24 million loss in the previous year.

Pieter Meyer, the chairman, blamed the delay in anticipated recovery on the Asian financial crisis and the depressed local economy during the reporting period.

Operating profit, however, was up to R51,1 million, against

R32,2 million during the seven months to April 1998.

Senwes became the controlling shareholder of Kolosus in 1997. Kolosus, which previously had a September year-end, thereafter changed to April. Meyer said the shortened financial year did not allow the effects of remedial action to be felt, and limited the ability of the business to recover from external setbacks.

The position of Kolosus in relation to the arbitration award against Silveroak, in favour of Seton, remained as previously

stated in the financial statements. Meyer said the claim remained unresolved.

Seton, however, had made application for confirmation of the arbitration award in South Africa. Silveroak was opposing the application, Meyer said.

Turnover came in at R1,37 billion, against R1,11 billion in the previous year. A dividend was not declared.

Meyer said the group was satisfied the results reflected a turnaround in unfavourable market conditions, and after R14,5 mil-

lion was written off during the first six months following the collapse of the Russian economy.

Kolosus said earlier it should show a profit by the end of the 2000 financial year. This would be achieved by steps taken to reduce costs and working capital and implementation of already defined strategies for the fresh meat and leather businesses.

Meyer said the markets for fresh meat and processed food remained under pressure.

Kolosus closed 1c down at 25c on the JSE yesterday.