PUBLIC SECTOR - TRANSPORT - GENERAL

1992

JANUARY — MARCH.

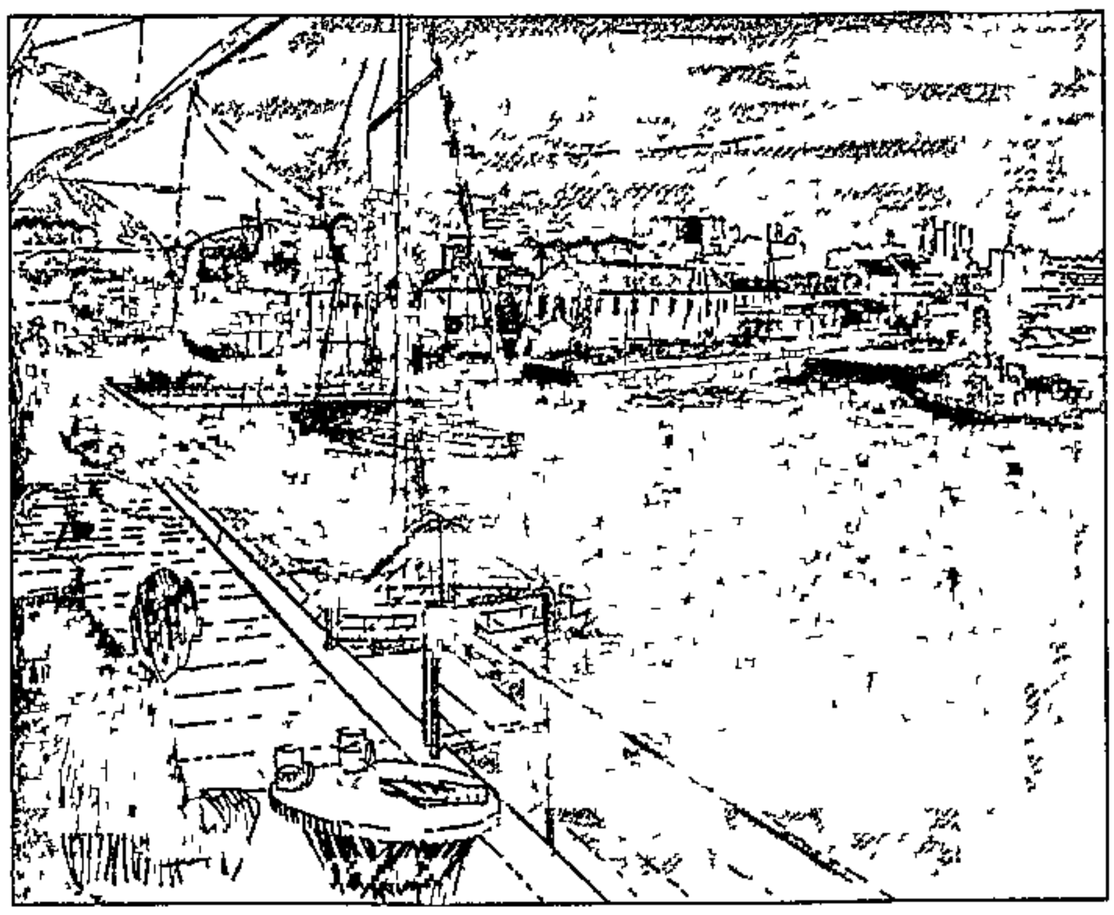
PE WATERFRONT FM 3/1/92 (269)

Sailing to prosperity

In a brave attempt to turn Port Elizabeth into one of SA's premier tourist meccas, Transnet's newly established property unit, Propnet, is to make parts of the city's harbour waterfront and surrounding railway land available for development PE desperately needs such an economic injection

Propnet CE Fuzz Loubser tells the *FM* the property unit was established in August 1991 with the principal aim of turning surplus and under-utilised property owned by Transnet to commercial gain Transnet's current fixed investments portfolio (land and buildings) was recently valued at R9,2 bn, this includes 100% ownership of the Victoria & Alfred Waterfront Company

Loubser says much of the more than 100 ha Transnet owns in the PE area is being used for Transnet functions — there are the railways (Spoornet) and commercial harbour (Portnet), as well as staff housing However, as part of a continuing survey of its holdings, Spoornet has initially made available for development two portions of land (the Slipway and Campanile precincts) as well as several other areas, including that around Hume Park Club, the Kings Beach area, and the area around the Mission to Seamen building, a haven for sailors in port



Algoa Bay . . *will the Victoria & Alfred Waterfront magic work in PE?*

Loubser's announcement was made in mid-December and was accompanied by an invitation to the local authorities, the community and developers to enter discussions on realising the potential of the Bay Waterfront area

Loubser says he has not spoken specifically to any developers except in terms of market research: "They have been waiting for us to make the land available," he says Development opportunities will involve normal market mechanisms such as joint ventures, leasing and so on.

First steps to get the habour redevelopment going have been undertaken by PE port engineer Sidney Chait, who headed a steering committee on the matter. He has been supported by PE's port manager and Spoornet's regional manager

In September 1990, Chait's committee appointed a consortium of consultants, led by architectural and urban design expert GAPS, which recently submitted a proposed urban design framework for the Bay Waterfront Other efforts by Chait included organising a workshop on the issue at which community delegates made valuable input Business and government organisations also attended and, thereafter, developers and council officials were consulted

The idea behind Chait's plan is to link the CBD and the harbour and encourage development to move back into PE.

Transnet's ambitions to realise the full potential of its substantial property holdings on the Bay Waterfront is reportedly "in line" with the findings of a March 1989 report on the tourism potential of the port. The report was produced by a committee chaired by Portnet assistant chief engineer Arie Burggraaf Much of the harbour's role would be based on Algoa Bay's reputation for offering some of the finest sailing in the country

The development process could take at least 10 years and would be adapted to changing market demands. Like the V&A Waterfront model, it will "concentrate on a limited number of fairly small but strong stand-alone projects rather than spreading limited resources across a very broad area," according to Loubser Key projects are

- ☐ The Slipway Precinct, adjacent to the 1 200-ton slipway, which would include shops, restaurants, pubs, hotel and a maritime museum,
- ☐ The Campanile Precinct, which involves the recycling of the existing station with the possible addition of new buildings to create a shopping precinct, and
- ☐ The Yacht Basin, the King's Beach area adjacent to the car park, the area around Hume Park Club and the under-utilised areas in the vicinity of the Mission to Seamen

According to Transnet, a number of factors would have to be taken into account in the development — particularly in the short to medium term, such as ore bins, the tank farm and the deep water berthing facilities, which would have to remain in place.

A feedback meeting will be held soon at which the urban design framework will provide a base for further discussion and contributions from the general public, community and business organisations. ■

FM 3/1/92
V&A DEVELOPMENT

Living space

The first homes at Cape Town's Victoria & Alfred Waterfront phase three development could come on stream in two years.

The New Basin Precinct plan, unveiled last month and presented to the city council for consideration, is regarded as crucial to the long-term success of the development It includes the flooding of the old lower fuel storage tank farm to create a 5,2 ha pool to accommodate a marina, the construction of an aquarium, a Victorian-era railway station with an hotel set in a mixed-use area, and a canal with lock system and drawbridges

About 100 homes are planned initially They are likely to include private, self-catering and timeshare units Further phases of the waterfront development include many more homes

The plan also provides for the flooding of the upper tank farm and creation of a canal linked to the marina by locks The canal will eventually extend to the lower CBD It is envisaged that a light rail system will connect the waterfront to the city and possibly run on to Greenpoint and Sea Point later

The building programme sets late 1992 as the target date for the last tanks to be removed In the third quarter, excavation of the upper tank farm should begin. The flooding of the basin is scheduled for the third quarter of 1993 and later the first residential units should be available

Detailed plans for each development within the New Basin Precinct still have to be submitted for council approval. The first is expected to be the aquarium and its surroundings.

The first phase of the Victoria and Alfred development, the Pierhead Precinct, was completed more than a year ago and officially opened in May. The second phase, the Portwood Precinct, is under construction and includes Cape Town University's new Graduate School of Business and Victoria

continue →

Rail fare 'robbery' angers commuters

(269) ARG 4/1/92

LENORE OLIVER
Weekend Argus Reporter

RAIL commuters are up in arms about recent fare increases and say posters informing them of the price hikes are misleading.

Last year, the South African Rail Commuter Corporation announced that train fares were to go up by 15 percent from January 1.

But according to outraged commuters who have bought tickets during the past three days, fare increases have been between 18 and 25 percent

Mr Peter Johnson of Crawford told Weekend Argus "A ticket from Cape Town to Crawford that cost me R2 last year is now costing R2,50. I therefore had to pay an increase of 25 percent.

"But posters at stations state that fares are to go up by 15 percent, nothing less and nothing more. This is daylight robbery and something must be done about it"

Another commuter complained that fares from Cape Town to Lakeside had gone up by 18 percent.

According to the commuter corporation's marketing director, Dr Koos Meyer, all fares have in effect been increased by 15 percent only

The corporation is responsible for the increases, which are worked out on a kilometre-to-kilometre basis

Dr Meyer said the corporation was in the process of phasing out the old mechanical ticket-issuing machine with a new electronic version.

"The old machine was not as accurate as the new machine and therefore distances were often wrong, resulting in commuters paying incorrect fares."

He said that at some stations both machines were being used and this caused the difference in the increase.

"Because the distances of the old and new machines differ, commuters were paying different prices."

Some commuters were actually paying less at some stations, Dr Meyer added.

"Where the new electronic machine showed a distance was recorded incorrectly previously, the fare is adjusted according to the distance applicable.

"Even where the distances are longer the increase still remains 15 percent, whether it be the old or new machines. Perhaps we should have been more explicit in our explanation of the fare increases."

Mr Roseberry Sonto of the Western Cape Civic Association said trains were always the last resort of the working class and the recent increase was unnecessary

"People are now working for transport instead of their families and in civic circles this is unacceptable," he said

The corporation has announced it will adjust the old mechanical and the new electronic machines this weekend so that all ticket fares will be increased by 15 percent across-the-board

All tickets should be correctly priced by Monday.

Singapore airline set to begin SA service

STAR 7/1/92

By John Miller (269)

Singapore Airlines will begin its first scheduled service to the African continent when one of its aircraft lands at Jan Smuts Airport on March 29.

An industry source told The Star that the airline would operate two flights a week between the two countries.

During the past 27 years the airline has won numerous awards for its in-flight service and operates the youngest fleet of aircraft in the world, flying to 65 destinations.

SAA spokesman Mike Pheiffer said there had also been informal talks between SAA and Japan's national airline.

"At this stage there is no indication when formal talks will take place. One of the big concerns for any carrier operating to Japan is obtaining a convenient slot time. Tokyo is one of the busiest airports in the world," he said.

● In another first, an independent African airline jetted into Jan Smuts at the weekend.

A spokesman for the Department of Civil Aviation said African Airlines International, based in Nairobi, recently applied for a non-scheduled licence to bring Muslims back from a pilgrimage in Saudi Arabia.

According to the application, the airline requested permission to fly from Mombasa to Johannesburg, Durban and Cape Town.

To date only Jan Smuts has been allowed as a gateway to South Africa.

The department is currently considering the application.

Airline seeks Muslim flights

LINDEN BIRNS (269)

NAIROBI-based African Airlines International has asked for permission to start regular charter flights between Mombasa, Nairobi, Durban and Cape Town, primarily to carry Muslim pilgrims to Kenya to catch connecting flights to Mecca. B/Day 7/1/92

The airline has applied to the Directorate of Civil Aviation (DCA) in Pretoria for a non-scheduled route licence and plans to use a 174-seater Boeing 707 for the proposed twice weekly flights.

Meanwhile, Johannesburg-based charter company Air Supply has re-applied for a licence to use a 100-seater British Aerospace BAe 1-11 jetliner on flights between SA and other southern African destinations not served by SAA or other scheduled airline operations.

Last month DCA upheld SAA's objection to Air Supply's first application despite the introduction of a new interim international civil aviation policy which provides for charter flights.

A second hearing is scheduled for later this month.

New service popular

MORE than 90% of seats in the first month of SAA flights from Johannesburg to Perth and Sydney have been sold, while only about half the seats on inbound flights are taken, spokesman Anelda Reinecke said yesterday.

SAA will resume flights to Australia on January 18 after a four-year interval.

Australian international carrier Qantas will also resume flights on the route. That airline stopped flights to Johannesburg in 1977.

B/Day 8/11/92

(269)

SAA 'to lose veto powers'

(269) CT 8/2/92

Own Correspondent

JOHANNESBURG — SAA is likely to be stripped of its "veto" powers over proposed air fares for flights to and from South Africa when the government introduces its new international civil aviation policy in April.

At present all foreign airlines wanting to file new fares must submit their proposals to SAA, which passes them on to the Directorate of Civil Aviation (DCA). Failing this airlines must lodge fare applications with the DCA, which refers them to SAA "for comment".

Some foreign carriers claim that this amounts to an SAA veto.

A document circulated recently to some airlines serving South Africa said the DCA's steering committee appointed to review international aviation policy was mooting a "double-disapproval" arrangement to replace the current air-fare filing system.

Unfair

Double-disapproval means that an air fare can be disallowed only if the governments of both countries served on a particular route reject the proposed fare.

In a recent interview Austrian Airlines Southern African general manager, Mr Siggi Kuchling, said, "In other countries airlines file fares directly with civil aviation authorities, but this system gives SAA an unfair advantage as they get to know all your plans".

British Airways general manager in South Africa Mr Malcolm Freeman said BA would support a double-disapproval arrangement. He said that "as a matter of principle" BA filed its proposals to DCA, instead of dealing directly with SAA.

SAA spokesman Mr Anelda Reinecke declined to comment.

SAA seeks new routes

SAA has earmarked five new destinations to add to its international route network this year, airline sources claim. Among the likely destinations are Malaysia, India, Singapore and Tokyo. (269)

The sources said talks had been held with Malaysian Airlines which was keen to begin flights to Johannesburg, as was Air India, but there has not yet been any formal dialogue with the latter.

B/Day 9/7/92

SAA bids to reclaim clients

LINDEN BIRNS

SAA is to launch a marketing strategy to win back air cargo clients which it lost when its flights to the US were suspended in 1986, Cargo and Domestic Marketing senior manager Andre Kleynhans said yesterday. B/Day 9/1/92

He said since the airline resumed its New York service in November, it was struggling to win back many former clients which had, in the interim, relied on major European carriers to move cargo.

"I'm busy appointing my cargo marketing team, then together we'll devise the strategy and approach major export clients with the plan," said Kleynhans.

Perishables, flour and textiles accounted for most of the export air cargo items, while higher value items such as electronics components, computers and engineering machinery made up most imports. (26)

He said the airline was consistently filling an average of 75% of its cargo capacity on its aircraft, although there were often payload restrictions on some of its aircraft on flights out of Jan Smuts airport.

This was because the air was less dense on the Highveld plateau and airliners needed to carry less weight on takeoff — or runways would have to be extended.

The loss of the Helderberg 747 and the subsequent conversion of SAA's remaining Boeing 747 Combi to a standard configuration were severe blows to the airline's cargo capacity, Kleynhans said.

Kleynhans said SAA would have to consider acquiring a dedicated cargo plane in the medium to long term. However, it would not be viable until the economy showed signs of growth, and until there was a sufficient recovery in foreign investment, imports and exports.

While the US market was proving a tough nut to crack, SAA has sold virtually all its cargo capacity for the first month of its soon to be resumed Australian service.

Although Australia was never as big a cargo market as the US or Europe, SAA would soon be able to get a more equal share of revenue generated by air freight on the route, sharing it with Qantas (Australia's international airline), which transferred its flights to Harare from Johannesburg in 1977, said Kleynhans.

Spoornet to charge rental on trucks left at harbours

JONO WATERS

PORTNET will have to pay Spoornet an estimated R40m a year for trucks which exceed the free period in harbours.

This follows a recent internal agreement.

However, Portnet will be able to recover some of the costs from shipping agents and brokers.

The agreement, effective from April 1, means port officials and shipping agents will have to plan carefully and provide correct information.

Unproductive

The alternative is to risk having to pay Spoornet truck rental costs that will be calculated on an hourly basis.

Sources said Spoornet was "tired of trucks lying unproductive at harbours where they are often used to store cargo".

Portnet GM cargo I J Knight said Portnet would not always be the guilty party at harbours.

Shipping companies which caused delays would also be subject to Spoornet's "truck hire charge".

He said negotiations with ship brokers and the SA Association of Freight Forwarders were still being conducted to clear up certain points.

According to Portnet's journal Portlink the question was first addressed in 1977.

A special commission was appointed to indentify individual cost centres within Transnet

The task of the commission was to determine what costs should be claimed by Transnet's different groups for services rendered to each other.

But the commission's investigation was so extensive that it was only completed in 1991, Portlink says.

A spin-off of Spoornet's move is that bottlenecks at harbours will be reduced. This will help to increase efficiency.

Domestic air travel plummets in December

STAR 10/1/92

By John Miller

(269)

Last month's domestic air travel took a nosedive, with passenger figures to the two major coastal cities, Durban and Cape Town, down by almost 25 percent compared to 1990

South African Airways last month transported about 38 000 passengers on the Johannesburg-Durban route and about 52 000 on the Johannesburg-Cape Town route

These figures are down between 25 and 22 percent respectively compared to December 1990.

A spokesman for the airline, Mike Pheiffer, ascribed the poor passenger loads to the tough economic climate.

"This performance must be seen against the entire domestic tourism scene, which has also been hard hit.

"People simply do not have money to go away."

Mr Pheiffer said he did not think the less than 13 percent increase in domestic air fares since last month had had much effect on the downturn.

Worst season

Fedhasa executive director Peter Hearfield described the past holiday season as bleak and generally down on the previous period

Durban experienced its worst season in the past 10 years, with the eastern Transvaal close behind

Cape Town was also down on the previous year.

The north and south coasts of Natal were only slightly down but the Cape was slightly down.

"People were staying for shorter periods of time, with spending levels on food and beverages slightly down.

"Self-catering establishments were very well supported and the various parks boards were doing well."

Mr Hearfield said there was noticeably more Transvaal traffic in the Cape, in particular in the George and Plettenberg Bay areas.

Rennies Travel general manager, marketing, Cathy Macwhirter said domestic business was down by about 5 percent. However, there had been a swing from international travel to domestic, which had helped that section of the market.

SAA licence at risk as US airline blocked

Squabble over American route

(269)

STAR 11/1/92

MANDY JEAN WOODS

SOUTH African aviation authorities could be jeopardising SAA's licence to fly to the US by refusing to allow a US-based charter group to fly here.

An American airline, Florida-based Rich International, this month applied to operate weekly charter flights between Miami and Johannesburg beginning in April

The Rich International application has apparently been turned down in order to protect SAA's lucrative US route, where a return fare costs more than R9 000

Designated

South African law allows international charter flights to enter the country — with some restrictions — but the general practice has been that charters flying into the country on a regular basis are not allowed

US aviation law, however, does not differentiate between scheduled and non-scheduled operators, it does not restrict the number of operators on a route unless a carrier is designated to operate a route

So any application by a US airline for a route which is not yet utilised in terms of the reciprocal agreements would be expected to be approved.

If South African authorities persist with their current attitude, sources say, the US authorities could take a closer look at the terms of SAA's licence SAA currently flies to the US on an operating licence that is renewed annually

A spokesman for the Department of Civil Aviation says the schedule applied for by Rich International is being discussed with the airline's local agent, "so we cannot give further comment at this time"

A spokesman for Rich International says the airline will reapply for a licence to fly the Miami-Johannesburg route as a scheduled service if the current application is turned down

"The difference to us will simply be the price we charge our passengers On a charter licence, we will be at liberty to set our own fare structure, as a scheduled airline, we would have to comply with the fare structure used by SAA which is set and approved by the South African Government."

The latter option would in essence mean Rich International would merely mop up the excess demand of the thrice-weekly SAA flights to New York But, the spokesman says, if the airline is allowed to operate regular charter flights it would in fact create a whole new market and destination

The cost factor would be pivotal to the airline's marketablility on the route

The spokesman says there is no doubt that on a charter basis the airline could offer substantial savings on the US fare which SAA charges A return fare in economy class to New York currently costs R9 230.

Rich International is the first bona fide American carrier to apply to fly the lucrative long-haul route between the two continents since US sanctions were lifted a few months ago SAA resumed its services to New York in November after a break of nearly five years. According to an SAA spokesman, load factors have averaged 80 percent since the inaugural flight

Rich International will use a DC8-62 aircraft on the route, which can carry up to 189 passengers. Load factors are expected to be 100 percent.

Certified

The airline was founded in 1970 by Jean Rich with one small aircraft flying cargo Today it operates a fleet of DC8-62 aircraft and two L1-11 aircraft It has schedule and charter authority on various international routes and is certified by the internationally recognised US aviation body, the Federal Aviation Authority

Among its charters were guests flown from New York to Morocco for Malcolm Forbes's 70th birthday party, Saudi Arabian royalty, the US and British military, relief supplies for Sudan and Ethiopia, and mercy flights to Cuba

In addition, it operates numerous tourist flights to destinations all over the world

Joint venture to provide cut-price charter flights

THEO RAWANA (269)

BUSINESS development organisation Black Challenge and cargo airline Safair have teamed up in a venture to provide cut-price charter flights for business, political, church and other trips to various parts of the country. B/Day 14/1/92

Business Challenge executive director Phil Khumalo said at the weekend the deal involved launching a company to arrange tours on Safair planes.

He said for a start, two groups of schoolchildren would go on trips to destinations — as yet unidentified — inside SA at the end of the month.

"If we had been ready we would have flown the ANC to Bloemfontein for their anniversary this week. We are geared towards such trips, but the prospects are limitless and could range from overseas trips to stokvel groups travelling locally."

Khumalo said response from businesses, schools and other sectors had been so great that they managed to get full planeloads for the two trips, having marketed the idea only by word of mouth.

Safair commercial manager Hugh Flynn said the airline had access to many planes, from Boeings downwards.

"We are trying to meet the requirements of a new business sector. A reservations organisation is to be set up and Safair is to work out appropriate fares for passengers," said Flynn.

KLM seeks additional SA flights

(269)

STAR 14/1/92

THE HAGUE — Dutch airlines are anxious to increase the number of flights between SA and the Netherlands to cater for the expected tourism boom following the elimination of apartheid.

A delegation from the Dutch Civil Aviation Board leaves for SA this week seeking to increase the number of KLM flights between Amsterdam and Johannesburg to four a week and possibly to extend this later to daily flights.

KLM spokesman Peter Wellhuner envisaged a considerable growth in passenger traffic between the two countries

At present there are two KLM and two SAA flights a week between Schiphol Airport and Jan Smuts, but SA has granted permission for one extra weekly flight.

The news follows an announcement last week that a Dutch businessman is planning to start "see-the-real-South Africa" tours, including stopovers in the major townships and homelands. — Star Foreign Service.

SAA hopes to dash Flitestar's Kenyan bid

B/Day 16/1/92 (269)

LINDEN BIRNS

FLITESTAR has applied to the National Transport Commission to start flights to the Kenyan port of Mombasa.

However, SAA spokesman Anelda Reinecke confirmed yesterday that the airline would appeal against the application.

The appeal would be on the grounds that a charter service between the two countries would "overlap uneconomically" with SAA and Kenya Airways which operate reciprocal scheduled flights between Johannesburg and Nairobi, even though Flitestar has not applied for traffic rights to Nairobi

According to Flitestar's application, in the latest Government Gazette, return airfares would cost between R800 and R1 600.

It is not known when the commission will evaluate Flitestar's application.

Another Johannesburg-based charter company, Air Supply, recently had its application for flights on the same route rejected by the commission after SAA lodged a formal objection. SAA argued that the introduction of a 100-seater jetliner on a route to a country served by itself and the national airline of the country concerned would be detrimental to business.

In a recent statement SAA chief spokesman Leon Els said the airline would object to charter applications only if they were not in accordance with the Directorate of Civil Aviation's interim international civil aviation policy guidelines.

The policy was implemented in a bid to deregulate SA's international civil aviation code which previously restricted charter operations and the granting of scheduled flight service licences to SA airlines other than SAA

US airline forced to delay flights to SA

(269)

SIMON BARBER

WASHINGTON — Investor scepticism has forced a new US airline to delay the start of a regular service between New York and Johannesburg that would compete with SAA. B/Day 17/1/92

US Africa Airways (USAA) had hoped to begin flying on April 1, but has been unable to convince the US department of transportation that it has sufficient financial backing to justify the venture

In its application, USAA said it needed to raise $25m to begin service, initially using a leased Boeing 747.

Company president Michael Meszaros, a former US sales manager for SAA, said this week investors were sceptical about the chances of a new airline in the recessionary climate, particularly after the break-up of Pan Am last November.

He nonetheless remains confident that USAA will have the necessary backing to begin flying by mid-year and could be fully capitalised by the end of this month "if promises turn into signatures".

According to the detailed business plan USAA submitted to the department, it plans to spend $6m during its first year promoting SA as a destination.

(269)

SAA may block rival service

By John Miller STAR 17/11/92

South African Airways is likely to oppose Flitestar's charter application to fly weekly to Mombasa in Kenya.

Flitestar's application, published in the Government Gazette, states that an Airbus A-320 would be used on the proposed route and would-be passengers would pay R800 for a single ticket or R1 600 for a return ticket

SAA's service to Nairobi at present costs more than R2 200 for an economy-class return ticket. However, cheaper fares are available subject to various rules and regulations

SAA spokesman Mike Pheiffer said the airline could oppose any other airline's request to do charter operations if they financially affected SAA's scheduled services. This was in accordance with the interim International Aviation Policy of November 15 1990.

He denied that the possible action was in line with SAA's protectionist policy

Qantas critical of Jan Smuts facilities

LINDEN BIRNS (269)

AUSTRALIA's Qantas airline officials have criticised the arrivals and immigration facilities at Jan Smuts Airport's international terminal for being unable to cope with the high influx of foreign passengers.

The airline's Africa manager Jeff Murdoch said yesterday he had reservations about the alterations at the airport, which he described as "mostly cosmetic".

He described a scenario where as soon as more than two or three fully laden wide-body airliners arrived within an hour of each other, then the arrivals, immigration and baggage claim hall would be overextended and the processing of passengers would slow down. B/Day 17/1/92

However, Murdoch did praise the airport's management for finding accommodation for Qantas while large parts of the airport were closed for alteration.

In addition to a proper airport infrastructure, more five-star hotels were essential if SA was to make inroads into the lucrative Japanese and southeast Asian tourist markets, he said.

Murdoch came to Johannesburg from Harare to oversee arrangements for the arrival of the airline's first flight to SA since 1977, when it pulled out for economic and political reasons.

He is also negotiating an interline (mutual ticket recognition) agreement between Qantas and Flitestar, which would see the local domestic airline being mar-

☐ To Page 2

Qantas

B/Day 17/1/92

(269)

☐ From Page 1

keted in Australia through Qantas If agreement is reached, SA-bound Australian travellers would be able to buy Flitestar tickets from Qantas agents before arriving in SA

Murdoch was due to meet Flitestar's management late yesterday

Initially Qantas flights will land at Jan Smuts early on Tuesday mornings, departing for Perth and Sydney later that day From mid-February the airline will switch its flights to Sundays.

In the short term, most Qantas passengers would be in the "friends and relatives visitors" category, but once all sanctions had been lifted, an increase in business travel could be expected, Murdoch said.

A Sydney-Harare flight will operate every Thursday Murdoch said most of the introductory special offer return tickets (R3 999) had already been sold and advance bookings were good First-class return tickets from Johannesburg to Sydney cost R15 945 and business class R12 228.

Protest as SAA lands again in Australia

STAR 20/1/92 (269)

MELBOURNE — For the first time in more than four years a South African Airways aircraft landed in Australia yesterday

The flight from Johannesburg to Perth and Sydney marked the end of the airline's absence from Australia due to sanctions SAA was forced to suspend its flights in October 1987.

A handful of ANC protesters demonstrated at Perth airport when the jet arrived. They called on SAA to change its springbok logo

Flights to Australia resume

SYDNEY — SAA resumed its weekly service to Australia yesterday, more than four years after the Australian government withdrew landing rights as a protest against apartheid.

(269)

In a move heralded as a further step on the road towards complete normalisation of relations between the two countries, Flight SA280 touched down in Perth nine hours after taking off from Johannesburg.

Several ANC supporters staged a protest in the arrivals lounge as the SAA jumbo landed, but there was no sign of demonstrators when the plane landed in Sydney a few hours later B/Day 20/1/92

SAA chief executive Gert van der Veer said "I think it adds strength to a process of normalisation that has been taking place for the past 18 months and that is culminating now in all sanctions disappearing"

He said prospective bookings already were satisfactory

Van der Veer said the resumption of old routes meant the airline could look forward to a period of growth

"It means we can start taking people on again, especially other population groups, and that's very needed at this point in time. We must do our social share in bringing the people who have been disadvantaged into the organisation"

SA ambassador to Australia David Tothill said "SAA's return represents a further step on the road towards complete normalisation of Australian-SA relations.

"I believe that the few impediments to complete normalisation — by that I mean trade and other sanctions — will be history quite soon Quite likely before the end of the year."

LINDEN BIRNS reports that Austrian Airlines is to introduce a second weekly flight on its Vienna-Nairobi-Johannesburg service from April 1 as a result of increased demand on the route, which has proved to be one of its more profitable services

The airline's overseas marketing vice president Franz Zochbauer said on Friday the passenger and cargo load factors on the route had steadily increased since the introduction of the service last July.

The airline's SA GM Siggi Kuchling confirmed that Austrian Airlines and Flitestar had negotiated a mutual ticket recognition or "interline" agreement, which was recently sent to Vienna for signing by the Austrian Airlines board.

Meanwhile Ghana's left-wing government said on Friday travel restrictions between it and SA would be lifted and a direct air link might be established.

Foreign Minister Obed Asamoah said Ghana's new policy was in line with the decision by other commonwealth members to lift sanctions gradually in step with political changes in SA. — Sapa-Reuter

SAA likely to lose 'veto'

B/Day 21/1/92 (269)

LINDEN BIRNS

SAA is likely to be stripped of its "veto" powers over proposed airfares for flights to and from SA when government introduces its new international civil aviation policy in April

At present all foreign airlines wanting to file new fares must submit their proposals to SAA, which passes them on to the Directorate of Civil Aviation (DCA) Failing this airlines may lodge fare applications with the DCA, which refers them back to SAA "for comment"

Some foreign carriers claim that in effect this amounts to an SAA veto.

British Airways SA GM Malcolm Freeman said yesterday there were strong indications a new arrangement for airfare approval would be included in the new policy.

A document circulated recently to some airlines serving SA said the DCA's steering committee appointed to review international aviation policy was mooting a "double-disapproval" arrangement to replace the current airfare filing system

Double-disapproval means that an airfare can be disallowed only if the governments of both countries served on a particular route reject the proposed fare. For an airline to introduce the new fare, only one government's approval is required.

This has already been put into practice by some European countries, where airlines are granted virtual automatic fare

☐ To Page 2

SAA

B/Day 21/1/92 (269)

☐ From Page 1

approval, although some have opted to follow the International Air Transport Association's recommended prices

In his paper at last year's conference on SA's international aviation policy, DCA commissioner Japie Smit conceded the current system of bilateral agreements, which regulated the designation of airlines on routes, the frequency of services, capacity to be made available, tariffs and routes, reflected a protectionist attitude "It is imperative to weigh up the implications of this policy against the government's national goals as it manifests itself in the broader economic policy," he added

In a recent interview, Austrian Airlines southern Africa GM, Siggi Kuchling, confirmed that SAA had insisted on seeing proposed new fares before they were sent to the DCA for approval

"In other countries airlines file fares directly with civil aviation authorities, but this system gives SAA an unfair advantage as they get to know all your plans"

Kuchling said he was sure the situation would change with the new policy.

Lufthansa spokesman Karin Lambson said the airline had an agreement with SAA to follow and match its fares "At the moment we are not filing fares, but if we did we would go to SAA and notify them, at the same time telling DCA," she said

Freeman said BA would support a double-disapproval arrangement He said that "as a matter of principle" BA filed only to DCA, which referred the proposals to SAA "for comment", but that it would not file straight to SAA

SAA spokesman Anelda Reinecke declined to comment

Smit and other DCA spokesmen could not be reached for comment yesterday

EWS

STAR 22/1/92

SAA slashes local fares

(269)

South African Airways has reduced certain domestic off-peak fares by 25 percent in an attempt to fill empty seats

According to a spokesman for the airline, Mike Pheiffer, this latest move was not in response to rival airline Flitestar, but merely one more addition to the 16 options already available to the domestic traveller.

The latest discount, known as Skypex, means that an economy-class ticket between Johannesburg and Durban could cost R171 instead of R227 and a similar ticket between Cape Town and Johannesburg R319 compared to R426

Flitestar managing director Jan Blake said the airline would have to study SAA's latest move before announcing any changes in its fare structure — Staff Reporter.

SAA to offer local cut fares

CT 22/1/92 (269)

Own Correspondent

JOHANNESBURG. — SA Airways will offer discounts of up to 25% on selected domestic air fares from January 28, airline spokesman Mr Mike Pheiffer said yesterday.

The offer follows hard on the heels of repeated assurances by SAA management that the airline would not be drawn into a fare war with Flitestar.

Last year both airlines' managements claimed they could not afford to reduce standard fares, which are identical on all routes, as they were operating close to break-even point.

SAA's special discount fare, to be known as Sky-Pex, will be made available on selected off-peak flights. A Sky-Pex ticket for a flight between Johannesburg and Durban will cost R171 instead of R228.

Further details on which flights the discounts would apply were not available.

'Ask agents'

The SKY-Pex fare would appeal to "cost-sensitive" passengers whose flight schedules were not dictated by time, said the SAA statement.

Passengers wanting to make use of the special offer should ask their travel agents for a Sky-Pex ticket on a specific date. The agents will then tell the client for which flight the ticket will be made available.

Flitestar managing director Mr Jan Blake said yesterday it was difficult to say if SAA were trying to match their competitor's off-peak discount fares.

"It all depends on the types of restrictions the ticket carries and whether they make all of their off-peak flights available for the discount fares."

Flitestar has offered up to 30% discounts on economy class and up to 15% on business class for off-peak flights.

Mr Blake said Flitestar would review its fares structure next month. He said the airline did have some innovative air fare ideas up its sleeve, but declined to discuss them

● Qantas re-opens SA route — Page 14

SAA offers 25% cut on local fares

B/Day 22/1/92 (269)

LINDEN BIRNS

SAA would offer discounts of up to 25% on selected domestic air fares from January 28, airline spokesman Mike Pheiffer said in a statement yesterday

The offer follows hard on the heels of repeated assurances by SAA management that the airline would not be drawn into a fare war with Flitestar.

Last year both airlines' managements claimed they could not afford to reduce standard fares, which are identical on all routes, as they were operating close to break-even point

SAA's special discount fare, to be known as Sky-pex, will be made available on selected off-peak flights. A Sky-pex ticket for a flight between Johannesburg and Durban will cost R171 instead of R228

Further details were not available.

Passengers wanting to make use of the special offer should ask their travel agents for a Sky-pex ticket on a specific date. The agent would then tell the client for which flight the ticket would be made available.

Flitestar MD Jan Blake said yesterday it was difficult to say if SAA was trying to match its competitor's off-peak discount fares "It all depends on the types of restrictions the ticket carries and whether they make all of their off-peak flights available for the discount fares"

Flitestar has offered up to 30% discounts on economy class and up to 15% on business class for off-peak flights. The fare structure will be reviewed next month.

Scared Sowetans turn backs on trains

STAR 23/1/92. (269)

Staff Reporters

As the death and injury toll from savage attacks on Soweto train commuters mounted, many Sowetans today turned their backs on the train service.

Taxis were swamped as commuters stayed away from trains hit by vicious gangs.

The rush to taxi ranks left many commuters stranded, with taxis unable to cope with the load.

The death toll from attacks on commuter trains this week is six, with 23 injured.

In the past 18 months train killers have claimed almost 150 lives.

The latest attack was yesterday evening

Captain Govindsamy Mariemuthoo of the South African Police said a man was stabbed and thrown off a train between Orlando and Mlamlamkuzi stations at about 6 pm

He died on his way to hospital.

In a second incident, a man fractured his arm and leg when he was thrown off a train between Ikwezi and Naledi stations at about 6.30 pm.

He is being treated in Baragwanath Hospital.

Captain Joseph Ngobeni, liaison officer for the Soweto police, believed there were enough policemen available on metro trains in and out of Soweto

Problems encountered by these policemen could, he said, be attributed to the fact that commuters were crammed into one compartment.

There are no interconnecting doors between compartments for the commuters to spread out.

The police, too, were restricted to the compartments they were in

Police were undertaking daily patrols on trains and used metal detectors during peak hours at stations.

Captain Ngobeni said if commuters spotted armed men on the trains they should alight at the next station and report the matter to the police.

"Stay calm and many lives could be saved," he advised commuters.

The captain added that many attacks were of a criminal and not a political nature.

Any person with information concerning train attacks could telephone either (011) 980-8321 or 980-8320 or 10111

Callers could remain anonymous.

Community leaders of concerned groups are invited to contact Captain Ngobeni

He can be contacted at (011) 980-8126 during office hours

American Airlines keen on flights to SA

B/Day 24/1/92 (269)

LINDEN BIRNS

AMERICAN Airlines, the Western world's biggest airline in terms of fleet size, will probably begin flights to SA next year or early in 1994, a spokesman said yesterday.

The airline's southern African head, Mike Tyler, said American's management in Dallas had indicated it was keen to introduce flights to SA, but that it was waiting for the market to grow sufficiently before it could justify the costs of setting up a full operation in SA.

"The airline is looking at 1993 or 1994 as an entry to the route," he said

The last US carrier to operate regular transatlantic flights between SA and New York was the now defunct Pan Am, which went bankrupt in December shortly after most of its assets were bought by its rival, Delta.

Yesterday American Airlines announced several special discount incentive fares for people flying to the US from SA via any point in Europe served by the airline.

These "breakthrough fares" matched SAA's direct Johannesburg-New York Super-Pex prices, but offered the traveller a break in their journey in Europe at no extra cost

Tyler said low-season economy class discount return tickets to New York and Boston would cost R3 480, while tickets to Chicago, St Louis and Cincinatti were R3 985, and R4 444 to most west coast cities

High season tickets to New York and Boston will sell for R3 999, Chicago, St Louis and Cincinatti for R4 504 and west coast cities for R4 968.

He said that in the early and mid-'80s American Airlines offered similarly structured discount fares to SA travellers even while SAA at that time had five return flights a week to the US.

American Airlines was also negotiating a ticketing agreement with Flitestar which would enable the US carrier to issue tickets to people travelling to SA but who wanted to make use of a domestic service after arriving in the country.

The airline already displays Flitestar flight information and seat availability on Sabre, a computerised global distribution system

Meanwhile, SAA spokesman Leon Els yesterday said SAA was not entering a fare war with Flitestar, but was merely trying to stimulate the off-peak travelling market with its 25% Sky-Pex domestic discount fares

SAA was not cutting fares, but was offering discount incentives in a bid to fill its aircraft during periods when they were underutilised, he added.

Sky-Pex fares will be available on selected off-peak flights. A Sky-Pex ticket for a flight between Johannesburg and Durban will cost R171 instead of R228

Flitestar has offered up to 30% discounts on economy class and up to 15% on business class for off-peak flights.

British Airways team holds talks on SA-UK air accord

(269)

B/Day 24/1/92

LINDEN BIRNS

BRITISH Airways has sent its top negotiators to Johannesburg for talks on an air traffic services agreement between Britain and SA, and to discuss fares and the number of flights to be offered during the next European summer season

Robert Ebdon, BA's head of commercial and government affairs, and Michelle Ballinger, the department's manager, arrived in SA earlier this week They held talks with the Directorate of Civil Aviation (DCA) on Wednesday, and met SAA representatives yesterday.

Ebdon said BA was seeking to negotiate a less restrictive agreement which was open on passenger capacity ceilings, the frequency of flights, pricing and the designation of airlines offering services between various points in SA and Britain

Formal talks are set to begin on February 24, but Ebdon said they did not expect a new agreement would be agreed after just one sitting "I don't anticipate this coming off in one fell swoop, although that would be nice," he said.

BA would like to offer two return flights a day between London and Johannesburg, while regularising its non-stop services to Durban and Cape Town, although there would first have to be enough demand, said Ebdon

Inbound tourism from the UK to SA had increased since BA had resumed advertising SA as a destination, he said.

He predicted that greater deregulation of scheduled services and freeing airlines from fares set by government would kill off charter services, as these would no longer be able to offer competitive prices

The last time formal negotiations took place between the two airlines was in the 1970s, when BA applied to amend the SA/UK bilateral agreement to include Hong Kong- and Seychelles-to-Johannesburg traffic rights, the former now being operated by Cathay Pacific

The current bilateral agreement, signed in 1945 by Prime Minister Jan Smuts, was Britain's oldest operative agreement on air traffic rights, Ebdon said

He said that most other African countries presented a problem in negotiations, in that the poorer countries restricted airlines from repatriating revenues. SA, at present, was an exception and as such presented an incentive to foreign carriers.

In a scenario where a "less-commercially inclined" interim SA government wanted to make any changes to a bilateral agreement, it would be compelled to do so either after negotiations with the country concerned, or by terminating the agreement after 12 months' notice, Ebdon said

Metro to speed up improvements

By ELIAS MALULEKE (269) City Press 26/1/92

THE South African Rail Commuter Corporation, Metro, has embarked on a campaign to improve security and service on all its stations and trains in the PWV area, Cape Town and Durban.

This emerged in a plan unveiled to City Press this week by the managing director of Metro, Dr JJ Nel, in which he stated Metro would consult with mass based organisations, trade unions, businesses and the man in the street to make the plan a success.

Police stations will be established and permanent, special and temporary police will be employed to control all stations and trains.

In addition, Metro will set up shopping centres, clinics and entertainment centres at all major stations.

"Consultations with whoever will talk to us is our major priority if we must make rail commuting in this country what it must be," he said.

Nel said a study has shown that high on the list of the community's needs was transport, followed by entertainment, health, shops and police stations.

"However, when Metro was inherited from Transnet on April 1, 1990, we inherited many problems, including unkempt coaches, stations and the general lack of facilities for commuters.

"This is now changing drastically. We have started by changing the features of our trains, damaged coaches are being repaired as soon as they are spotted and upgrading schemes are being undertaken at stations to make the lot of commuters easier," he said.

Nel said Metro operated two major services and should not be confused with Transnet, which is responsible for long-distance routes.

"Our reponsibility is to ensure that workers are transported to their workplace and back in as much comfort as possible."

Travel agents slam govt's charter policy

LINDEN BIRNS (269)

GOVERNMENT's decision to reject air charter licence applications for flights between Johannesburg and Mombasa has come under fire from the Association of SA Travel Agents (Asata).

Asata executive director Chris du Toit said on Friday that the association's initial reaction to the issue was that the National Transport Commission (NTC) was not demonstrating any foresight. B/Day 27/1/92

"The more people travelling in and out of SA means more money for Asata members (travel agents) Growth in traffic would also be good for the local tourism and travel industry," he explained.

His remarks follow the release of the NTC's reasons for supporting an SAA objection to a Johannesburg-Mombasa charter application last December by Northlands-based Air Supply The NTC indicated it was satisfied SAA and Kenya Airways were providing adequate capacity on flights between Johannesburg and Nairobi and that charter flights to Mombasa would harm SAA.

The NTC made no mention of the potential growth in the package holiday market which travel agents believe could be stimulated to fill the extra capacity offered by the addition of charter flights

Air Supply has reapplied for the same licence, as has Flitestar. SAA has indicated it will oppose both applications on the grounds that charters to Mombasa would "overlap uneconomically" with SAA's and Kenya Airways' scheduled service between Johannesburg and Nairobi. The NTC will hear Air Supply's second application on Thursday.

Du Toit said Asata favoured further liberalisation of the interim civil aviation policy as far as charters were concerned. At the same time, he said, government should still exercise caution against opening the skies to "fly-by-night" firms.

"There should still be a veto, but it should not be placed in the hands of an organisation with a vested interest, such as SAA, which would use the veto to protect itself."

Pension deficit at R17bn

CAPE TOWN — Transnet had a deficit of R17,180bn in its pension fund in April 1990, its first annual report since becoming a public company said yesterday.

The shortfall arose because the pension fund had invested surplus money in government and semi-government bonds which had yielded a lower return than growth assets. (269)

As the Pension Fund Act had been amended in 1991, the fund could now invest in growth assets such as shares and property.

Transnet's board decided to rectify the deficit in the pension fund through partial funding by issuing shares, increasing the company's contribution rate from 9% to 12% and by allocating profits to it.

Due to Transnet's sensitivity to market fluctuations the balance sheet was not sound, which would impede any privatisation. B/Day 28/1/92

Transnet MD Anton Moolman said Spoornet traffic volumes were down 8% over the previous financial year. The decrease was more marked in the general sector than in bulk traffic.

"The poor performance of the agricultural sector contributed to the decline."

Portnet handled 5,4% less traffic through its eight harbours although container tonnage increased 1,9%.

SAA had fewer travellers and higher fuel costs.

Domestic passenger bookings decreased 7,9% while international passenger numbers decreased 4,5%.

Autonet was also affected by the reduced demand for transport and showed a 25,8% decrease during the financial year.

"To alleviate the management cutback on costs at all levels a programme of natural employee attenuation was implemented," the annual report said, adding the staff complement had been cut by 4,8% by March 15 last year compared with the same date in 1990. — Sapa.

Transnet notches up net profit of R515-m

STAR 28/1/92

Political Reporter and Sapa

269

CAPE TOWN — Transnet's economic performance was satisfactory during the 1990/1991 financial year despite the sluggish economy and comprehensive changes

That is the word from Transnet chairman Dr Marius de Waal in his annual report for the period April 1 1990 to March 31 1991 tabled in Parliament yesterday.

He said the unfavourable economic climate which had prevailed since 1989, and worsened during the year under review, affected Transnet's traffic levels negatively.

This was partially offset by cost-cutting which resulted in a turnover of R11 583 million and net profit of R515 million.

Transnet had a deficit of R17 180 000 in its pension fund in April 1990, Dr de Waal added.

The shortfall was because the pension fund had invested surplus money in government and semi-government bonds that had yielded a lower return than growth assets.

As the Pension Fund Act had been amended in 1991, the fund could now invest in growth assets like shares and property

Transnet had decided to rectify the deficit in the pension fund through partial funding by issuing shares, increasing the company's contribution rate from 9 to 12 percent and to allocate profits to it

Spoornet traffic volumes were down 8 percent compared with the previous financial year.

Portnet had handled 5,4 percent less traffic through its eight harbours although container tonnage rose 1,9 percent.

SA Airways had been beset by fewer travellers and higher fuel costs.

Autonet had been influenced by reduced demand for transport and showed a 25,8 percent drop during the financial year.

Transnet's staff complement had been cut by 4,8 percent by March 15 1991 compared with a year earlier.

Arrest could be break in train killings

Sowetan 29/1/92.

(269)

By NKOPANE MAKOBANE

POLICE have arrested a man who they believe may help them in connection with their investigations into the ongoing attacks on commuters.

Witwatersrand police spokesman Captain Eugene Opperman told *Sowetan* yesterday that the arrest of the armed man on Monday night outside Johannesburg Station may be a breakthrough

He said the man jumped off a train outside the station at about 6pm when he saw policemen in a coach

He was arrested and police found a panga and a sharpened iron rod in his possession.

"We are concerned about the resurgence of train violence We believe the man might assist us with further investigations connected with past attacks," he said

The man is expected to appear in the Johannesburg Magistrate's Court today

At least nine people are reported to have been killed and about 30 injured in train attacks since last week.

In the past 18 months train killers have claimed about 150 lives and more than 700 people have been injured

Many Soweto commuters have turned their backs on the train service and since last week, taxis have been swamped as commuters switch from trains hit by the vicious gangs

Asked if police had stepped up train and station patrols in view of the fact that more people were dying in train violence, Opperman said policing would continue as it has since the start of the attacks in 1990

He said one had to bear in mind that there are more than 150 railway stations in the Witwatersrand area alone, excluding Soweto

There were also more than 900 trains moving through the region in one working day

This, he said, made it extremely difficult to police railway stations and trains in a manner that one would like to

"If you really want to police all the trains and stations in the region, you will need more than double the current number of policemen to be stationed in the whole region

"This is not practical," he said.

Anyone with information about the attacks should phone 10111 or report to the station master of that specific railway station

Those in Soweto can also phone either (011) 980-8321 or 980-8320 Callers are free to remain anonymous

Community leaders with ideas on train safety and crime prevention, in general, are invited to contact Captain Joseph Ngobeni at (011) 980-8126 (office hours).

Bullish Boeing homes in on SA

LINDEN BIRNS

BOEING is to focus its African marketing campaign on the continent's southwest coast and SA this year in a bid to buttress the "fortress" already established by the US manufacturer on the eastern seaboard.

International sales vice-president Seddik Belyamani said in Sandton yesterday that Boeing was bullish in its outlook for 1992

Yesterday Belyamani and other Boeing representatives held a demonstration for SAA at Jan Smuts airport of the wide-bodied twin-jet 767, which Mozambique's national airline LAM took delivery of earlier this week.

SAA has shown an interest in the 767 as a possible replacement for its 747-200s which were built in the early '70s and are close to retirement

Other Boeing's potential clients in southern Africa include Air Namibia and the Angolan airline TAAG.

B/Day 30/1/92

(269)

AIRFARES FM 31/1/92 (269)

KLM starts price war

A price-war took off last week when KLM announced a special Early Bird return fare to Amsterdam of only R2 595 — about R1 000 cheaper than anything on offer a year ago. It also offers to match any lower fare to a European destination of an equivalent distance. SAA responded swiftly by undercutting KLM's offer by R95 Most other airlines are offering to match the new fares.

However, BA's Malcolm Freeman does not see this as a price war "We are still in a trough period but by the end of March business will pick up and prices should even out." Travel agent and airfare discount specialist Bob Williams disagrees He believes the trend will continue "We could see return fares to London drop below R2 000 by the end of the year" Williams has long advocated lower fares to increase passenger numbers

Until recently, SAA, with government's backing, set the rules for air traffic to and from SA, fixing prices, dictating the number of flights and even the number of seats per flight — thus the rows of empty seats on many flights

SAA argued it needed the protection to recover additional costs of flying around the bulge of Africa while its pool partners were prepared to reap the profits from the inflated ticket prices and artificially reduced number of flights (BA's route to SA is its most profitable)

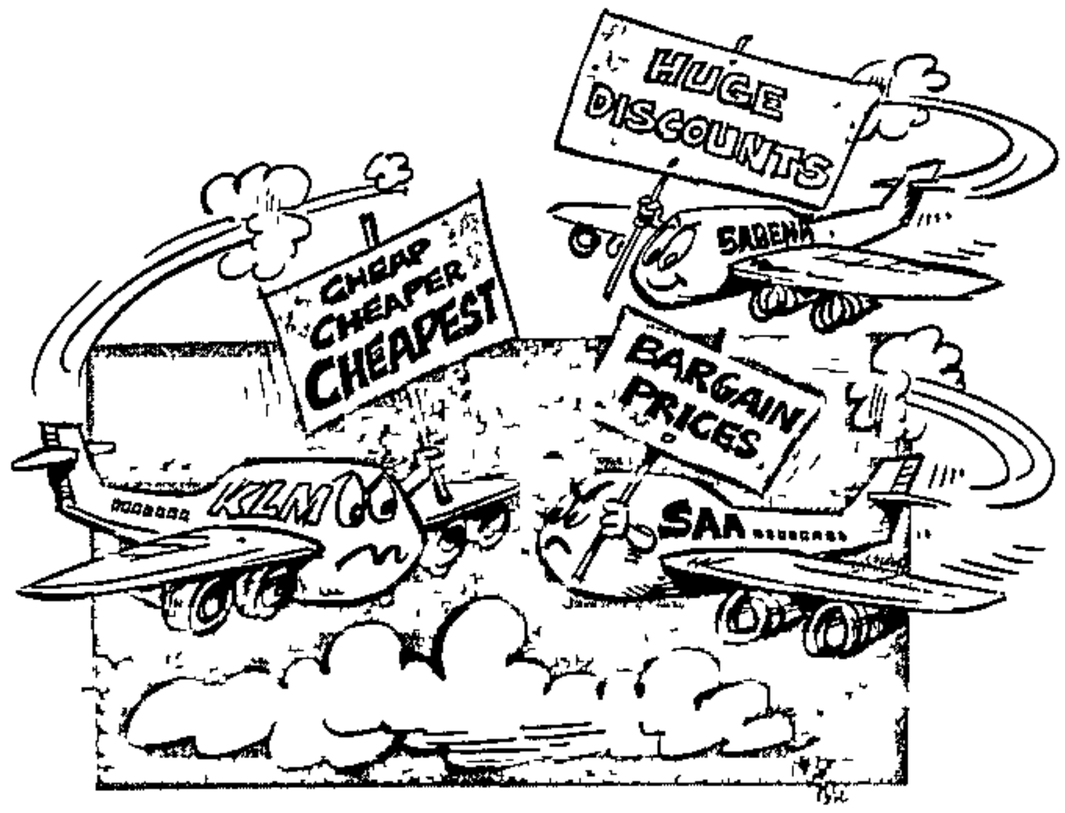
But with political barriers crumbling, government's attitude is changing Support for total deregulation of international aviation policy has come from the hotel industry

Government introduced an interim international aviation policy in November to end much of the regulation that has kept out competition. For the first time, two or more airlines from a country will be allowed to fly a route and restrictions on charter flights have been eased to allow charters to pick up passengers from SA and operate regular flights to destinations not served by scheduled flights

A "double disapproval" policy will replace the current "double approval" policy that allows the aviation authorities of one country to block a proposed airfare.

But much remains uncertain. While the industry awaits the final policy — expected to be announced in midyear, many regulations are being ignored Certainly, the airlines didn't wait for SAA or Department of Civil Aviation approval when they filed their latest fares

KLM's David Pegg explains that waiting for approval would take too long and give SAA an unfair advantage Pegg stresses that SA needs to create business opportunities



"The travel industry needs to be stimulated outside the high season" He points out that outbound traffic could be redirected from the regional destinations — Mauritius and Seychelles — to long-haul destinations. Pegg predicts that inbound traffic could well pick up as political problems fade *Mirryena Deeb*

AIRWAYS FM 31/1/92

Space scramble

SA Airways (SAA) and Flitestar will have competition on the Durban-Johannesburg run.

The Air Services Licensing Council (ASLC) is likely to grant Bass Airways, a small Durban-based airline, permission to operate a scheduled service between Durban and Grand Central airport, less than 20 km north-west of Jan Smuts airport and midway between Johannesburg and Pretoria

Bass Airways applied for permission late last year It was asked to furnish more information, which it did, and, says an official of the ASLC, "its application will probably be granted this week"

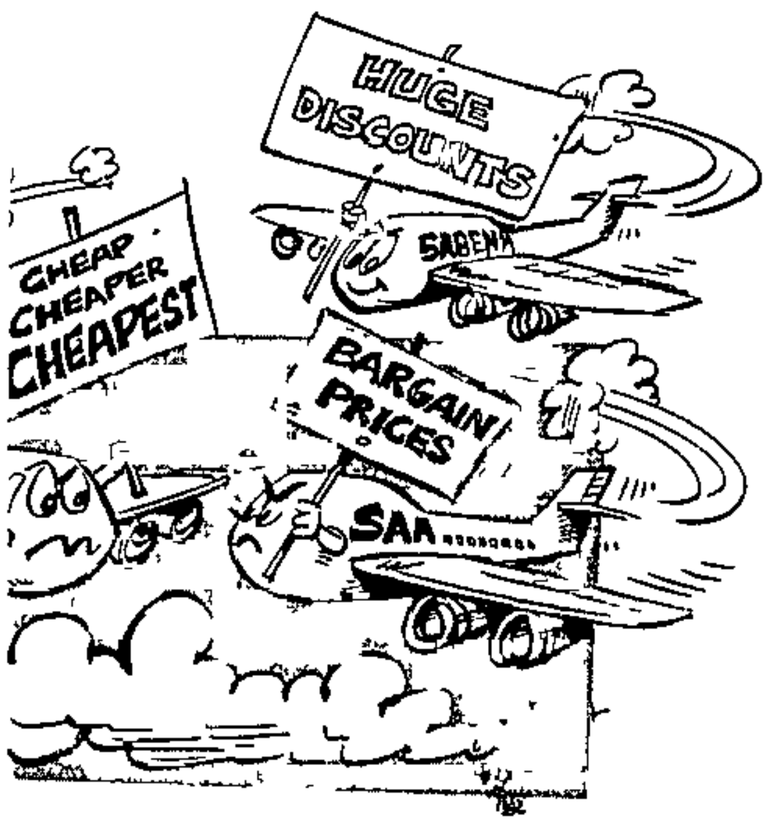
The service will start by July at the latest, if the licence is granted this week, says Bass Airways MD Mike Basson.

De Havilland Dash 8-300 STOL (short take-off and landing) turbo-prop aircraft will be used on the route. The aircraft can

price war

to be announced in midyear, many regulations are being ignored Certainly, the airlines didn't wait for SAA or Department of Civil Aviation approval when they filed their latest fares

KLM's David Pegg explains that waiting for approval would take too long and give SAA an unfair advantage Pegg stresses that SA needs to create business opportunities



"The travel industry needs to be stimulated outside the high season " He points out that outbound traffic could be redirected from the regional destinations — Mauritius and Seychelles — to long-haul destinations Pegg predicts that inbound traffic could well pick up as political problems fade *Mirryéna Deeb*

AIRWAYS FM 31/1/92

Space scramble

(269)

SA Airways (SAA) and Flitestar will have competition on the Durban-Johannesburg run.

The Air Services Licensing Council (ASLC) is likely to grant Bass Airways, a small Durban-based airline, permission to operate a scheduled service between Durban and Grand Central airport, less than 20 km north-west of Jan Smuts airport and midway between Johannesburg and Pretoria

Bass Airways applied for permission late last year It was asked to furnish more information, which it did, and, says an official of the ASLC, "its application will probably be granted this week "

The service will start by July at the latest, if the licence is granted this week, says Bass Airways MD Mike Basson

De Havilland Dash 8-300 STOL (short take-off and landing) turbo-prop aircraft will be used on the route The aircraft can

FM 31/1/92 (269)

take off and land with full complement of 50 passengers on even the hottest day at Grand Central

The success of the scheme depends on Basson's ability to siphon passengers away from Jan Smuts, which he says is "a disaster that will be five years behind the times, even when its modernisation is completed. It will become a congested international airport that will have difficulty coping with domestic traffic."

He stressed in his application that he intends to provide a regional service. His target market is businessmen in Pretoria, Sandton, Randburg, Midrand and Johannesburg's northern suburbs. Research shows that 21% of passengers who use Jan Smuts come from Pretoria, which is 50 minutes away from Jan Smuts and only 20 minutes away from Grand Central.

But there is a limit to the inroads he will make in his competitors' business. He estimates that even if he reaches his planned maximum of six flights per day in each direction during business hours and even if flights are all filled, he won't be able to take more than 7,5% of SAA's and Flitestar's passengers away from them.

But Flitestar MD Jan Blake estimates he'll take more than 13% away from the two airlines if he hits that peak Together, SAA and Flitestar can accommodate 2 250 passengers a day each way.

Bass Airway's aircraft will take 12 minutes longer than SAA's or Flitestar's large jets to fly between the two points, but Basson claims passengers will save one-and-a-half hours on a round trip. They will have to check in only 15 minutes before their flight at Grand Central, instead of more than an hour before when they fly from Jan Smuts. This is because parking is closer to the terminal building and because there will be fewer passengers on each plane.

Moreover, the modern terminal will be designed to ease the flow of passengers (Grand Central's multimillion rand upgrading is scheduled for completion in September) so they will be processed more rapidly. This, he says, will compensate for the higher fares he proposes to charge.

Basson plans to eventually use Grand Central as a hub to serve what he terms second-level airports, such as those at Maritzburg, Pietersburg and Skukuza, where the runways are too short for the big carriers' planes

The application by Lanseria-based airline Air Supply to add a 100-seater or a 130-seater plane to its existing licence to fly to any destination in Africa and its offshore islands, was due to come before the National Transport Commission (NTC) this week.

FM 31/1/92 (269)

The NTC deliberates on international flights and the ASLC on domestic flights SAA intends opposing that application, as it did Air Supply's application last year

"If our application is turned down again, we'll take the matter to court," says MD Bradley Amoils. "We are licensed to fly smaller aircraft to any destination in Africa or its offshore islands where we can get landing rights. We're only asking to be allowed to use a bigger machine. No way will that threaten SAA's domination of the Kenya route "

Flitestar's application for a licence to operate weekly charter flights between Jan Smuts and Mombasa *(Business & Technology January 17)* cannot be heard before March or April, says the NTC

SAA will also oppose the granting of that licence. Certainly, it is likely to erode its market Flitestar's return fare will be between R800 and R1 600. SAA's business class return fare to Nairobi is R2 666 and R2 320 for economy class, which would make it attractive for a businessman to fly to Mombasa with Flitestar and get a connecting flight from there to Nairobi.

But, says Blake, "we'll be marketing holiday packages The airfare will be part of the package." ■

continue →

Direct Singapore-SA flights

DURBAN — Singapore Airlines will be flying directly to South Africa from March 29 — joining the ranks of several other foreign carriers to fly to this country in recent months.

Singapore Airlines, flying Boeing 747 aircraft, will fly twice weekly to Johannesburg on Fridays and Sundays.

The airline will fly direct from Johannesburg to Singapore every Friday. On Sundays it will fly via Mauritius. The first flight to Johannesburg is on March 29.

Miss Zubeida Bux of Orient Travel in Durban said "Thousands of South Africans travel to Singapore each year, especially for shopping and business. With direct connections, it will save the South African traveller the inconvenience of taking a connecting flight from Mauritius".

— Own Correspondent.

269

SHIPPING FM 31/1/92

Gearing up (269)

Durban harbour is preparing for a post-sanctions era. Recent weeks have seen the inauguration of a Russian freight liner service between SA and Europe, the acquisition of a new giant container vessel by SA's largest shipper, Safmarine, and the creation of a Franco-SA consortium to trade with Sri Lanka and Singapore.

It is too early to quantify the threat from the Russians to SA-European trade routes, dominated as they are by Safmarine and its

FM 31/1/92

partners in the international container consortium SA-Europe Container Service. Their agreement has just been renewed for another 10 years. The core of their fleet comprises six cellular vessels but it also has three multipurpose ships.

Against this Russia's Baltic shipping line, of St Petersburg, has sent in the 17 000-t ro-ro vessel *Kolomna* In its inaugural voyage to SA it called at Richards Bay, where it picked up paper and pulp, and Durban where it topped up with a variety of other goods before leaving for Europe. (269)

The Durban-based Unicorn shipping line has also been active Unicorn, which concentrates on routes in the Indian Ocean and to east and west Africa, South America and the eastern Mediterranean, has formed a joint venture with the French company SCAC Delmas Vieljeux to provide a service between SA and Sri Lanka, Singapore, Japan and other Far East ports, with four ships

The agreement could be interpreted as a move by Unicorn and its French partner to position itself for trade between SA and the Indian subcontinent when the Commonwealth lifts trade sanctions against SA. Foreign services GM Mike Ford believes that such a move could come as early as April and not later than year's end.

He points out that India and Pakistan are attractive trade areas because they offer two-way business. One of the problems with many ventures into Africa is that they involve one-way traffic and the SA business has to put up the finance for export deals. He also sees Unicorn taking advantage of shipping opportunities to the Persian Gulf.

Safmarine, too, has been gearing itself up. CE Tony Farr says. "SA, along with many of its trading partners, is going through a recession so we shouldn't expect a sudden surge in trade." But Safmarine obviously doesn't want to be caught out. The *Oranje* — its latest addition to the Far East fleet — made its maiden voyage to SA last week The R100m-plus, 1 800 teu *Oranje* container ves-

FM 31/1/92 (269)

sel, built in Croatia, fits into the *Safari* consortium of shipping companies operating in the Far East. Though Farr points out that the *Oranje* replaces the *Langeberg*, which has been sold, it has a far bigger container capacity than its predecessor which could carry 1 300 containers

Safmarine is also having a 150 000-t bulk carrier built in Romania — for a joint-venture company with Iscor Safore — and two refrigerator ships built in Poland. ■

More stops for Singapore Airlines in SA

Singapore Airlines will also stop off in Durban and Cape Town once it has established its Johannesburg route which begins on March 29.

Sales manager Jenny Kearney said an introductory airfare would not be offered, but the airline would continue with the published discounted fare of R3 350.

South Africans do not need visas for the first 14 days in Singapore

Ms Kearney said South Africans could now also visit Malaysia and could obtain visas in Singapore. This would take three days, she said

London-Jo'burg air fares 'not likely to drop much further'

STAR 4/2/92

By John Miller (269)

Air fares on South Africa's most lucrative international route, that between Johannesburg and London, are not likely to drop much more, according to the present two operators

Passengers are now paying as little as R2 750 for a super-pex ticket but this type of travel has certain restrictions.

SAA media manager Leon Els said the increase in the number of discounted fares was a result of the Gulf War and worldwide recession. These fares were specifically designed to stimulate the market, especially during off- or low-peak periods.

"There is no open price war Airlines worldwide are trying to stimulate the market. You cannot have a flight comprised of only discount seats, this would not be economically viable for any airline, that is why there are only a certain number of discounted seats and on selected flights.

"We do not foresee that fares will drop much further but we will continue to look at discounts on certain routes where passenger loads need to be — or can be — increased."

Malcolm Freeman, manager British Airways, said pricing was at a satisfactory level and that load factors were very good.

"We feel there is no reason now to go any lower than we have done It seems to be just enough to stimulate enough market to keep our loads at where we want them."

Mr Freemen said passenger loads had picked up dramatically mainly due to a large surge in incoming passengers to South Africa, almost 40 percent up on this time last year.

Transport overspent by R703-m

STAR 4/2/92 (269)

By Alan Dunn
Political Staff

South African Transport Services overspent its budget by a whopping R703 million in its final year before splitting into Transnet and the SA Commuter Corporation

Parliament has yet to approve the expenditure, noted in the Auditor-General's report tabled yesterday.

The Sats budget in that year was R13,2 billion. It spent R13,9 billion

The report reviewed the service's 1989-90 accounts, also highlighting a net deficit of R417,7 million in the operating results

Announcement of the change from Sats to Transnet in April 1990 cost R7,2 million in media advertising, postal costs, a glossy magazine and functions

Fruitless/avoidable expenditure, such as abandoned projects, totalled R5,8 million, Auditor-General Peter Wronsley confirmed.

These included 11 cases in the rail and commuter services, and one involving the airways

The R5,8 million formed part of R12 million written off as irrecoverable debts and sundry losses.

Theft or fraud of Sats funds and property totalled R3,3 million and 166 cases

Sats paid out R43 million (R38 million the previous year) in compensation for death, injury, loss, damage or delays while conveying people, livestock and goods.

Part of that was R151 145, paid in eight cases for 150 260 kg of sugar which "went missing in transit"

More than R11,8 million was spent on repairing locomotives, coaches and goods stock damaged in accidents, compared with R7,8 million the previous years

Train accidents increased from 211 in 1988/89 to 243 in 1989/1990 (16 collisions and 227 derailments)

The cost of free train and privileged passes and free or concessionary air tickets was R243,8 million, a vast increase on R180,2 million the previous year

Compensation to Sats employees for death or injury came to R12 million in 7 140 cases

Sats motor vehicles were involved in 6 142 collisions, damaging 4 463 vehicles

Repair costs were R9 million compared with R6 million the year before

In 911 cases, disciplinary or legal action was instituted against Sats employees, the report said

SA Airways' total revenue was R2,67 billion compared with R2,16 billion the previous year while expenditure for 1989/90 was R2,61 billion as against R2,03 billion for 1988/89 showing a surplus of R62,7 million compared with R132 million the previous year.

In 1989/90, SAA had paid out a further R1,2 billion related to the 1988 Helderberg disaster bringing the total cost of the 747 crash to more than R16 billion.

Sats criticised as deficit snowballs

(269)

LINDA ENSOR

CAPE TOWN — SA Transport Services accumulated a deficit of R417,7m in the financial year to end-March 1990 — more than double the R147,4m deficit of the previous year — and has been sharply criticised by the auditor-general for the lax financial controls in some of its operations.

The auditor-general's report for the last year of Sats's existence was tabled in Parliament yesterday. It shows that Sats exceeded its authorised parliamentary grant of R13,2bn by R703,6m. Parliament still has to decide what to do about this excess.

In the 1987/88 financial year, Sats lost R3bn in unrealised foreign exchange losses which in the end did not proceed through Parliament for approval.

A delay in finalising the 1989/90 figures, which should have been submitted to the auditor-general within three months of the year-end, resulted in them being signed by Sats's GM only on January 22 1991.

"Operating expenditure of R487m for the period March 16 1990 to March 31 1990 was not accounted for in the financial statements and had to be updated at Audit's insistence," the report said.

The auditor-general found unsatisfactory aspects in the system of revenue accounting. Shortcomings in the recording and control of stores were such "that no opinion can be given on the reasonableness of the accounting of stores".

☐ To Page 2

Sats

B/Day 4/2/92

(269)

☐ From Page 1

Serious deficiencies were found in accounting for capital investment and fixed assets in Road Transport Services. The auditor-general said a positive opinion could not be expressed on the accuracy of amounts accounted for by regional offices.

"This disturbing state of affairs apparently requires immediate attention."

Regarding SAR Travel the auditor-general also found inadequate accounting methods, which made it "impossible to form a meaningful audit opinion on the reasonableness of SAR Travel's revenue and expenditure for the financial year 1989/90 as well as of its assets and liabilities as at March 31 1990."

The report said private sector portfolio managers had invested R2,5bn of the assets of Railways and Harbours Superannuation Fund and R1,3bn from the Railways and Harbours Pension Fund for Non-White Employees as at March 31 1990.

Our political staff reports that Sats paid R25,2m to 126 072 of its employees (R200 each) for not joining a strike in 1989, the report said.

The eight-week strike was launched in November 1989 by four black trade unions in protest against Sats's privatisation and resulted in the dismissal of 23 000 workers.

NEWS IN BRIEF

No funds for transport

NO NEW transport projects in Cape Town could be undertaken this year because of the low allocation of funds by the Department of Transport, a report submitted to the Cape Town City Council's utilities and works committee yesterday said.

Possible local sources of funding were being sought.

Expenditure of R39m was required for the planning and implementation of a transport plan for the core city area, but the actual allocation was R2m for planning and R8,7m for implementation.

B/Day 4/2/92

(269)

SAA to lease out another 747

LINDEN BIRNS

SAA is to lease out another of its Boeing 747s, despite recently expanding its route network to include two more long-haul services, and in the face of further potential expansion this year (269)

The airline placed an advertisement in a recent edition of UK-based African Airlines magazine, offering the lease (with or without pilots and crew) of one of its older 300-seater Jumbos for an unspecified period. B/Day 4/2/92

SAA already has three of its smaller Boeing 747 SPs leased out to Air Mauritius, Air Namibia and Luxair

A fourth 747 SP was recently returned to SAA from an unidentified Canadian airline.

Airline officials were unable to provide accurate details on how many of its aircraft were leased out, and for how long.

Late last year SAA began to lease out some of its wide-bodied Airbus A300s.

At least four of SAA's Boeing 737s were put up for sale after the airline took delivery of four new Airbus A320s. None have been sold yet

During the past three months SAA reintroduced direct flights to New York, Perth and Sydney The older 747-200 aircraft are used on these routes.

These have a shorter range and are more expensive to run than the two $120m 747-400s SAA acquired last year.

A third 747-400 is scheduled for delivery later this year, and a fourth in 1993.

SAA spokesman Leon Els said there was no demand for extra flights to New York, Australia or on any of the airline's long-haul services

"We are able to adequately service all our routes with our present staff and equipment," he said

Nelson Mandela	1 Head of Department 1 Teacher
Oscar Mpetha	1 Head of Department 2 Teachers
Langa	1 Head of Department 3 Teachers
I D Mkize	1 Teacher
Fezeka	2 Teachers

Additional classroom places: Cape Peninsula

*14 Mr K M ANDREW asked the Minister of Education and Training

Whether any additional classroom places have been made available for the 1992 school year at primary and secondary schools in the Cape Peninsula, if not, why not, if so, (a) how many were made available at such (i) primary and (ii) secondary schools and (b) what are the names of the schools involved?

B42E

The MINISTER OF EDUCATION AND TRAINING

Yes

(a) (i) 680 (as a result of the construction of new classrooms) 6 421 (due to the implementation of the platoon system)

(ii) 420 (as a result of the construction of new classrooms) 8 240 (due to the implementation of the platoon system)

(b) New classroom places as a result of the construction of new classrooms

Primary	*Classrooms*	*Places*
Mkhanyiseli	3	120
Mfuleni	14	560
Secondary		
Langa	12	420

New classroom places as a result of the introduction of the platoon system

Primary	*Places*
Ilifa	500
Chuma	960
Intshayelelo	960
Nkazimlo	1 040
Encotsheni	1 040
Liwa	333
Nomlingsaniselo	628
Linge	720
Hlengisa	240
Total	6 421
Secondary	
Ebutsheni	600
Intlanganiso	600
Ikamvaletu	370
Vuyiseka	250
Total	1 820
Grand Total	8 240

Note The Department intends to build the following number of classrooms during 1992

	Classrooms	*Places*
(a) Primary	156	6 240
(b) Secondary	83	2 905
Total :	239	9 145

Transnet: hiring out of locomotives/carriages

*15 Mr F J LE ROUX asked the Minister for Public Enterprises †

(1) Whether Transnet Limited hires out or makes available railway locomotives and/or carriages to agencies in Africa, if so, (a) to whom and (b) for what consideration,

(2) whether this consideration has been paid to date?

B44E

The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of Transnet Limited replied as follows to the Honourable Member's question

(1) Yes

(a) Swaziland, Zimbabwe, Zambia Zaïre, Malawi and Botswana

(b) Locomotive hire varies from R2 000 to R3 000 per day Carriage hire amounts to R358 per day

(2) Yes, except in one case and arrangements in this instance have already been made

INTERPELLATION

The sign * indicates a translation The sign †, used subsequently in the same interpellation, indicates the original language

Own Affairs

State Revenue Fund: amounts returned

Mr C H PIENAAR asked the Minister of Agricultural Development †

(1) Whether certain amounts for which provision was made in the estimates of his Department for the 1989-90 financial year were returned to the State Revenue Fund, if so, why,

(2) whether he foresees such an eventuality again occurring in the 1991-92 financial year?

B112E INT

*The MINISTER OF AGRICULTURAL DEVELOPMENT Mr Speaker, the reply to the question of whether money from the Department of Agricultural Development's budget for the 1989-90 financial year was returned to the State Revenue Fund, is yes

What actually happened is that unspent funds in the amount of R81,5 million were redeposited in the Revenue Account House of Assembly by the Department of Agricultural Development in terms of the Exchequer Act, 1975 Included in this was an amount of R41,7 million voted for emergency relief in terms of section 8(1) of the Exchequer Act, 1975 It was held over for appropriation in the next financial year The reason for this was that farmers could not timeously submit their claims for approved repairs after flood damage during the 1989-90 financial year Owing to delays in the submission and disposal of claims in respect of floods in Natal and the Orange Free State, and particularly as a result of further rains and further floods, high river levels and a shortage of earth-moving contractors, farmers could not complete the planned repairs in the financial year concerned Consequently this amount was redeposited in the appropriation for additional expenditure for the financial year ending 31 March 1991 It was voted for the same purpose in the 1990-91 financial year and spent This is normal State accounting

The lion's share of the balance of R39,8 million was originally voted for stock farmers' disaster drought relief scheme but, in the 1989-90 financial year, the department received claims for only R15,91 million in respect of this scheme, and this was paid because it had rained and the drought did not persist

In consequence, it is difficult to budget exactly for this disaster scheme In the 1987-88 financial year, for instance, R76,01 million was budgeted and all of it paid The next year the amount was also R76,17 million In 1989-90 it was only R15,91 million The next year we budgeted for R60 million but only R9,94 million was paid This year we budgeted for only R30 million and we have already paid R45 million This is as a result of the unpredictable nature of droughts for which we have to budget Consequently when there are surplus funds they are carried over to the next year, as has happened now

With regard to funds this year, the funds which were budgeted for drought last year were therefore rolled over, appear in this year's budget and are being spent To the question of whether funds will be redeposited this year, the reply is also yes On the basis of statistics in our possession, it appears that we are approximately 2% within the 2% limit of the total amount voted, which is normal

*Mr C H PIENAAR Mr Speaker, this question was put *inter alia* as a result of the most cynical comment which appeared in the Auditor-General's report on the appropriation in miscellaneous accounts of the Administration House of Assembly for 1989-90 where the reason for this repayment is given, and this reason came from that hon Minister's department I shall quote from page 32 of that report

> the demand for financial assistance was less than expected, owing to improved agricultural conditions

Does that hon Minister want to tell us now that his department furnished the Auditor-General with these statistics? From what other source could the Auditor-General have obtained them? Did his department say that agricultural conditions had improved during that period? I want to allege that this is an extremely cynical attitude which is characteristic of this Government and specifically that department's attitude toward farmers who are caught up in an unprecedented crisis

National Transport Commission

*4 Mr J CHIOLÉ asked the Minister of Transport †

(1) Who are serving on the National Transport Commission at present,

(2) whether the composition of this commission changed recently, if so, (a) what was the nature of the changes and (b) (i) who served on the previous National Transport Commission and (ii) for what length of time did each of the permanent members serve on it,

(3) whether members of the previous commission whose services were terminated were furnished with reasons for the termination of their service, if not, why not, if so, what reasons?

B6E

The MINISTER OF TRANSPORT.

(1) The following eight members presently serve on the National Transport Commission·

Dr M F Mitchell Chairman and Acting Director-General Transport
Mr R G Meyer
Mr H J Claassens
Mr J J Smit
Mr G R Pauw
Mr S Petersen
Mr P P M Chetty
Prof S J Zondi

Dr C F Scheepers who has been appointed Director-General Transport as from 1 March 1992, will from that date be appointed chairman of the Commission

(2) Yes, the composition of the Commission has changed with effect from 1 January 1992

(a) The membership has been decreased from ten to eight members The powers, functions and duties of the Commission have been scaled down over the past year to such an extent that it now concerns itself primarily with matters regarding civil aviation and commuter subsidies

(b) (i) The following members served on the previous Commission

Mr R G Meyer Chairman and Director-General Transport
Mr J J Smit
Mr H C van Zyl
Mr B Slabbert
Mr E F Niksch
Mr G R Pauw
Mr J J S Germishuys
Mr A M Brynard
Mr H J Meyer
Mr C J Grové

(ii) The permanent members served on the previous Commission for the following periods

Mr R G Meyer — 1 October 1987 until 31 December 1991
Mr J J Smit — 1 May 1987 until 31 December 1991
Mr H C van Zyl — 1 October 1976 until 31 December 1991
Mr B Slabbert — 1 October 1971 until 31 December 1991
Mr E F Niksch — 1 June 1977 until 31 December 1991

(3) Yes, the members were informed that their periods of service expired on 31 December 1991 and that the demands of the changing transport environment have necessitated the re-composition of the Commission

Letter Acting Judge President, Natal

*5 Mr D J DALLING asked the Minister of Justice Hansard 4/2/92

(1) Whether in July 1991 he received a letter from the Acting Judge President of Natal in connection with the release of criminals from prison, if so,

(2) whether he will disclose the contents of this letter, if not, why not, if so, what was (a) the content of the letter and (b) his response thereto?

B11E

The MINISTER OF JUSTICE

(1) Yes

(2) No It is not practice to disclose the contents of correspondence addressed to me In fact, the Honourable Member may wish to reflect whether his question, referring to the action of a court official, to wit a Judge President, is in order in terms of Parliamentary convention The Honourable Member is referred in this regard to *E May, Parliamentary Practice* (21 st Ed), p 291 and also p 288

The matter of release of prisoners, both under the amnesties announced by the State President and in terms of normal policy, was subsequently discussed at a conference held with the Chief Justice and all the Judges President

A mutual understanding was reached in respect of both the concerns voiced on behalf of the administration of justice and the particular demands on the Executive at a crucial stage in South Africa's development, when exceptional steps had to be taken in order to deal with the question of political prisoners and the necessity of an evenhanded approach as far as other prisoners were concerned

(a) and (b) Fall away

Hansard 4/2/92

Certain person: potential threat

*6 Mr P G SOAL asked the Minister of Defence

Whether, with reference to his reply to Question No 26 on 19 February 1991, a certain person, whose name has been furnished to the South African Defence Force for the purpose of the Minister's reply, was identified by the Civil Co-operation Bureau as a potential threat to State security, if so, (a) when, (b) for what reasons and (c) what is the name of this person? Hansard 4/2/92

B16E

The MINISTER OF DEFENCE

As was indicated in the reply to question number 26 of 19 February 1991, the findings of the Harms Commission had been referred to the Attorney-General for further investigation The Attorney-General has indicated that the matter is still being investigated and it is therefore *sub judice* (a) (b) and (c) fall away

SABC: educational television service

*7 Mrs C H CHARLEWOOD asked the Minister of Education and Training

(1) Whether, since the reply to Question No 23 on 9 April 1991, his Department has taken any further steps to establish, through the South African Broadcasting Corporation, a full-scale educational television service to Black schools throughout the country, if not, why not, if so, (a) what further steps and (b) when is it anticipated that this service will commence,

Hansard 4/2/92

(2) whether he will make a statement on the matter?

B19E

The MINISTER OF EDUCATION AND TRAINING Hansard 4/2/92

(1) No

(a) The establishment of a fullscale educational television service to Black schools country-wide cannot be afforded by the Department at this stage

The department is currently planning a project in co-operation with the SABC to assist standard 10 candidates with the aid of television broadcasts for two hours per day from 1 April 1992 to 30 September 1992

Furthermore the Department and the SABC are jointly planning a pilot television programme project which will be directed at pupils from standard 5–7, parents and teachers The programmes will be broadcast during 1992

An interdepartmental committee is currently investigating all aspects of distance education This includes, inter alia, educational radio and television

(b) Falls away

(2) Not at this stage

Single health department

*8 Mr M J ELLIS asked the Minister of National Health Hansard 4/2/92

(1) Whether, since her reply to Question No 15 on 12 March 1991, her Department has taken any further steps to consider the administrative, financial and national health implications of a single department of health for South Africa; if so, what further steps, if not, why not, cont—D

Govt rebuked for aviation response

B/Day 5/2/92 (269)

LINDEN BIRNS

RETIRED Supreme Court judge and leading local aviation authority Cecil Margo yesterday criticised government for not taking enough action on recommendations he made in his 1982 probe into civil aviation.

He launched his criticisms during his opening address at the International Aircraft Owners and Pilots' Association (Iaopa) World Assembly, which is being held in Johannesburg this week and which is being attended by delegates from 33 countries

Margo said government had taken cognisance but not action on his recommendations for SA to enter into multilateral agreements with other southern African countries with a view to standardising search and rescue, air traffic control, pilot and technical training and several other aspects vital to civil aviation.

He also questioned government's plans to cut tax and other concessions to aircraft owners.

Several southern African countries, SA excluded, did not fully appreciate the contribution civil aviation made to the region, both in contributing towards growth in industry, agriculture, imports and exports, tourism and in improving inter-personal relations between political and commercial leaders of different countries, he said

A multilateral aviation treaty would advance peace, prosperity and welfare of the entire community in the area, he added.

Regional aviation standardisation would enhance the export of technological know-how from southern Africa, and would aid regional economic development currently hindered by poor, ineffectual, and in some instances, non-existant ground transport infrastructure, he said.

"A mile of road leads nowhere, but a mile of runway leads everywhere," he remarked.

Government has approved the idea of multilateral treaties, but has done nothing about it, said Margo

Iaopa is regarded as one of the most influential non-government international civil aviation bodies. Its recommendations are usually incorporated into legislation by governments' civil aviation authorities. It is the first time in the organisation's 30-year history that it has convened a meeting in Africa

The assembly will discuss issues such as the impact on civil aviation of recent EC and International Civil Aviation Organisation decisions.

Iaopa represents more than 350 000 pilots and owners of general aviation aircraft flown for business or privately General aviation has been defined as "all civil aviation operations other than scheduled and non-scheduled air transport services for remuneration or hire".

e told to pay bond

September 17, earlier told the court that his wife paid for his defence, but experienced cash flow problems because of difficulties in selling her Waterkloof home.

He believed that the proceeds of such a sale — even if it was a sale in execution by the trustees of his estate — would bring in enough cash to repay two bonds on the property as well as his defence.

Vermaas's advocates and attorneys withdrew from his trial because he could not afford to pay them.

He expressed the hope that he would be able to employ them again in future, but was warned by the trial judge that he should be prepared to defend himself if his plans failed. — Sapa.

Alleged bomber to plead over bail

B/Day

DARIUS SANAI B/Day

FORMER hunger striker and alleged Bloed Street bomber Lood van Schalkwyk will appear in the Pretoria Supreme Court on February 10 to request that his R5 000 bail not be forfeited. 5/2/92

Van Schalkwyk was arrested on Monday after failing to arrive in court on January 27 to face charges of murder and attempted murder. He appeared in the Pretoria Supreme Court yesterday and will be kept in prison until his next court appearance.

Together with right-wingers Henry Martin and Adrian Maritz, he also faces faces a murder charge after the death of computer consultant Nicolas Cruise.

Leon: 'Meek' acquiescence to SAA

(269) CT 5/2/92

Political Staff

THE civil aviation authorities had agreed to every application brought by South African Airways and they had passively upheld every objection to competition ever lodged by SAA, the Democratic Party MP for Houghton, Mr Tony Leon, said yesterday.

"In fact, it goes beyond civil aviation meekly acquiescing to every demand of SAA: A recent example suggests SAA does not even bother too much with legal niceties," he said during the debate on the Air Services Licensing Amendment Bill.

"When the airline introduce its new airbus, the A320, several months ago, it started operating the aircraft before it had received the requisite consent to do so from civil aviation authorities.

"The required authorisation from the Department of Civil Aviation appeared in the Governmet Gazette only after operations had commenced.

"It is quite clear that SAA regards itself as a law unto itself, while the Department of Civil Aviation acquiesces in all SAA's anti-free market stance."

SAA had objected to applications by Air Supply and Flightstar to fly to the Kenyan port of Mombassa on the grounds that this would be economic suicide for SAA

Cape Times, Wednesday, February 5 1992 3

MP slams SA air safety measures

(269)

CT 5/2/92

By BARRY STREEK

SAFETY measures at two of South Africa's main airports were slammed yesterday

Wynberg's DP MP Mr Robin Carlisle condemned the Low Visibility Landing Systems in Johannesburg and Durban as not up to requirements He said radio communication throughout Natal was unacceptable below 15 000 feet and the security handling area at Jan Smuts Airport was inadequate

He also said pilots were unable to get weather maps at all times

The Directorate of Civil Aviation had for years been the weak sister in the transport field, Mr Carlisle said.

"In my experience, it has been repeatedly and roundly denounced by airline pilots, SAA, air safety committees, international airlines and anyone else who has to do with it"

Mr Japie Smit, chief director of Civil Aviation, said last night he would like to study Mr Carlisle's claims before commenting

Meanwhile, in Johannesburg, retired Supreme Court judge and leading aviation authority Mr Justice Cecil Margo has criticised the government for not taking enough action on recommendations he made in his 1982 Commission of Inquiry into Civil Aviation.

Meeting to quell train violence

Sowetan 5/2/92 (269)

THE SA Rail Commuter Corporation are to meet Police Commissioner General Johan van der Merwe next week to discuss ways of quelling the renewed violence on Reef trains.

This was confirmed in a statement yesterday by the corporation's managing director, Dr Kobus Nel.

Body searches and metal detectors had been implemented in addition to security measures announced last year, which included the erection of security fencing and charge offices, improved lighting and access control, Nel said.

As many as possible random searches were being made, particularly in affected areas, to prevent dangerous weapons from being sneaked on to trains, and all dangerous weapons found were being confiscated.

However, with some 2,7 million commuters using 2 300 trains daily, the magnitude of the problem far outweighed the number of available policemen, he said.

Nel appealed to commuters to help both police and his corporation in their efforts to ensure safe trains.

Nel also expressed his condolences to the families and friends of the latest victims of train violence. - *Sapa.*

Portnet cargo

EXPORTS constituted 91,6-million tons (85,5%) of the total 107-million tons of cargo handled by Portnet at SA ports last year, figures from the port authority show. Imports constituted 14,9-million tons (13,9%) of the total.

The total cargo handled last year represented a drop of under 1% against the previous year

B/Day 5/2/92

Air freight rules may be reviewed

B/Day 6/2/92 (269)

LINDEN BIRNS

AMENDMENTS could be made to rules which gave the Civil Aviation Commissioner powers to exempt aircraft and crew from dangerous goods regulations if the conveyance of such items was in the national interest, Transport Minister Piet Welgemoed said recently.

He was responding to questions, dealing with dangerous goods legislation and airport security, which Business Day faxed to him nearly two months ago.

A full list of deficiencies at SA's main state airports, and the issue of the commissioner's rights to exempt commercial aircraft from regulations regarding the carriage of dangerous goods, came under scrutiny during the parliamentary debate on the Air Services Licencing Ammendment Bill on Tuesday.

Exempt

The debate comes more than two months after Business Day exposed the shortcomings in airport security and dangerous goods regulations.

Under the current system the commissioner may exempt an aircraft from dangerous goods regulations if he feels it would "be in the national interest".

The term "in the national interest" was never defined in detail in the regulations. No one has definitely confirmed that the Helderberg, SAA's Boeing 747 which crashed off Mauritius in 1987, was not exempt from the regulations, although several leading aviation authorities have said they did not think it was exempted.

Welgemoed said the Dangerous Goods exemption clause was drawn up in 1986 by one of his predecessors who considered it necessary at the time, but that a Department of Transport standing committee made up of department officials and aviation industry representatives was continuously reviewing legislation, and, if necessary, would redraft regulations for his consideration.

"I am sure that when the regulations on the conveyance of dangerous goods are to be considered, the necessity of Section 25 (the exemption clause) of the Regulations will be reviewed," he added.

Although no direct connection has ever been found, Section 25 of the regulations was introduced just months before the Helderberg disaster.The direct cause of the fire which sent the aircraft crashing into the ocean has not been ascertained.

Welgemoed declined to directly answer any questions relating to airport security standards, security budgets, equipment used and personnel.

"The nine state airports in SA have been declared National Key Points and as such, information on security measures or the strategy to be followed in any given set of circumstances is of a sensitive nature, and for obvious reasons must be treated as confidential," he said.

He said he was satisfied with the security systems and the manner in which incidents were monitored and handled at Jan Smuts Airport. However, he conceded that the airport's accessibility to the public, its many kilometres of fencing and numerous access points, especially in the air freight area where airlines have to provide their own security control, made it impossible to have perfect security.

Welgemoed said he readily admitted that the travelling public was entitled to be made aware of risks or threats in connection with aviation security at state airports. "They should, from time to time, be given the assurance that flying is still the safest form of transportation," he added.

Cops conduct body searches on trains

269

Sowetan 6/2/92.

By NKOPANE MKOBANE

SOWETO police, backed by members of the SADF, yesterday stopped two trains at New Canada station to conduct body searches in a bid to end the carnage on surburban trains

Captain Joseph Ngobeni, spokesman for the Soweto police, said the operation was an ongoing process

More than 15 people were killed and 30 injured on Reef trains in the past few weeks In the past 18 months, train killers claimed almost 150 lives. More than 700 people were injured

Because of the resurgence of train attacks, many Soweto commuters have turned their backs on train services and are now using taxis.

Ngobeni said no one was arrested during yesterday's operation on the Vereeniging-bound trains - numbers 9062 and 0677.

However, police found a spear, a toy gun, a hunting knife and a dagger in one of the coaches

"The operation, the third by a large contingent of police in Soweto, for the first time involved women police The women were roped in after we became aware that in some instances women also harboured weapons," he said

Anyone with information concerning attacks on trains is asked to phone 10111 or report to the station master of that specific railway station.

Those in Soweto can also phone either (011) 980-8321 or (011) 980-8320

All calls will be treated with the utmost confidence

ITICS

'Forced to falsify licences'

(269)

Part of the problem of unlicensed drivers on South Africa's roads had been spawned by racial discrimination in the past, Wessel Nel (DP Mooi River) said in Parliament yesterday.

Speaking on the Road Traffic Amendment Bill, he asked how much racism there had been at testing stations

Black people had been failed again and again until they were driven to acquire false licences

"We have something to answer for," he said

The DP welcomed the legislation, which would make it compulsory for a driver to carry his licence with him or her

"We are plagued in this country by unlicensed, rude and reckless drivers so we desperately need tools with teeth"

Mr Jurg Prinsloo (CP Roodepoort) said Mr Nel implied that black people had been forced to falsify licences.

This was nothing but a racist slur on all white testing officials, and the CP dissociated itself from his words.

Mr Sakkie Blanche (NP Boksburg) said that if municipalities had not already made provision for the increased bureaucratic load involved in the Bill's proposal for endorsing offences on a licence, one should not expect too much immediately.

He asked whether more than one copy of a licence could be made available to each driver in case one was lost, and so that people who drove more than one car could keep a copy in each vehicle — Sapa

STAR 6/2/92

Public gets to air its vie

W/Mail 7/2-13/2/92 (269)

For once, the government is going to the people be

MELINDA SILVERMAN *looks at how glasnos*

Provincial Administration plans a new transp

GOVERNMENT technocrats can only benefit from listening to the people in the street — or, in this case, on the trains, in the buses and taxis

This is the thinking behind a new Transvaal Provincial Administration programme to canvass popular opinion before it starts drawing up plans for an improved transportation system in the PWV

This may seem unremarkable in the current milieu of talks But it represents a significant step forward for the provincial authorities who have had a tradition of consulting only as a last resort — and only in response to pressure from community organisations.

The public participation programme will cost about R4,5-million or a mere "one quarter of one percent of one year's operational outlay by the public transport industry in the area totaling about R2 000 million

According to Corli Havenga, a transport engineer responsible for co-ordinating the public involvement programme, the intention is to involve the users of public transport in planning for the future. So far, however, the steering committee is weighted heavily in favour of South African parastatals and homeland government departments

Havenga says: "Approaches have been made to various civic associations through the Civic Association of the Southern Transvaal, and Cast has been invited at steering committee level

"Cast has been very helpful," she says, "but nothing has been finalised"

The TPA has also been talking to the Bophuthatswana Civic Association and representatives of various transport-user committees set up by the bus companies. The programme got off to a slow start in 1991, she admits, but now "everyone wants to participate We're spending taxpayers' money here: everyone is paying for it so everyone should have a say."

The TPA is quick to point out, however, that it cannot "canvass the views of every one of the millions of individuals living in the area but will give organisations the opportunity express their opinions.

The study, co-ordinated by a mu disciplinary team of engineers a town and regional planners, will exa ine the transport problems associa with urbanisation in the context of PWV, South Africa's fastest grow region.

So far three smaller-scale, isola metropolitan studies are under w Premet in the Prefo Linea, Masstra

RECTOR

on of full-time Director of the h Unit (NEPRU). Applicants luate degree in social sciences, ckground in economics. As uld further possess the follow-

nd administrative skills training methods, and iate ideas and work indepen-

isation, governed by a charita- bjectives of the Unit are:

amibia through research into

Plane fare war may hit island resorts

B/Day 7/2/92 (269)

LINDEN BIRNS

AIRLINES serving Indian Ocean island resorts will probably experience some losses if the competition in air fare pricing on routes between SA and Europe continues and fares drop to the R2 000 mark.

Some of the latest discount fares on the north-south route are close to what it costs to fly from Johannesburg to the Seychelles and similar resorts

On Tuesday Transport Minister Piet Welgemoed told Parliament he would welcome air fares of R2 000 for flights between SA and Europe And Johannesburg air fare broker Bob Williams said on television last week that fares would drop to the R2 000 mark by year's end

Air Seychelles marketing GM John Kirby said from Mahe that the carrier would monitor the fierce air fare competition on the SA-European routes to see what effect it would have on traffic between SA and Indian Ocean island resorts

"We'll be watching developments in SA to ensure that the potential attractiveness of destinations such as the Seychelles is not eroded by the competitive pricing of fares on SA-European services"

Kirby said the airline did expect to lose some business, but the extent of the loss was difficult to estimate at this stage

"We'll probably lose some traffic to the European routes, but we don't expect to lose people whose destination choice was a special holiday resort such as the Seychelles

"If they were coming to the Seychelles, then they'll probably still come here, he said."

He said that even with discount fares, a package holiday in Europe would still work out more expensive than one at an Indian Ocean island resort He ascribed this to the unfavourable foreign exchange rate between the rand and European currencies, and to the costs of accommodation and travel in Europe

The Seychelles had a more favourable exchange rate, and travel costs, even between islands, were relatively cheap, he said.

An Air Mauritius spokesman in Johannesburg said the airline required at least two days to respond to queries on what tactics it would adopt in regard to the fares competition

Williamsworld air fare brokers MD Bob Williams said yesterday any losses would depend on supply and demand.

"At the moment Indian Ocean resorts are very popular and flights between SA and those destinations are mostly full, so it doesn't look as though they'll have any reason to drop their fares," he said

However, if SA adopted an "open skies" approach to civil aviation, there could be more airlines flying on the Indian Ocean resort routes, which have always been protected, he said. This would stimulate competition, and then there might be some fare adjustments

Nedtravel MD Gordon Young said Mauritius was a particular destination that would have to "shake up its promotion" and adjust fares This was because there were now many regional destinations, previously out of bounds to SA tourists, competing for a slice of the same pie

"Places like Mauritius and Malawi will see the hardcore of SA tourists, which traditionally has always gone back to those places, exploring the new destinations," he said

SAA seeks Mombasa route

(269)

LINDEN BIRNS

SAA is preparing to submit an application to operate direct scheduled flights between Johannesburg and Mombasa, senior spokesman Leon Els said yesterday.

The move follows SAA's objections against two applications for a charter service on the same route, lodged by Johannesburg-based company, Air Supply.

Flitestar has also applied for permission to fly charters between Jan Smuts Airport and the Kenyan coastal resort, but its application will be heard only at the next sitting of the National Transport Commission (NTC) later this month

The SAA plan was hinted at by the legal team representing the airline at the NTC hearing of Air Supply's second application last week

Els said the plan would involve a reciprocal agreement allowing Kenya Airways to send one of its two weekly flights to Durban instead of Johannesburg In return, SAA would request a second weekly flight to Kenya, terminating in Mombasa

SAA currently operates one flight a week to Nairobi. Because SAA is still banned from flying over Tanzania, it flies over Mozambique and along the east coast to Mombasa, then sets course for Nairobi. B/Day

Els said the application was being readied for submission 7/2/92

Air Supply director Bradley Amoils said yesterday SAA's decision was a contradiction When Air Supply first applied for permission to fly on the route, SAA's objection was based on the argument that such a service would not be viable and that there was no need for flights to Mombasa

Springbok Patrol's new recruits go through their paces at the De Deur training camp

Photo: KEVIN CARTER

Inkatha-linked firm to guard stations

W/Mail 7/2-13/2/92

Controversial security company Springbok Patrols, which has links with Inkatha, has been given a Spoornet contract to guard railway stations.

GAVIN EVANS *reports*

THE private security company — Springbok Patrols — hired by Spoornet to guard troubled PWV and Natal stations has had close links with Inkatha.

The company is alleged to have trained Inkatha men implicated in anti-African National Congress violence in Alexandra.

Spoornet spokesman Jacques Pienaar confirmed this week that Springbok Patrols is used to bolster the Spoornet security department in the PWV and Natal.

Where there have been arrests following train attacks, suspects have been Inkatha members.

According to a former senior Inkatha official, who asked not to be named, in January 1991 Springbok recruited about 100 young men from the Emandleni Youth Camp in Ulundi.

"I know this happened because I dealt directly with senior Springbok officials at the time, and was lecturing in politics at the youth camp," said the former Inkatha leader.

"The youths were also provided with paramilitary training at the camp The man who was then the Springbok operations director, Gavin Answerth, insisted on getting people who were strongly pro-Inkatha, and we gave him the people he wanted.

"These men were then transported to Johannesburg, and trained by Springbok, at their expense. They were then assigned as Springbok armed guards and used to patrol stations. I know that these chaps killed a number of people in the Durban area," he said.

According to three Springbok Patrol guards previously interviewed by *The Weekly Mail*, the course involved training in the use of a pump action shotgun, a rifle and a 138 revolver, unarmed and armed combat.

The Inkatha source said there was a very close relation between Springbok and Inkatha.

"I got to know Wahl Baartmann when he was in Natal, and worked closely with his brother Francois, who was managing director in Durban, and with Answerth, who is now a very enthusiastic Inkatha member.

"On one occasion Francois asked me to take him to Buthelezi, in order to kill an ox in appreciation of the close relation with Inkatha, but in the end this fell through. In his office there is a big picture of Buthelezi and another of King Goodwill," he said.

Francois Baartmann did not return *The Weekly Mail's* calls, but fellow director and former Springbok rugby player Wahl Baartmann said the allegations about the company were not true, and insisted there was no political bias in the company.

"When we recruit we don't worry about a guy's politics. If he is qualified for the job then he can join us. If a man is Inkatha it is not my problem, but we have no particular relation with Inkatha. I also recruit from Nelspruit, Rustenburg, Cape Town, all over, and I'm not interested in politics."

He acknowledged, however, that Answerth was an enthusiastic Inkatha supporter, but said he had resigned from the company eight months ago, and now had his own company, Coastwatch Security

"Maybe he could have favoured some people but he is no longer in our employ."

Answerth confirmed that he was a member of Inkatha but said he would not comment on whether 100 Inkatha youths were recruited from Emandleni camp, "because I no longer work for Springbok and I don't want the Baartmanns on my back".

Last year, however, father Abraham Baartman, who is the company managing director, confirmed to *The Weekly Mail* that a group of 60 Zulus, whom he assumed were from Inkatha, had been sent to Springbok's De Deur training centre from Natal.

Asked whether they were recruiting Inkatha members from the province, he said: "This is quite correct," adding that he believed that "all Zulus are Inkatha".

At the time *The Weekly Mail* interviewed three Springbok security guards who said that some of the Inkatha trainees had taken part in battles with African National Congress supporters in Alexandra.

The Inkatha members were described as an "elite" group who were "arrogant and aggressive", and remained apart from their fellow trainees

They also said that the SADF and the police had visited the De Deur base to recruit the Springbok trainees. Abraham Baartman confirmed these visits but said they were trying to "poach" his instructors, and not his trainees

Last year Abraham Baartmann and Springbok Patrols were convicted in the Johannesburg Regional Court of 707 charges of unlawful possession of firearms.

Springbok Patrols has been one of the country's most controversial private security companies. Each of the guards interviewed by *The Weekly Mail* cited cases of their colleagues being prevented from leaving after having been recruited, being assaulted by their superiors and fired if they complained

Transnet plans a fresh Elfi issue

SHERIDAN CONNOLLY

TRANSNET has confirmed that it will soon seek fresh funds — some from European markets — through its fourth equity-linked financial instrument (Elfi).

The Elfi issue consists of a bull and a bear tranche redemption linked positively and negatively to the JSE all share index.

Standard London, lead distributor of the issue in Europe, said the two-year bond would have a fixed rate.

It would be known as Elfi IV.

Full details of the issue would be published in a prospectus next week.

The bond, guaranteed by SA's government, would pay a semiannual coupon, Standard London said

A Transnet spokesman could not specify when the bond would be issued.

Further details would be released closer to the launch, he said

It was Transnet's policy to follow up on a maturing Elfi issue with a new issue, he added.

B/Day 7/2/92

Transnet currently has two issues of Elfi: Elfi II was launched in April 1990 and Elfi III was launched last May.

Elfi is an SA-registered loan stock which is denominated in rands.

The issue is primarily intended for domestic investors, but foreigners wishing to invest in Elfi can do so through the financial rand.

(269)

"28"

Paul.

ASSREPO.

'Gaps' in SAA radio confirmed

C T 1/2/92 (269)

Staff Reporter

THE Chief Director of Civil Aviation, Mr Japie Smit, yesterday confirmed that there were "gaps" in radio communications with SAA aircraft, particularly in Natal.

DP MP Mr Robin Carlisle this week said that radio communications throughout Natal were unacceptable below around 5 000 metres.

Mr Smit said this was not true.

"What is true is that there are gaps in our communications coverage — specifically over north-eastern Natal and south-eastern Natal. To resolve these we are installing additional forward relays on a programmed basis for example at Louwsburg."

Zaid.

10.91..

Faldie

Ameena

Zoli

Abner.

100 000 seats empty on SA-Europe flights

(269) CT 7/2/92

Own Correspondent

JOHANNESBURG — More than 100 000 airline seats went unsold on flights to Europe last year

The number of vacant seats was equivalent to at least 312 empty Boeing 747s being flown between Europe and Johannesburg This was calculated by taking the number of flights airlines flew on SA routes over the year at an average of 80-90% passenger loads, and then adding up the number of seats left over

In reality, last year's load factors for most airlines serving South Africa were in the 63-70% bracket.

This represents a 25% surplus on the market, and with more foreign airlines entering the market and existing airlines adding more flights to their schedules, the surplus appears set to rise, Just the Ticket managing director Mr Kevin Rawnsley said yesterday.

Nedtravel managing director Mr Gordon Young said that instead of offering discounts on confirmed tickets, it would be more viable for airlines to introduce a heavily discounted standby one-way ticket system

We're in the clear over accounts, says Transnet

S/Times (BUSS) 9/2/92

(269)

By CURT VON KEYSERLINGK

THE financial performance of Sats in the year before it became State-owned company Transnet was far better than appears from a quick reading of the Auditor-General's report

So says Transnet assistant group financial manager Piet Greyling

The report says Sats lost R417-million in 1989-1990.

But Mr Greyling says the "loss" resulted from a technical accounting factor The Auditor-General's accounts reflect Sats' revenue for 12 months, but shows its expenditure for 12½ months

Obscure

Had expenditure for the 12 months been used, Sats would have had a R70-million surplus.

Press reports this week made much of the fact that Sats' expenditure was R704-million greater than approved by Parliament. This is partly because the financial statements show Sats' expenditure for 12½ months and not the 12 for which parliamentary approval applied

Had the figures for 12 months been used, the overspending would have been R217-million — less than 2% of total authorised expenditure of R13,2-billion for the year

For some obscure reason, Sats' financial statements have always compared income for a given 12 months with expenditure for 12 months beginning two weeks earlier

The anomaly came to light when it was necessary to close Sats' books before the establishment of Transnet on April 1, 1990.

The position was complicated by the fact that Sats' financial year ends on March 15 — two weeks before this date. In accordance with statutory requirements, Sats had prepared its 1989-1990 finacial statements for its traditional yearend

But it was instructed to amend them to include the two weeks to the end of March

This was the main cause of the late submission of its statements — noted in the Auditor-General's report

The Auditor-General gives many instances of "serious deficiencies" in Sats' accounting procedures and systems

When asked by Business Times why this report was so critical in contrast to previous ones, a source in the Auditor-General's office said "In the past we had intimations of slackness in certain areas that warranted further investigation But because of a shortage of staff it could not be done.

"For the last audit we appointed private auditing firms to investigate these areas of concern which brought certain shortcomings to light We hope this has helped to put Sats managers on their toes"

The Auditor-General appears to have achieved this objective One of the auditing firms, Wiehahn Meyernel, which is still with Transnet, said in a letter to Transnet about its latest figures: "It is a pleasure to report that since the audit we did on behalf of the Auditor-General we have observed a noteworthy improvement in accounting systems, general control measures and record-keeping"

Airline market burdened with empty seats

269

LINDEN BIRNS

MORE than 100 000 airline seats went unsold on scheduled flights between SA and Europe last year, and the situation showed little sign of improving this year, leading airfare brokers said at the weekend

The number of empty seats was equivalent to 312 empty Boeing 747s flying between Europe and Johannesburg.

Last year's load factors for most airlines serving SA were between 63% and 70%, which industry sources said could be interpreted as a 25% surplus on the market.

With more foreign airlines flying into SA and with existing carriers adding more flights to the SA route, the surplus was likely to rise in the short term, said Just the Ticket MD Kevin Rawnsley.

Williamsworld MD Bob Williams said lowering the cheapest class of fare (some airlines offered up to 15 different classes) would stimulate growth in outbound traffic from SA on European routes.

In recent years outbound traffic from SA has remained static, although inbound traffic was on "the up and up", he added

The vacant-seats statistics needed to be seen against the payload penalty factor for flights taking off from Jan Smuts Airport, Nedtravel MD Gordon Young said.

Jan Smuts is one of a few major international airports at high altitude which experience hot weather for prolonged periods This means wide-bodied jetliners often have to wait until evening, when the temperature has dropped and the air become more dense, before they can take off.

Even then they are rarely able to take off with full cargo loads, and occasionally a handful of seats are deliberately left unsold to reduce the aircraft's weight

B/Day 10/2/92

Commuters vow to fight

Sowetan 10/2/92

269

By MATHATHA TSEDU

BAHWADUBA Bus Service in Pietersburg has applied for a two-phased fare increase for all its routes

The announcement of the intended increases has angered a commuter organisation, the Far Northern Transvaal Transport Co-ordinating Committee, which has vowed to fight the increases if granted

The increases, which will be 14 percent to be implemented on April 1 and 12 percent in September, have not yet been approved by the Lebowa Transportation Board, according to BBS general manager Mrs Claudia McLean

The BBS application would be made in conjunction with the parastatal Lebowa Transport, which is the major transport company in the region

An attempt to increase fares in 1990 backfired for both companies, with the LT being ordered by the Cabinet to reduce fares

FNTTCC chairman the Rev Kgotsupo Leputu said representatives from all villages and townships serviced by both LT and BBS would meet soon to discuss the matter

Train violence report knocks police, Spoornet

STAR 10/2/92

(269)

By Mike Siluma

The Independent Board of Inquiry into Informal Repression (IBIIR) has criticised the police and Spoornet for their failure to stem the tide of violence against train commuters, which has claimed more than 100 lives and left at least 550 injured in the past 18 months

In a special report on train violence, entitled "Blood on the Tracks", compiled mainly from media and police reports, the IBIIR said that despite promises to curb violence, the police and Spoornet's response to the violence was "at best poor"

"After 18 months and 30 attacks, there has as yet not been a single conviction This from a police force which claims to be one of the best in the world . . the SAP took 13 months to come up with a tactic which satisfied commuters the searches (of passengers and trains)

"While the announcement . banning the carrying of weapons is to be welcomed, it is a mystery as to why this was not done when the attacks first started," the IBIIR said.

Spoornet's attempt to control violence by locking interlinking carriage doors and providing metal detectors came too late and was, the IBIIR charged, 'by no means satisfactory"

On the pattern of train attacks, the IBIIR noted that although there had been some incidents on the West Rand and Pretoria lines, nearly all the attacks took place on the Soweto-Johannesburg line

Many attacks had occurred at stations near to inner-city or Soweto hostels, and there had been numerous reports of attackers running to hostels after these attacks

Despite the violence's ostensibly political nature, in most cases the victims appeared to have been chosen at random

"If any particular group of commuters can be said to have been targeted, it is those who hold church services in the carriages . As far as other victims are concerned, they cover the entire spectrum of black commuters Young and old, male and female, supporters of all political parties and representatives of all the ethnic groups have fallen victim to the violence," the IBIIR said

It added that the weapons used were generally those that could be hidden before the attack began, such as pangas, knives and handguns But AK-47 assault rifles had been used on at least two occasions and a hand grenade once.

Welcoming last month's decision by the Goldstone Commission to investigate violence on commuter trains, the IBIIR said it would forward its report to the commission.

The board said it felt "the whole issue of train attacks and the safety of commuters should be made one of the highest priority and that effective countermeasures should be speedily developed and implemented. If this is not done, the carnage on our trains will continue."

Reacting to the IBIIR report, a Rail Commuter Corporation spokesman said he could not comment fully on the report without having seen it.

He emphasised, however, that measures taken by the corporation to make trains safer could achieve results only with the co-operation of the public and the media.

He reiterated the corporation's view that commuter safety was, ultimately, the responsibility of the police The corporation would do everything possible to help.

Measures already taken included installing metal detectors and security fencing, as well as improving access control and lighting and establishing police charge-offices at many of the affected stations

Police spokesman Lieutenant-Colonel Reg Crewe rejected the IBIIR's criticism, saying the SAP had, in fact, made a number of arrests in connection with train attacks.

"Although the police can arrest the alleged perpetrators, it is up to the courts to convict them. It is also the courts which set bail . It would seem that no matter what the police do, it is not enough to satisfy certain people. The SAP is doing its utmost to safeguard commuters and is concerned for their safety," said Colonel Crewe,

BUSINESS DAY, Tue

Fares softened by competition

B/Day 11/2/92

(269)

LINDEN BIRNS

AIR fares to the Far East are beginning to reflect the growing competition on the Indian Ocean routes.

Cathay Pacific has introduced a discount package fare as a counter to any incentive offers Singapore Airlines might bring to the market when it starts its service to Johannesburg.

Air links to Far East and Pacific Rim destinations have, in the last decade, become recognised as highly lucrative and as having plenty of potential for further growth.

For many international airlines, Far East and Pacific routes have surpassed European and North American services in importance.

Until recently, SAA was the only airline directly linking SA to the Far East, with flights to Taipei and Hong Kong

Last July Hong Kong-based Cathay Pacific began weekly services to Johannesburg, and has recorded an average passenger load factor (the number of seats) of 63% between July and December, although last month's load factor was 83%

Singapore Airlines national sales manager Jenny Kearney said the airline would be announcing an introductory special offer, but the fare of R3 350 (via Mauritius) was unlikely to be altered

"For about R700 more we'll be offering a week's accommodation with the return fare," she said

This would place Singapore Airlines in direct competition with Cathay Pacific which last week announced a R3 999 package. This included a return air ticket and a week's accomodation in Hong Kong

Fewer

Cathay Pacific southern Africa and Indian Ocean manager Angus Robson said prices would soften with the entry of Singapore Airlines to the market, but they would not fall as rapidly as European routes were doing

This was because there would be relatively fewer flights to the East than to northern and central Europe.

Robson said Cathay's new "Super City" offer had been introduced to pre-empt any special package that Singapore Airlines was planning.

In the past five months China Airlines and Australia's Qantas have begun direct services to Johannesburg from Taipei and Sydney respectively

Japan Air Lines and Malaysian Airlines have held talks with SAA with a view to establishing air links this year

Top UK airline appoints an SA marketing agent

(269) LINDEN BIRNS

BRITAIN's second largest airline, British Midland, has appointed a Johannesburg-based company, Development Promotions, as its sales promotion and marketing representative in SA

Although the airline does not plan to launch a service to SA, it does feed flights linking the UK with SA

Official estimates are that British Midland has in excess of a 20% share in this market

Last year British Midland carried more than 2,5-million passengers and generated more than £200m in turnover

The airline's agreement with Development Promotions will come into effect on March 1

SAA will continue to act as the British airline's general sales agent, issuing tickets in SA on its behalf B/Day 11/2/92

British Midland, which operates mainly out of Heathrow, Birmingham and Derby, has been voted the UK's best domestic airline on several occasions.

It has a rapidly expanding European route network, with its 29 aircraft flying more than 70 flights a day.

The airline is unique in that its aircraft are configured for Business Class only

Development Promotions also represents the US carrier, Continental, in SA

ownership by way of tax concessions on the interest portion of bonds made to homeowners. "If these tax concessions are im-

terminated. Spokesmen for the Natal association yesterday said they had no knowledge of what Van den Berg was referring to.

Train safety plan ahead of schedule

B/Day 13/2/92 JONATHON REES (269)

SECURITY upgrading at 370 railway stations would be completed two years ahead of schedule in an urgent response to attacks on township trains, the SA Rail Commuter Corporation said yesterday

Police have given the R250m plan their full support and have pledged to deploy personnel at upgraded stations.

Corporation MD Kobus Nel met SAP Comissioner Gen Johan van der Merwe yesterday to discuss a co-ordinated response to train attacks.

The corporation's Cabinet-approved security plan — to be completed by March next year instead of the originally envisaged March 1995 — includes installing lighting, access control points and temporary police bases at every station in SA

On Saturday Nel will meet the Civics Association of the Southern Transvaal and other community representatives to discuss further measures.

☐ Our correspondent reports from Durban that government is to pledge extra resources to speed up the implementation of the national peace accord in Natal following a high-level emergency meeting in Durban yesterday to discuss the recent escalation in violence in the province.

National peace secretariat chairman Antonie Gildenhuys said this would include making available facilities, secretarial staff, facilitators and services.

'Patriotic front' to look at education

WILSON ZWANE

A "PATRIOTIC front" of organisations, including the ANC and the National Education Co-ordinating Committee (NECC), is to address the crisis in education.

ANC education department chief John Samuel said a three-day conference in Broederstroom, north of Johannesburg, next month would lay the basis for an "education patriotic front".

The conference would be held from March 6 under the auspices of the Education Delegation — a multiorganisational body formed last February to find ways to resolve the crisis.

Education Delegation chairman Jakes Gerwel said four objectives had been identified: B/Day

☐ The development of broad principles, norms and values that should underpin a future education system;

☐ The development and implementation of a code of conduct regarding a culture of learning; 13/2/92

☐ The development of joint strategies and campaigns for addressing the crisis;

☐ The development of mechanisms for arriving at a new education system and for dealing with education in the transition period.

Transport forum challenges govt

B/Day 14/2/92 (269)

THEO RAWANA

GOVERNMENT policy on transport came under fire yesterday when leaders in various transport fields met in Johannesburg to establish a forum to formulate an alternative policy.

A meeting held to address what delegates called "the inertia of government in addressing transport problems" elected an interim steering committee which included Transnet MD Anton Moolman, ANC transport head Andrew Mlangeni, National African Federated Transport Organisation (Nafto) chairman Peter Rabali and SA Bus Oparators' Association (Saboa) executive director Jackie Walters

Interim co-ordinator George Negota attacked transport policies as inadequate and ineffective because they did not satisfy the needs of the majority of users.

"The people of SA deserve a better transport dispensation and policies that are capable of addressing the very serious issues and problems that people are facing daily," he added.

Rabali said various organisations would make inputs to the forum and it was planned that the forum would have formulated a policy document by October.

This would be forwarded to government "not in an advisory capacity" but as a bundle of recommendations worked out with people at grassroots level, he stressed.

"We will be looking at the whole structure of the Department of Transport and see where they are failing. We will investigate existing policy as regards sea, air, road and rail transport and confront government with our policy document," he added.

Some of the major problem areas which the current policies were said to have failed to address were:

- Inadequate roads and facilities in areas where people relied on public transport,
- Unsafe transport, the high accident rate and inadequate security with a subsequent high level of violence on public transport, and
- Escalating transport costs which disproportionately eroded disposable income in the lower income sections of the population.

The meeting resolved that the 10-person steering committee should be extended to 15 members.

Several specialist sub-committees — one of which would look at legislation as it affected road, sea, air and rail transport — would be set up to assist the steering committee.

Another would look at the co-ordination of the various transport modes, while others would investigate subsidisation and identify further problem areas.

Mlangeni said ANC experts were still working on the formulation of transport policy and his organisation would make its contribution in due course

Transport dept to get new image

(269)

STAR 17/2/92

By Louise Burgers
Municipal Reporter

A new image for the Johannesburg City Council transport department is being created after the management committee gave officials two years to improve the service.

New colours, new livery for bus drivers and the active participation of ratepayers in planning new routes are being investigated.

The council took the first step in taking commuters' wishes into account, when it reintroduced the season bus ticket last week.

In the short term the fare structure will be revised and the dual fare system of lower tariff and higher tariff buses phased out.

Marketing director Jenny Gray said it was no secret that the transport department was in "a lot of trouble".

"What's out there is not very good. We have had very bad press, buses are late, drivers miss shifts ... the management committee has given us two years to turn the department around.

"We must provide a good service, one Johannesburg can be proud of. At the moment, our costs are out of proportion with the service provided," Miss Gray said.

She stressed that the commuter was the customer and in future, passengers and ratepayers' associations would be asked about new routes and where bus stops should be positioned.

More temporary drivers will be hired, driver training will be stepped up, more road inspectors appointed, routes will be revamped and more buses concentrated in high service areas.

'Black' US airline set to fly to SA

(269)

B/Day 7/2/92

THEO RAWANA

A BLACK US airline company is all set to begin flights between the US and SA in April.

Pegasus Air International, which had teamed up with local transport organisation Nafto, had all but concluded talks on the operation with the US Transport Department, Pegasus International chairman L H Maepa said in Johannesburg at the weekend.

An electrical engineer and computer software developer who had taken up US citizenship after leaving SA 25 years ago, Maepa said negotiations with a US carrier, begun last November, were at an advanced stage.

"Our first operation should start around April 5 and we intend to begin with three flights a week to Johannesburg, using a Boeing 747," said Maepa.

"The idea is to give blacks in the US and SA an opportunity to get involved together in air transport."

Pegasus International was also engaged in talks with feeder airlines in southern African countries such as Lesotho, Botswana and Swaziland.

Nafto chairman Peter Rabali said the establishment of the air service was in line with his organisation's programme to get involved in all modes of transport

Mr R M BURROWS Mr Chairman, arising from the hon the Minister's reply—and whilst I am fully aware of the fact that the hon the Minister of Finance still has to deliver the Budget on 18 March—is it not perfectly true that each university has already been informed of the amount of money it will receive for the 1992 calendar year, and that the hon the Minister certainly could answer part 1 of this question without referring to any statistics, and certainly, if he chose, could make a statement on what the universities and technikons have already been told they will be receiving this year?

The MINISTER Mr Chairman, provisional figures have been given to the various universities to allow them to get their planning in order for the new year, but these figures have not been made public and cannot be made public until such time as they are disclosed in the budget

Mr R M BURROWS Mr Chairman, further arising from the hon the Minister's reply, is it not correct that a number of universities and technikons have had a reduction, in real terms, of the amounts that they received in the 1991-92 year, and that the cash-strapped universities and technikons have been placed in an enormously difficult position because of this hon Minister's policy of not supplying the subsidy formula that he should, in fact, be supplying?

The MINISTER Mr Chairman, I will reply to the hon member's question after the publication is released

Discussion document: consultation with organisations

*3 Mr A GERBER asked the Minister of National Education †

(1) Whether the drafters of a certain discussion document, the name of which has been furnished to the Minister's Department for the purpose of his reply, consulted beforehand with any representatives from within and outside formal education, if so (a) what organisations within and outside formal education were consulted with and (b) what is the name of this document,

(2) whether the drafters of the document were approached by these organisations, if not, on what basis was it decided to consult with the organisations concerned and to exclude others, if so, what are the relevant details,

(3) whether the Government formally or informally gave instructions that certain organisations had to be consulted with?

B56E

†The MINISTER OF NATIONAL EDUCATION Mr Chairman, this is a reply to a question of the hon member for Brits I do not notice him here in the House but I reply regardless of this [Interjections]

(1) The drafters of the relevant discussion document consulted beforehand with representatives from within formal education, including the organised teaching profession, as well as experts from within and outside formal education In the case of experts, consultation was in the light of their personal expertise and they were not seen as representative of any organisation Representatives were consulted in accordance with existing legislation in terms of which there are structures for advising the Minister of National Education in the process of developing general policy Representation involved the various education departments, including those of the self-governing territories, the organized teaching profession, universities and technikons Organisations with which I am aware that experts have ties include Anglo American, the English Academy of Southern Africa, the HSRC, the Independent Schools Council, Prisec, the SA Akademie vir Kuns en Wetenskap and the SA Agricultural Union

(a) The initiative leading to the relevant document was taken by the Committee of Heads of Education Departments (CHED) They in turn instituted the broadly based advisory committee known as Copap—the Committee for Pre-tertiary Academic Policy This committee assisted CHED in the development of the above-mentioned discussion document Copap recommended that institution of Framework Committees according to the various subject fields In terms of the demands of the various subject fields these committees in turn evaluated and provided feedback on the proposals

continued

developed by Copap The recomposition of Framework Committees will be considered by the CHED on finalisation of the above-mentioned discussion document In accordance with existing legislation the South African Council for Education also advised the Minister of National Education on the relevant discussion document

(b) The name of the relevant document is A Curriculum Model for Education in South Africa

(2) The involvement of organisations which are represented in the various bodies involved in the development of the Curriculum Model can be attributed to existing legislation regarding advisory structures for the development of general policy It is not as a result of the fact that they approached the persons who drafted the document With the release of the Curriculum Model in the form of a discussion document it is hoped to extend the involvement already achieved as far as possible

(3) No

ANC: members entertained by NI

*4 Mr A GERBER asked the Minister of the National Intelligence Service †

(1) Whether he will furnish information on whether the top structure of the National Intelligence Service has met and entertained senior members of the ANC since this organisation was declared legal, if not, why not, if so, (a) where, (b) when and (c) for what purpose did they meet and entertain them,

(2) whether he will make a statement on the matter?

B57E

†The MINISTER OF THE NATIONAL INTELLIGENCE SERVICE

(1) and (2)

Yes, Members of the National Intelligence Service (NIS) meet and have discussions with many people over the full relevant intelligence spectrum and vocation all over the world, in the execution of its statutory task, in order to practise security intelligence

It would be out of place and discourteous to disclose to or enter into details of such discussions

I am prepared according to tradition to discuss with concerned colleagues the meaning and ambit of the Service's activities over a cup of tea

Rapid rail transit system: Johannesburg

*5 Mr P G SOAL asked the Minister of Transport

Whether, with reference to his reply to Question No 106 of 2 March 1988, a decision has been taken on the introduction of a rapid rail transit system for Johannesburg, if not, why not, if so, what was the decision?

B69E

The MINISTER OF TRANSPORT

No This decision will be taken by the relevant local authorities after research regarding the financial aspects surrounding the implementation of a rapid rail transit system has been undertaken

However, the feasibility study regarding the implementation of a mass transportation system undertaken by the Department of Transport is already available and recommends *inter alia* the planning and implementation of a partial light railway system to be done on the premise of the finding that the road network in the central area will reach saturation over the medium term

It is also recommended in the report that the existing public transport system be utilised maximally over the short term This will result in existing rail, bus and combi-taxi services being continually rationalised

SAP: increase in number

*6 Mr P G SOAL asked the Minister of Law and Order

(1) With reference to the reply to Question No 2 on 4 June 1991, (a) what was the total net increase in the number of policemen in the South African Police Force in 1991 and (b) (i) how many are still in training and (ii) in respect of what date is this information furnished,

cont in

(2) whether he will make a statement on the matter?

B70E

The DEPUTY MINISTER OF LAW AND ORDER

(1) (a) 9 132 (inclusive of Municipal Police and Police Assistants)

(b) (i) 1 733
(ii) 5 February 1992

(2) No

Mr P G SOAL Mr Chairman, arising out of the hon the Deputy Minister's reply, while indicating how pleased I am that there appears to be an increase in the number of policemen who have been trained, I should like to ask him whether he will please assure the House that he will have a discussion with his Minister about how to allay the fear and concern of suburban residents about the increase in crime I want to assure him and the House that there is indeed great concern and worry about this increase in crime

The DEPUTY MINISTER Mr Chairman, we are also concerned about the high crime rate, and this question has already been addressed by the Department and the hon the Minister

Illegitimate children: rights of access to fathers

*7 Mr L FUCHS asked the Minister of Justice

Whether it is the intention to introduce legislation in terms of which rights of access will be granted to fathers of illegitimate children, if not, why not, if so, (a) when and (b) what is envisaged in this regard?

B78E

The MINISTER OF JUSTICE

The rights of a father regarding his illegitimate child are being investigated by the South African Law Commission A working paper is being compiled at present and it is expected that it will be published during this year

SARCC: protection of commuters

*8 Mr J CHIOLÉ asked the Minister of Transport † 269

(1) Whether the South African Rail Commuter Corporation recently announced additional measures for the protection of commuters, if so, (a) what is the extent of these measures and (b) what is the cost involved in these measures,

(2) whether any other State departments are involved in the application of these measures, if so, (a) which State departments, (b) to what extent and (c) at what cost?

B79E

†The MINISTER OF TRANSPORT 269

(1) Yes

(a) and (b)

(i) The five-year security programme which would have been completed on 31 March 1995, has been accelerated and will be completely phased-in by 31 March 1993 This entails that all stations will be secured for policing by erecting security fencing, providing lighting, introducing access control and providing on-site accommodation for the SAP Communication between the train driver, control room and the SAP is being improved to permit the speedier reporting of dangerous situations and incidents The costs involved in this are estimated at R9,5 million for the 1991/92 financial year and at R18,24 million for the 1992/93 financial year

(ii) An investigation into the desirability of opening end doors of coaches is being conducted All trains are also regularly stopped and searched for dangerous weapons On the Soweto section a number of metal detectors are employed on a trial basis The costs involved in using these metal detectors is R40 838

(iii) Toll-free telephone numbers for reporting crime are in operation in all regions and cash rewards are offered for reporting useful information The Corporation reacts continuously on any media reports regarding security and the media and commuters are continuously informed of

269

steps taken to improve the security situation The cost involved in the toll-free crime reporting numbers as well as the cash rewards is estimated at R60 000 for the 1991/92 financial year

(iv) Security personnel are used to support the SAP in their actions The cost involved in this is estimated at R15,3 million for the 1991/92 financial year

(2) Yes

(a) and (b) The SAP is responsible for manning the stations which are already secured for policing and for the maintenance of law and order on premises and trains Stations not policed on a full time basis are intensively patrolled The SA Defence Force renders a support function at the request of the SAP

(c) The costs involved to this is not readily available and will be furnished to the Member who posed the question as soon as the information has been received from the organisations concerned

Damaging of ozone layer: research

*9 Mr J CHIOLÉ asked the Minister of Environment Affairs †

(1) Whether any independent research in respect of the damaging of the ozone layer is being undertaken by South Africa at present, if so, (a) to what extent is his Department involved in this research, (b) (i) what amount has been budgeted for it and (ii) how many researchers are involved in it and (c) what do the findings indicate so far,

(2) whether he will make a statement on the matter?

B80E

†The MINISTER OF ENVIRONMENT AFFAIRS Mr Chairman, I reply to a question of the hon member for Pretoria West whom I also do not see in the House [Interjections]

(1) Yes

(a) The Department of Environment Affairs provides financial backing for a joint Weather Bureau/Natal University programme, namely the South African National Ozone Research Programme (SANORP) The Department of Environment Affairs in collaboration with the Department of National Health and Population Development also provide financial backing for the Cape Point Trace Gas Research project implemented by the CSIR

(b) (i) For the 1991/92 financial year R280 000 was allocated towards SANORP Financing for the 1992/93 financial year has not yet been authorised R130 000 per annum is allocated towards the Cape Point Trace Gas Research project

(ii) Two researchers of the Weather Bureau and two professors of the University of Natal and a number of student researchers are involved in SANORP There are three researchers involved with the Trace Gas Project

(c) A comparative study between ozone data of the mid-1960's and data collected since August 1989 show that in the stratospheric ozone layer (between 12 and 36 km altitude) ozone concentrations have decreased by 6%, relative to the earlier period The decrease in ozone concentrations in the stratosphere between the 1970's and 1980's alone was 3% to 4% over South Africa and 17% at SANAE Ozone concentrations in the lower atmosphere over South Africa have, conversely, increased Comprehensive information is available from the Department of Environment Affairs

(2) No

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament

Codesa costs paid by State

*10 Adv J J S PRINSLOO asked the Minister of Constitutional Development †

(1) What part of the expenditure in respect of the institution called Convention for a

Contin-d

First commercial air rights development gets go-ahead

(269)

B/Day 20/2/92

PETER GALLI

SA's first commercial air rights development, The Bridge, was formally given the go-ahead yesterday with the signing of the lease agreement.

The R36m retail concept, located east of Park Station and bordered by Wanderers, King George and Noord Streets in Johannesburg, has been financed by the Transnet Pension Fund and is co-owned by RMS Syfrets, which has a minority interest.

The SA Rail Commuter Corporation (SARCC) owns the land, which is let to the developers. The Bridge has a gross lettable area of 7 500m² over three levels, with shops ranging from 10m² to 150m² and rentals of between R60/m² and R80/m², RMS MD Pat Flanagan said

The Bridge is expected to open in March 1993 and about 45% of the retail space has been pre-let, with a letting launch planned for April.

The lower floor will serve as a taxi station for about 110 taxis, with the other two floors dedicated primarily to retail, anchored by a 1 500m2 Pick 'n Pay

SARCC GM Dirk Ackerman said the group had a property portfolio in excess of R2,5bn, which had been "fairly neglected" in the past as far as developmental possibilities were concerned

"We have 74 developments underway, in the pipeline or being considered at present, which we expect to be complete in the next three to five years. However, these are not the only developments we will undertake over this period," Ackerman said

The next airspace development would be the new conference centre and hotel planned for Johannesburg

The SARCC was also involved with the upgrading of 14 Soweto stations, which involved improving security and catering for commercial development

While these areas were problematic, they offered huge potential Flanagan agreed with this, saying the black areas were becoming a focal point as they have no facilities at present.

"As a result, commuters are flooding into the CBD and we have to move into the black residential areas.

"Investors are slightly hesitant at present, but this will reduce as political factors stabilise. Initially we will see developments of around 5 000m2 to 6 000m2 with a capital investment of about R15m," he said.

Flitestar to bid for UK route

(269)

LINDEN BIBNS

FLITESTAR, SA's youngest domestic airline, is to apply for several international routes, including Britain and the Gulf region, MD Jan Blake confirmed yesterday.

Although the airline will not be represented at this week's talks between the UK and SA aimed at establishing a new air services agreement, indications are that Flitestar and the UK's Virgin Atlantic will be allowed to start flights on the lucrative route. This would end the stranglehold British Airways and SAA have held on the route since the 1940s.

Talks will take place today and tomorrow in Pretoria, and will be attended by representatives from SAA, British Airways, Virgin Atlantic, the UK embassy and SA's transport department.

"Absolutely," was Blake's reply when asked if Flitestar was interested in flights to the UK. An airline delegation was visiting the Gulf region and had already visited several other countries which Flitestar is keen to start flights to

Blake said the airline's applications for several routes, including the Gulf, would appear in Government Gazettes soon.

The airline was considering leasing new aircraft for its planned international operations, but in the interim would use its twin-engined Airbus A320s, which required only one refuelling stop en route to most European and Middle East destinations

Virgin Atlantic's presence at this week's talks fuelled speculation that SA's soon-to-be-announced revamped international civil aviation policy would open the way to a multidesignation system, scrapping the policy whereby SAA and the national car-

☐ To Page 2

B/Day 24/2/92

Flitestar

B/Day 24/2/92

(269)

☐ From Page 1

riers of those countries it has air links with hold duopolies on their respective international routes

If Virgin was allowed to compete in terms of the new dispensation, then so should Flitestar.

British Airways' commercial and government affairs head, and leader of the airline's delegation to this week's talks, Robert Ebdon, said in London it was his personal view that no final decisions would arise from the talks This was because SA's Directorate of Civil Aviation had still not announced its final intentions regarding the new international civil aviation policy

Although Virgin Atlantic chairman Richard Branson said he planned to introduce flights to SA next year, the airline has already advertised in the trade Press for Boeing 747 crews prepared to fly the route

Last year the British Civil Aviation Authority gave the airline permission to start flights between Heathrow and Jan Smuts But SA's Directorate for Civil Aviation was unable to reciprocate as it was bound to the bilateral agreement under which only British Airways and SAA were allowed to operate on the route

Airline industry leaders are confident that SA's new aviation policy, which is expected to come into effect in April, will also free airlines from restrictions governing price fixing, the number of flights each carrier may fly to and from SA each week, access to alternative SA gateway destinations such as Durban and Cape Town and charter flights

Flitestar targets international air routes

(269) CT 24/2/92

Own Correspondent

JOHANNESBURG — Flitestar, South Africa's youngest domestic airline, is to apply for several international routes, including Britain and the Gulf region, managing director Mr Jan Blake said yesterday

Although the airline will not be represented at this week's talks between the UK and South Africa aimed at establishing a new air services agreement, indications are that Flitestar and the UK's Virgin Atlantic will be allowed to start flights on the lucrative route, ending the stranglehold British Airways and SAA have held on it since the 1940s Talks will take place today and tomorrow in Pretoria, and will be attended by representatives from SAA, BA, Virgin Atlantic, the UK embassy and South Africa's transport department.

Mr Blake said the airline's applications for several routes, including the Gulf, would appear in Government Gazettes soon

Airline industry leaders are confident that South Africa's new aviation policy, expected to come into action in April, will also free airlines from restrictions governing price fixing, the number of flights each carrier may fly to and from South Africa each week, access to alternative gateway destinations such as Durban and Cape Town and charter flights

Transport services deficit doubles

(269) CT 24/4/92

By LINDA ENSOR

SA TRANSPORT Services accumulated a deficit of R417,7m in the financial year to end-March 1990 — more than double the R147,4m deficit of the previous year — and has been sharply criticised for the lax financial controls which existed in some of its operations by the Auditor-General

The Auditor-General's report for the last year of Sats existence was tabled in Parliament yesterday It reveals that Sats exceeded its authorised Parliamentary grant of R13,2bn by R703,6m Parliament still has to decide what to do about this excess

In the 1987-88 financial year Sats lost R3bn in unrealised foreign exchange losses which in the end did not proceed through Parliament for approval

A delay in finalising the 1989-90 figures which should have been submitted to the Auditor General within three months of the end of the financial year resulted in them only being signed by Sats' GM on January 22, 1991

"Operating expenditure of R487m for the period March 16 1990 to March 31, 1990 was not accounted for in the financial statements and had to be updated at Audit's insistence," the report said

The Auditor-General found unsatisfactory aspects in the system of revenue accounting. Shortcomings in the recording and control of stores were such "that no opinion can be given on the reasonableness of the accounting of stores".

Serious deficiencies were found in accounting for capital investment and fixed assets in Road Transport Services The Auditor-General said a positive opinion on the accuracy of amounts accounted for by the regional offices could not be expressed

"This disturbing state of affairs apparently requires immediate attention."

Regarding SAR Travel the Auditor General also found inadequate accounting methods which made it "impossible to form a meaningful audit opinion on the reasonableness of SAR Travel's revenue and expenditure for the financial year 1989-90 as well as of its assets and liabilities as at March 31, 1990"

The report said private sector portfolio managers had invested R2,5bn of the assets of Railways and Harbours Superannuation Fund and R1,3bn of the assets of the Railways and Harbours Pension Fund for Non-White Employees as at March 31, 1990

Discounting could put airlines out of business

B/Day 25/2/92. (269)

LINDEN BIRNS

AIRLINES which indulge in heavy airfare discounting stand a good chance of going out of business through a spiralling lack of financial discipline, Salomon Brothers airline analyst Julius Maldutis said in a recent interview in New York.

His warning coincides with the onset of fierce pricing competition on the SA/Europe route and follows the demise of several airlines worldwide and the continued losses being experienced by many other carriers

Maldutis set the scene against the backdrop of the disappearance of 177 US airlines in the eight years since deregulation in that country, either through bankruptcy, bad strategic planning, mergers or buyouts.

But the biggest contributing factor in all of these was the discounting practice they followed In 1991 95% of all US domestic travellers flew at an average 65% discount

"Today's fares reflect the degree of competition and financial distress of carriers and bear no relation to their operating costs," Maldutis warned "The discounters will be a footnote to aviation history."

If the US market is anything to go by, prospects are gloomy for a prolonged run of low fares between SA and Europe Flitestar and SAA have introduced heavy discounts on domestic routes in an attempt to make the market grow

Over the past three years SA's domestic travel market has remained more or less static, while in 1991 capacity was increased with the advent of Flitestar with its five aircraft and the introduction of six new planes by SAA

This translates into a combined additional capacity of more than 1 700 seats for each flight

In addition, SAA has embroiled itself in a discounting battle with Dutch carrier KLM and Belgium's Sabena It is also offering heavily discounted fares on flights to New York, a route which since having been reinstated in November, has not performed as well as it did in the 1970s and 1980s

Several foreign carriers have reported a recovery in passenger load factors since the end of the Gulf war, but have not recorded a similar revenue recovery

When the war risk subsided, the industry found that passengers were not flooding back to the airlines as they could no longer afford to fly at the published tariffs So a heavy bout of discounting ensued as the industry tried to revive the market.

Even traditionally sound airlines such as British Airways took a few chances. At one stage they gave away whole flights, and were offering upgrades from First Class to Concorde on transatlantic routes.

BA was, in fact, one of the few airlines able to record profits in the quarter ending December but, by its own admission, this was aided by the sale of its engine maintenance subsidiary to General Electric, staff cuts and productivity increases. Revenue from ticket sales has not substantially increased over the 1989/90 boom-year figures

The term "fares war" is a dirty word as far as SAA is concerned The new buzzword at SAA Towers, and at other airlines' headquarters, is "yield management"

In layman's terms this means trying to earn a return on a given flight through the maximum utilisation of the revenue-generating seating and cargo space available.

In the passenger cabin this is achieved by offering a range of fares (in some cases up to 15 fares for one flight), some of which are incentive tariffs. In normal practice the bigger the discount the more restrictions it carries and the later it is released onto the market.

Because an aircraft seat is one of the most perishable products available, airlines should try to generate some revenue for the seat "R10 on a seat is better than nothing at all," one local manager for a major airline said recently.

This is why people who need an unrestrictive ticket at a minute's notice pay a premium fare, while those who do not mind returning on specific dates, with heavy penalties for alteration to tickets, can often pick up bargains in the last couple of days before a flight

However, it is easy for airlines to fall into a downward spiral of discounting, forgetting that the aim of yield management is to yield some operating surplus

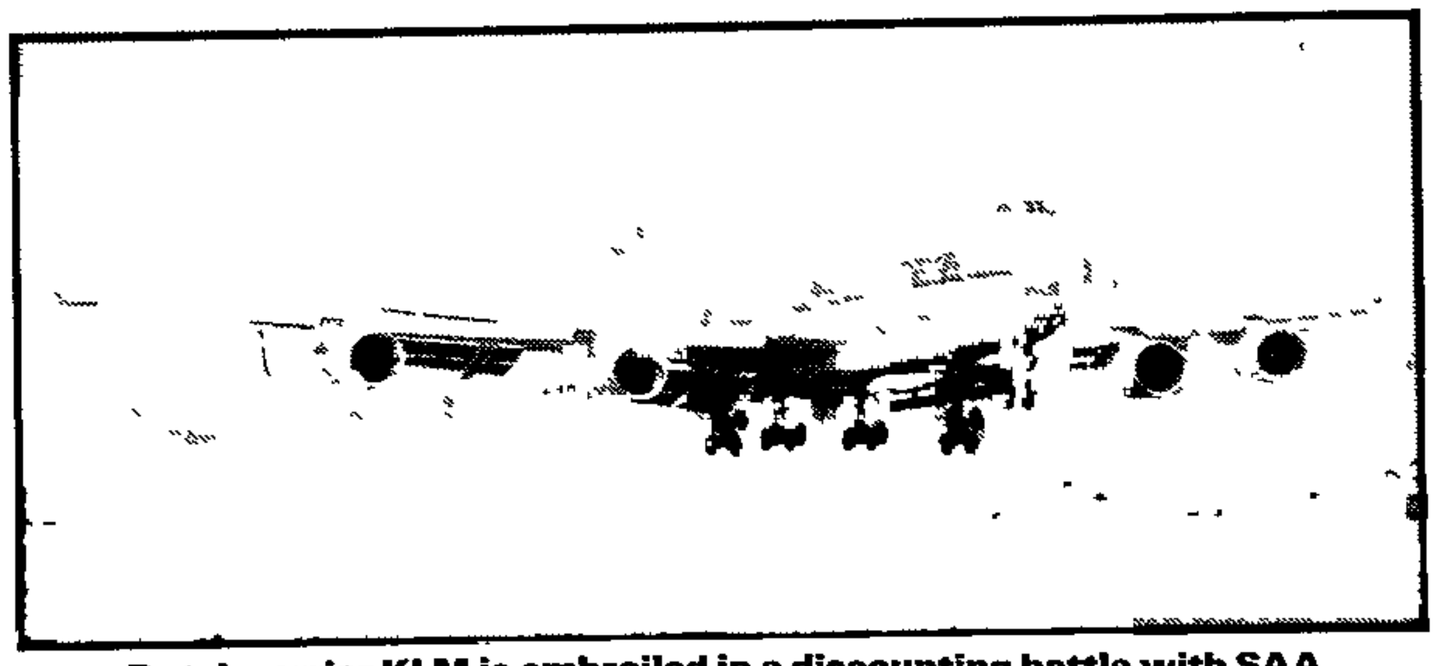
SAA does not disclose details of its yield management, although chief spokesman Leon Els said it was "very strong" and effectively used in determining the allocation of discount fares to the number of available seats

Maldutis suggested a double ingredient recipe for airline survival in the early 1990s The first is quality. "BA realised this and offer a high quality product Pan Am and TWA did not," he says.

If that is so, then SAA is well placed for survival Its in-flight service is rated one of the best in the world, although the resident airport chaos has often managed to wipe out any good impressions the airline might have instilled in passengers

Maldutis's second ingredient is ruthless privatisation He opposes the idea of governments selling only 49% of their airlines This is not attractive to investors, he says "What they should do is hold one 'golden share' which gives them the power to veto the airline's acquisition by a foreign government," he explains.

The key to successful privatisation is the character of the CE "If government is sincere in its desire to privatise then it must create an environment and appoint the people that will bring about the change"



Dutch carrier KLM is embroiled in a discounting battle with SAA.

LETTERS

Aeroflot hopes to fly to Jo'burg

LINDEN BIRNS (269)

RUSSIAN airline Aeroflot is to send a delegation to SA this week to negotiate an air services agreement which would allow the world's former biggest airline to start direct flights between Moscow and Johannesburg.

Aeroflot's local representative Ramoz Sodawski yesterday declined to say when the airline hoped to start flights, but confirmed a delegation was to hold talks with Department of Transport officials. B/Day

It is believed Aeroflot is keen to start flights before the middle of the year, but it is not known whether it hopes to implement scheduled or charter flights. 25/2/92

It could not be established yesterday whether the Aeroflot visit was related to that by a Russian delegation led by Foreign Minister Andrei Kozyrev, to arrive in SA this week.

Last year SAA and Aeroflot signed an agreement which allows the two carriers to issue tickets on each other's behalf and for Aeroflot to market SA as a destination.

SAA CE Gert van der Veer said at the time that the airline had no immediate desire to start scheduled flights to Moscow.

Since the demise of the Soviet Union, Aeroflot has been split into 24 companies, representing the different states that made up the union.

The Russian arm suffered heavy losses last month when the Federation gave the go-ahead for the trebling of fares on international routes.

SA and Russia 'to set up embassies'

B/Day 25/2/92

DARIUS SANAI

SA AND Russia are set to establish full diplomatic relations for the first time with the arrival of a Russian delegation in this country.

Russian Foreign Minister Andrei Kozyrev's arrival on Thursday will coincide with that of a German political and economic delegations led by German Economics Minister Jürgen Möllemann.

A Foreign Affairs Ministry spokesman said yesterday that Kozyrev, who visited SA in December when Russia was still part of the Soviet Union — would be in SA "as the guest of the Minister of Foreign Affairs Pik Botha"

Satellites

Informed sources said yesterday Kozyrev and Botha would almost certainly sign an agreement establishing full ambassadorial relations.

SA and Russia are currently represented by interest sections in Moscow and Pretoria, established late last year.

SA has already established full diplomatic relations with Czechoslovakia, Hungary and Poland, all former Soviet "satellite states" in central Europe

Möllemann, who is Germany's equivalent of a trade and industry minister, will be accompanied by 30 bankers and businessmen, said a German embassy spokesman.

A spokesman for the German-SA Chamber said yesterday the arrival of the business delegation with Möllemann was important, but did not signal the beginning of a wave of investment in SA by German companies.

"With some parties not clear on their nationalisation policy and saying they will not honour foreign debts, German firms are adapting a 'wait and see' attitude," the spokesman said.

A member of the centrist Freie Demokratische Partei (FDP) in the ruling coalition, Möllemann will be the highest ranking German minister to visit SA, but a source close to the German government said the visit should not be seen to be granting a German seal of approval to the SA government

The source said this would only come with visits by Chancellor Helmut Kohl or Foreign Minister Hans-Dietrich Genscher — and these were unlikely to occur before an interim government was in place.

The embassy spokesman said Möllemann would meet ANC President Nelson Mandela, President F W de Klerk, Trade and Industry Minister Derek Keys and Cosatu general secretary Jay Naidoo during his five-day stay.

He would also host a banquet attended by De Klerk celebrating the 40th anniversary of the German-SA Chamber of Commerce

● See Page 11

Whether only his Department is involved in the sale of stockpiled crude oil, if not, (a) which other State Departments are involved in it and (b) why are they thus involved?

B183E

†The MINISTER OF MINERAL AND ENERGY AFFAIRS

Yes,

(a) and (b) fall away

Sale of stockpiled crude oil: tenders

*2 Mr P J PAULUS asked the Minister of Mineral and Energy Affairs †

(1) Whether tenders were invited for the sale of stockpiled crude oil, if not, why not, if so (a) how were the prices determined and (b) what are the relevant details,

(2) whether any agents or intermediaries were involved in the transactions in connection with the sale of this crude oil, if so, (a) why and (b) who are these agents or intermediaries?

B184E

The MINISTER OF MINERAL AND ENERGY AFFAIRS

(1) No, because the stockpiled crude oil comprises different types of crude oil which are not stored on a segregated basis This mixture is difficult to market internationally and within the limited South African market it is highly unlikely that favourable prices could be achieved through tender

(a) and (b) Fall away It can, however, be mentioned that on grounds of an analysis of the stockpiled crude oil, a price base was negotiated with local refiners, ultimate selling prices were comparable to international market prices

(2) Yes, for sales to Madagascar,

(a) because they had a supply agreement with Madagascar in 1991, and

(b) The Addax and Oryx Group Ltd

*3 Mr A J Leon—Justice [Question standing over]

National Parks Board of Trustees: appointments

*4 Mr J CHIOLÉ asked the Minister of Environment Affairs †

(1) Which Board members have since 1 January 1990 been appointed and/or designated to serve on the National Parks Board of Trustees,

(2) whether any non-Whites have been appointed to the top structure of this Board since the said date, if so, to which posts,

(3) whether these appointments were the result of normal promotions, if not, for what reasons were the appointments made?

B218E

†The MINISTER OF ENVIRONMENT AFFAIRS

(1) *Prof F C Eloff—*

Reappointed with effect from 17 September 1990 for one year

Reappointed with effect from 17 September 1991 for one year

Mr T I Steenkamp—

Appointed with effect from 1 March 1990 for five years

Mr C J van R Botha—

Ex officio with effect from 1 April 1990 by virtue of his appointment as Administrator of Natal

Mr A E G Trollip—

Reappointed with effect from 17 September 1991 for one year

Dr L van de Watt—

Ex officio with effect from 1 August 1991 by virtue of his appointment as Administrator of the Orange Free State

Mr N E J Mabuza—

Appointed with effect from 1 September 1991 for five years

(2) Yes, one non-White has been appointed in the post of Executive Director Human Resources

(3) No, the appointment was not a promotion from the ranks of serving personnel but the applicant was found the most suitable candidate for the vacant post as a result of his appropriate qualifications and previous experience

†Mr J CHIOLÉ Mr Speaker, arising out of the hon the Minister's reply, I want to ask whether the hon the State President exercised any pressure in his personal capacity on the executive of the Natal Parks Board in respect of the appointment of board members and non-Whites to their executive

†The MINISTER Mr Speaker, I cannot speak on behalf of the hon the State President, but as far as I am concerned—if it were a function I were to perform for him—I can frankly say to the hon member that no pressure whatsoever was exerted on the Parks Board in respect of the appointment of board members during the time that I have been Minister of Environment Affairs

†Mr J CHIOLÉ Mr Speaker, further arising out of the hon the Minister's reply, I want to ask him whether any pressure has thus far been exerted by the ANC or whether the Government has entered into any agreement with the ANC to appoint exiles in certain posts [Interjections]

†An HON MEMBER Ah, you are backbiting!

†The MINISTER Mr Speaker, I can assure the hon member that there was no such agreement and that no such negotiations occurred

†An HON MEMBER Go and say that in your constituency!

Transed bursaries

*5 Mr J CHIOLÉ asked the Minister for Public Enterprises †

(1) (a) What was the purpose of the institution by Transnet of the Transed bursaries, (b) when were these bursaries instituted and (c) what are the conditions attached to the granting thereof,

(2) how many Transed bursaries have been granted to (a) Whites and (b) non-Whites for the 1992 study year?

B219E

The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of Transnet Limited replied as follows to the hon member's question

(1) (a) Transed was at a stage only a planning concept to determine needs

(b) It was never introduced as a bursary scheme

(c) Falls away

(2) (a) and (b) Fall away

†Mr J CHIOLÉ Mr Speaker, arising out of the hon the Minister's reply, I wonder whether he would elaborate for us on a letter dated 20 June 1991, in which the Managing Director of Transnet makes certain recommendations regarding the reasons for Transed bursaries

†The MINISTER Mr Speaker, the reply which I gave to the hon member states clearly that such bursaries were never awarded, that at one stage, however, thoughts were exchanged and information was gathered on the concept of such a scheme, but that the whole concept was later abandoned and thus never implemented

†Mr J CHIOLÉ Mr Speaker, further arising out of the reply of the hon the Minister, I would like to ask him whether further consideration will be given to awarding Transed bursaries in future in the light of the scenario of the new South Africa proffered by the Managing Director They say that it must be borne in mind that for bridging purposes with a view to tertiary education these candidates must be employed for a year

†The MINISTER Mr Speaker, I can reply to questions, but not to speculations [Interjections]

Certain person arrested: Wesselton

*6 Mr P H P GASTROW asked the Minister of Law and Order

(1) Whether a certain person, whose name has been furnished to the South African Police for the purpose of the Minister's reply, was arrested in Wesselton in August 1990 on suspicion of murder, if so, what is his name,

(2) whether any other persons were arrested with him in connection with the above offence, if so,

(3) whether he and the others arrested with him have been released, if so,

(4) whether, at the time of these arrests, the police confiscated any weapons belonging to these persons, if so,

cont - - p

Jo'burg calls for tenders on new light rail system

B/Day 26/2/92 (269)

ADRIAN HADLAND

TENDERS for the construction of SA's first light rail system, will be called for before the year-end, it was announced at a news conference in Johannesburg yesterday.

The planning of the first two routes, a starter line running from Alexandra township into downtown Johannesburg and a distribution line within the CBD was expected to be approved by the Johannesburg City Council last night.

At an estimated cost of R700m, the mass transit system will form part of an overall urban transportation blueprint for Johannesburg into the 21st century which includes enhancing the existing modes of transport such as taxis, the heavy rail system and buses

An objective of the project is that commuters will be able to purchase one ticket for use on all modes of transport in an integrated system "Buses and kombi taxis will not be shouldered out into the cold," said council transportation and utilities committee chairman Paul Asherson

Council planning executive director Ian Symon said he believed the light rail system was the answer to Johannesburg's transportation and road congestion problems

At present 62,6% of commuters in Johannesburg use public transport. As the population in Johannesburg was likely to double over the next 15 wears, Symon said it was a major task of the council to retain existing levels of public transportation usage.

Management committee chairman Ian Davidson said ratepayers could not be expected to finance the project on their own Substantial contributions would be sought from central government, the Transvaal Provincial Adminstration, the central Witwatersrand Regional Services Council and the private sector

Stops for the system are envisaged as being little more than inexpensive "glorified bus shelters" The major stations, however, are expected to form new hubs of residential and business development

One aim of the project, said Asherson, was to encourage the residential redensification of the CBD

Planners say public participation in the mass transit system proposals is seen as crucial to the success of the plan "We are not plunging willy nilly into digging up the streets and then finding out that we made a rather expensive mistake," said Asherson

The RSC will take responsibility from the Transport Department for the planning, financing and implementation of the system next month.

Johannesburg City Council executive planning director Ian Symon, left, and transportation committee chairman Paul Asherson with a model of the type of train which could be used on the city's proposed light rail system. Picture ROBERT BOTHA

Death toll increases as Reef violence continues

B/Day 26/2/92

Commuters slam 'back-door' rule

(269)

ARG 27/2/92

SHARKEY ISAACS
Transport Reporter

THIRD class rail commuters are up in arms at being forced to use "back door" exits at Cape Town station

The rule, long applied on the platforms serving the southern suburbs and Cape Flats lines, was this week also enforced on irate commuters using platforms 22 to 24 where trains on the Monte Vista line and main line from Paarl stop.

Commuters complained bitterly at being forced to walk the extra distance across the exposed station parking deck in pelting rain, and also alleged they were rudely treated at the first class ticket barriers.

They claimed they had walked unchallenged through first class barriers for two years and demanded to know why the rule had suddenly been applied.

Several commuters telephoned The Argus to complain, but the Rail Commuter Corporation (RCC) appeared unmoved.

"All procedures at Cape Town station are designed to facilitate practical and orderly passenger flow," regional Metro train services manager Mr André Harrison responded.

Mrs Philida January of Bernadino Heights, Kraaifontein, described the rule as "very humiliating".

"If it rains or if the trains are late, many commuters are forced to run the extra distance. It appears the Adderley Street entrance is hallowed ground and out of bounds for third class passengers We are decent people and should not be treated this way."

Mr Patrick Vezasie of Eerste River said the rule smacked of "class discrimination"

Miss Erica Basson of Avondale, Monte Vista, described the step as "laughable at a time when the country is undergoing rapid changes to a new South Africa.

"I believe it is just a ploy to force us to travel first class"

Mr Gerhard Pentz of Welgelegen, Parow, said the behavior of the ticket collectors, who had been backed by police, had been "most appalling"

"They were far from polite and the manner in which they treated commuters left much to be desired," he said

Mr Harrison responded that the architectural design of Cape Town station did not allow large numbers of commuters to use entrances or exits at only one side.

The situation dictated methods to ease the flow of 143 000 commuters through the station each day as fast as possible to avoid bottlenecks at exits.

He said "Each commuter has the choice to purchase a first class ticket That person, as is expected throughout the world, is entitled to certain conveniences, such as softer seats and more convenient exits."

Spoornet public relations officer Mrs Yvette Olwage said the rule was not applied racially.

"It affects white commuters who travel third class as well," she said

Spoornet firm on station exits

(269) Staff Reporter

FIRST-CLASS train commuters should use the exits at Cape Town station for first-class ticket holders only, and the same applied to third-class ticket holders, a Spoornet spokeswoman said yesterday

The spokeswoman said some commuters did not buy tickets and left the station through the first-class exits, which were not manned continuously. CT 27/2/92

Airports privatised?

(269)

CT 27/2/92

JOHANNESBURG. — Plans are afoot to hand over nine state-run airports to private enterprise, including the controversial Jan Smuts, the Financial Mail reports.

It says Transport Minister Dr Piet Welgemoed wants businessmen to lease all the terminal facilities — including restaurants, offices, shops and car parks — while the state would retain control of air traffic movements

"Negotiations began recently and he believes that getting all the approvals may prove sticky but not impossible," the Financial Mail says.

Landing fees won't alter local airfare

STAR 27/2/92 (269)

South Africa's three major airlines do not intend increasing fares following the 15 percent hike in landing and parking fees at all State-run airports

The increases are the first in almost three years and the money collected helps in the maintenance and upkeep of runways and other aviation facilities.

A spokesman for SAA, Mike Pheiffer, said the increase in Civil Aviation fees will not lead to an increase in airfares The airline will absorb the additional costs.

He also denied rumours a domestic fare increase was imminent

From March 1 landing fees for a 737 on a domestic flight will cost R509,60 and on an international flight into South Africa R975,70 Landing fees for a 747 will cost R3 393,20 within the Republic and R6,678,10 on international routes. — Staff Reporter.

The Star Friday February 28 19

Steamed up as rail plan sees ligh

STAR 28/2/92

Johannesburg's light rail transit system (LRT) is finally on track after the city council approved the multimillion-rand passenger transportation scheme this week. SHIRLEY WOODGATE sketches the background and the likely future scenario before the introduction of the first phase in five years' time.

(269)

WHILE big business cheers, the final go-ahead for the LRT has now taken the city's metro scheme off the drawing boards and into the homes of those most affected — thousands of residents who will in some way be touched by the rapid rail system networking its way through the Reef

Johannesburg management committee chairman Ian Davidson has already warned that the transition from planning stages to implementation would not be all plain sailing

Only hours after the council gave the Masstran plan the green light, residents fired the first salvoes in the tough negotiations now due to start

On the one hand there are the engineers, planners and environmentalists, backed by public relations people, all keen to see the first phase of the R500 million to R700 million scheme under construction

Opposing them will be householders protecting their interests, property values and the character of their suburbs

Ignoring the rumpus when the trams were scrapped, Johannesburg's transport headache goes back a mere 11 years when roads serving the city's central business district started becoming congested

First an underground tube-train system was mooted in 1981, along the lines of London's fast, efficient passenger transport system

Then Israeli sharuts, South American jitneys or streamlined electric trams were suggested to feed more people into Johannesburg's grid-style road system and narrow roads

Lack of funds was the main reason all the suggestions were shelved

Then in March 1990 a consortium under the Masstran banner was appointed by the Department of Transport to investigate a new transport system for Greater Johannesburg

Leaning heavily on input from the public and 24 Reef local authorities, the result was announced in August after the completion of a R7 million feasibility study

The Witwatersrand was to have a R1,5 billion sky tram network above the city combined with a light-rail road tram system, Masstran announced

Although the line would go underground in the CBD if necessary, the concept of a vast underground tube had been scrapped long before as the cost of tunnelling was prohibitive

Finally, this month the scheme got the go-ahead and work will start within two years on the Alexandra/city line and on one of the two choices for a central distributor line within the CBD

Transportation committee chief Paul Asherson has stressed that big buses, minibus taxis and heavy rail will not be scrapped in favour of light rail

Future emphasis will be on an integrated system, with the various modes of travel dovetailing into each other.

Even the 38 percent of commuters who rely on cars to get into the CBD will be able to keep to their chosen mode of travel

The ratepayer watchdog body Johannesburg Metropolitan Action Group (Jomag) has scoffed at claims that the metro system will put an end to the freeway-building programme

But Afrikaanse Sakekamer city affairs spokesman Dr Hennie de Clercq said the move was a much-needed vote of confidence in the city's future.

Praising the vision of those who had devised the plan and facilitated its implementation, Dr de Clercq said· "This move could have a major impact on the vitality of the city and its future shape"

Future access to the CBD would be assured once the metro was working, major traffic problems of the future would be avoided, and the LRS would give structure to the city with high-density and commercial developments in the vicinity of the new arterials.

Jomag secretary Conrad Berge said the claims that the freeway-building programme would be put on hold in favour of the light rail system was merely symbolic.

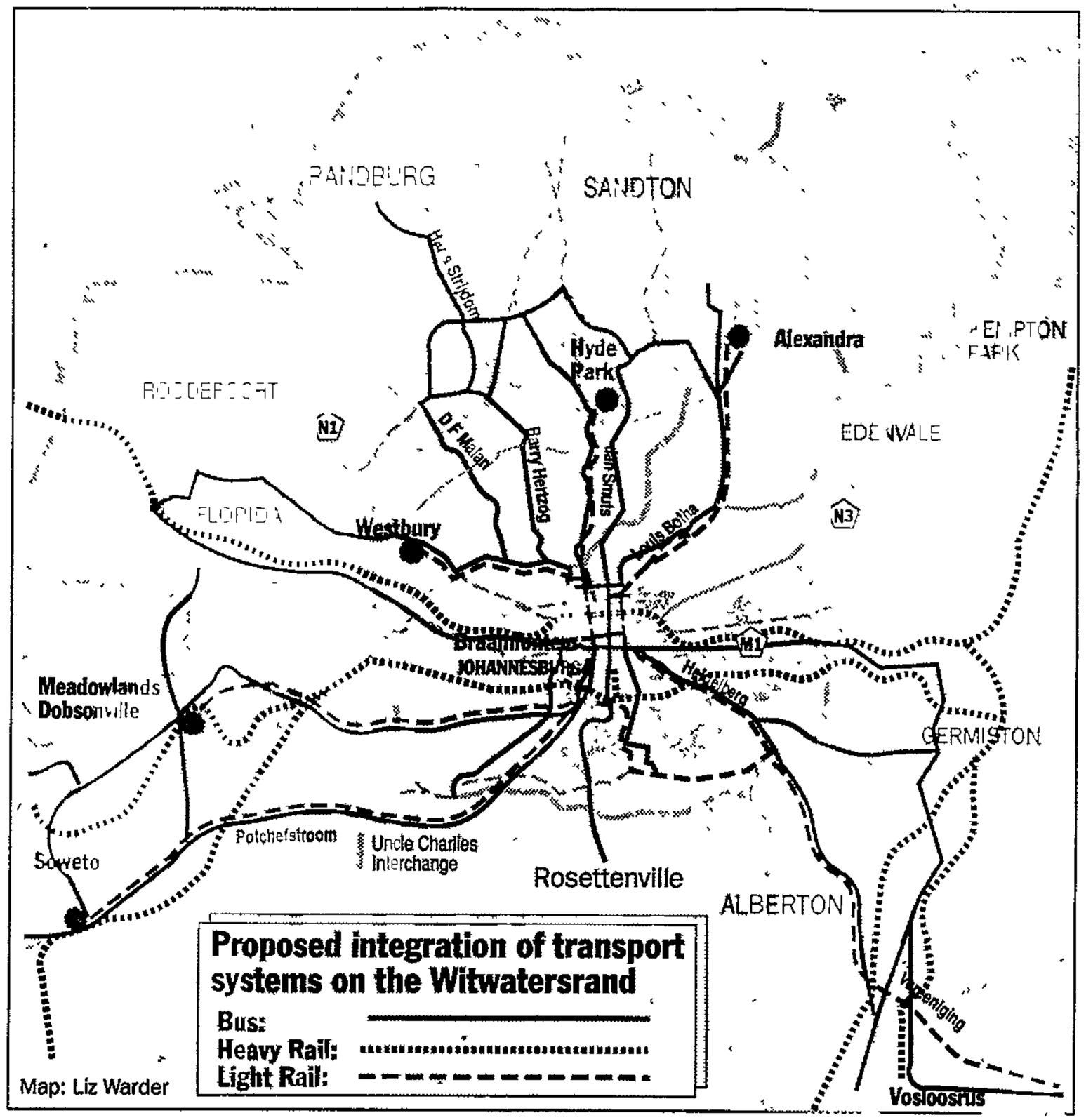
"We will only accept that claim when we are allowed to see the 10 to 15-year programme for road-building

"The metro is unacceptable in the current economic climate If we were a First World country with a solid tax base, we would go along with the idea But we are a Third World country with a shaky tax base and a high degree of political instability

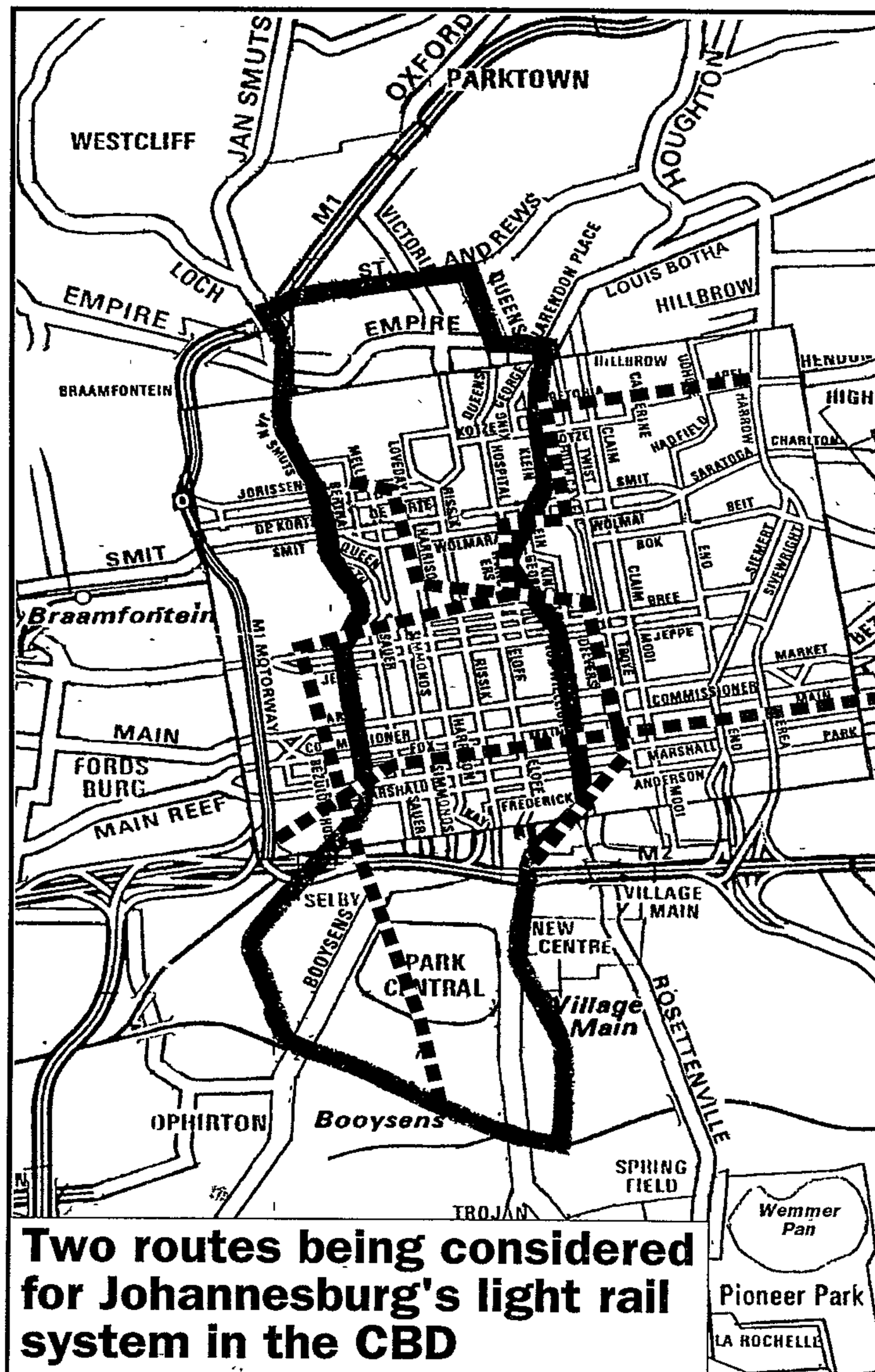
"It's a nice idea in principle, but priorities at this stage are health, education and housing," Mr Berge said

Bellevue residents are already up in arms over the possible effects of the LRT on their suburb They fear the LRT's stations, which will inevitably result in higher residential densities and commercial activities, will negatively affect the character of the suburb

"Now is the time for our councillors to start calling public meetings to spell out the detailed planning, and to tell us exactly where train lines and stations will be located," said one incensed resident □



Map: Liz Warder



Two routes being considered for Johannesburg's light rail system in the CBD

Chamber set to boost trade with Netherlands

B/Day 28/2/92

WILLIAM GILFILLAN

TRADE between SA and the Netherlands, is set to rise following the recent formation of the SA-Netherlands Chamber of Commerce

The launch of the chamber is regarded as particularly significant because of Rotterdam's increasing importance in the development of the European single market. Rotterdam is already the largest port to handle SA exports

"When we talk of the SA-Netherlands chamber, we are talking of SA's gateway to Europe," said chairman Bas Kardol

"The chamber will act to stimulate trade, tourism and services between the two countries."

Trade with the Netherlands, SA's sixth biggest trading partner before sanctions, has been growing significantly in the past two years, says Safto CE Wim Holtes

Kardol and Holtes, the chamber's vice-chairman, were both born in Holland

Exports to the Netherlands, which peaked in 1987 at $876m, dropped to $586m in 1990 Imports were US$340m in 1990 — slightly down on the 1988 peak of $347m.

Netherlands Foreign Trade Minister Yvonne van Rooy, who arrives in SA on Tuesday, will be the guest of honour at the official launch of the new chamber

The launch will coincide with the Holland Trade Fair in Johannesburg next week. The fair will feature 45 companies.

Holtes feels Dutch groups will initially enter SA through joint ventures, "but I am confident new investment will flow in over the longer term".

Sapa reports the Rotterdam Chamber of Commerce will host seven SA companies on a trade mission to the Netherlands next month. Chamber spokesman F van Vlerken said yesterday the "Cape Town Trade Mission 1992" was expected to meet local businessmen in Rotterdam on March 24

Talks 'inconclusive', but Virgin plans SA flights

B/Day 28/2/92 269

LINDEN BIRNS

TALKS on a new air services agreement between SA and Britain ended inconclusively on Wednesday evening, although some progress was made, a Directorate of Civil Aviation (DCA) spokesman said yesterday

Representatives from the Transport Department, the British Embassy, British Airways, SAA and Virgin Atlantic Airways attended the talks, which began in Pretoria on Monday

DCA spokesman Maurena Nel yesterday said the talks would continue in London once SA's international civil aviation policy review was complete She could not say when this would be Industry sources said they expected the new policy to be announced on April 1

Virgin Atlantic strategy and route planning director Ed Hullah said agreement was reached in principle to end the exclusive rights enjoyed by BA and SAA to the SA-UK routes

"The talks went well, except for making a decision on capacity Virgin is allowed to fly to SA, but has no frequencies to actually undertake the service," he said

Virgin planned to spend several million pounds setting up its SA route operation "Initially we'd like to offer four flights a week between Heathrow and Jan Smuts airports, but we'd like to go daily as soon as possible," said Hullah

The airline was still hoping to start flights on the route by November this year, he said However, delays in announcing SA's revised international civil aviation policy could hold back Virgin's start-up date on the route.

Hullah did not envisage any attempt by Virgin to negotiate a deal with BA in which BA would surrender some of its flights, as Virgin did not want to reduce the number of flights it planned

"Our argument is that it is not in SA's interests to limit the frequency of flights as it does at present," he said

In terms of the current bilateral agreement, SAA and BA split the route capacity and flight frequencies on a 50-50 basis A 60-40 share was mooted last year by several local industry leaders

Hullah said he hoped the next round of talks would take place as soon as SA had issued a clear statement regarding its new policy

A steering committee comprising representatives from several SA airlines, the Association of SA Travel Agents and other institutions was appointed last year to investigate the local airline industry requirements, and to draft a new international aviation policy for SA

Several sources have indicated that the new policy will free the industry from regulations governing tariffs, the number of airlines which may operate on a specific route, the number of times an airline may operate on a route each week, and access to other local destinations as an alternative to Johannesburg

A liberalisation of the policy regarding international charter flights is also expected

Virgin already has British authorisation to begin flights to SA, but is prevented from doing so by SA legislation, which permits only SAA and BA to offer scheduled flights between the two countries

Flitestar has also indicated its intention to start flights to Britain

TRANSNET ORDERED TO REPAY MILLIONS

(269) By BILL KRIGE

TRANSNET has been ordered by the commissioner for Inland Revenue to repay millions of rands incorrectly deducted from the pay packets of thousands of Spoornet employees

The unexpected bonus, which must be paid by the end of April, results from the discovery of irregularities by tax consultants hired by the SA Railways and Harbours Workers' Union (Sarhwu) S/Times 11/3/92

About 60 000 of Spoornet's 160 000 workers belong to the union

Tax consultant Eric Fleet believes the repayments could amount to R60-million The same irregularities could surface in the current tax year

Mr Andre Freemantle, general manager of Spoornet's Cape Midland's region, blamed over-deductions on "administrative problems" and said there would be a one-off payment in April.

Discrepancies centre on IRP2 forms, which indicate an employee's marital and parenting status Thousands of the forms were never issued, depriving employees of automatic rebates of R2 100 for a spouse and R100 for each child

Recession shows in lower profit

(269)

B/Day 2/3/92

LINDA ENSOR

CAPE TOWN — The severity of the domestic and international recession is starkly reflected in the fact that Safren subsidiaries, Safmarine and Rennies, both suffered a 5% decline in operating profit in the six months to end-December.

A stronger performance from Kersaf helped at operating level, but it was only stringent cash management and a favourable tax dispensation that enabled the group to convert a 6,4% increase in operating profit after depreciation into an 11% increase in attributable earnings before extraordinary items.

"Cash management and tax played a vital role," Safren deputy chairman and CE Buddy Hawton said.

Due to capital investment allowances in Kersaf and the lower rate of company tax, the group's tax rate fell to 31,7% (38%), enabling it to convert a 5% rise in pre-tax profit to R336,8m (R320,8m) into a 16% increase in after-tax income.

Group turnover rose 9,3% to R2,3bn (R2,1bn) and operating profit by 10% to R435,7m (R396m). After a 24,4% increase in depreciation to R98m (R79m), and after the reversion to paying a small amount of interest rather than receiving interest, the group notched up a 5% increase in pre-tax profit.

Safmarine's contribution to group attributable earnings of R133,3m rose 8,7% to R45,2m (R41,6m), Rennies' by 11,3% to R21,6m (19,4m), and Kersaf's by 13,7% to R65,4m (R57,5m). The contribution of other interests suffered a 26,7% drop to R1,1m (R1,5m).

Commenting on the performances, Hawton said shipping volumes had been lower than at any time since the introduction of containerisation 15 years ago. Bulk freight rates were weak in all sizes and were likely to remain so.

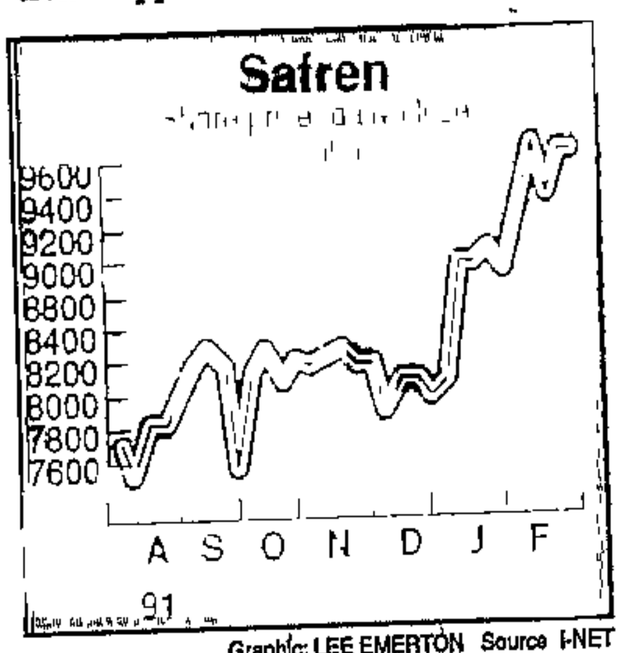
Hawton did not see volumes turning up in the short term, but did expect the rand to start sliding against the dollar, which would give Safmarine a rand hedge benefit in the current six months.

The bulk shipping division could receive a fillup from SA's planned import of maize

The performance of Rennies, which is involved in cargo services and transport, marine services, freight, terminals, travel and trading, was aided by its tight cash management and developments in central Africa.

The terminals division performed well but travel had not returned to the levels expected. Increased foreign travel allowances had helped the foreign currency division which performed well. Prospects for freight and travel remained tough, but Hawton thought Rennies would continue to show a profits improvement.

It was too early to gauge the value of Safren's 37,5% stake in the fledgling airline Flitestar, but volumes were building up nicely and international opportunities were opening up.



Graphic: LEE EMERTON Source I-NET

Safren makes headway

STAR 2/3/92

Safren had a good six months to December and has reported a substantial increase in profits

Earnings attributable to shareholders was R133 million, compared with the previous R120 million. (269)

Earnings per share were 240,3c (224,5c). An interim dividend of 65c (60c) has been declared.

However, the board says profits are continuing to be affected by the deteriorating economy.

It says Safmarine continued to experience reduced cargo volumes which, together with the relatively stable rand during the period, resulted in a lower profit growth rate.

Tax paid was down at R106,7 million (R122,2 million) as a result of the lower company tax rate.

Turnover was up at R2,3 billion (R2,1 billion), while interest received fell to R42,8 million from the previous R56,8 million.

The board feels that given economic conditions, results for the year should be satisfactory. — Sapa.

SAA to discuss Thai air link

BDay 3/3/92 (269)

LINDEN BIRNS

THAI Airways representatives are to meet SAA management today to discuss a possible air link between Thailand and SA.

This follows SAA's announcement last week that it would open an office in Bangkok.

However Thai Airways Italy and Africa area manager Bruno Vonesch, who is in SA, said yesterday SAA had already asked the Thai government for landing and traffic rights at Bangkok for an envisaged twice a week service.

If SAA was given permission and was allocated landing slots at Bangkok airport, this could be read as a sign that Thai Airways was also interested in starting flights to SA as the Thai government would not give such permission without the national carrier's approval, Vonesch indicated.

Vonesch estimated that, by offering a once-a-week service with a 250-seater McDonnell Douglas MD-11, Thai Airways could generate at least R72,8m in revenue a year between Bangkok and SA.

SAA spokesman Leon Els last night confirmed that representatives of the two airlines were to meet, but not to form any final agreements.

Safmarine in massive write-down

(269)

STAR 3/3/92

By Derek Tommey

Safmarine has written down its investment in Belgium's Compagnie Maritime Belge Transport (CMBT) from R78,5 million to R1.

It was done to ensure that the management of CMBT was not diverted from its task of restoring it to financial health by having to worry about giving Safmarine an immediate return, Safmarine MD Tony Farr said last night

Safmarine bought a stake in CMBT to get a foothold in the EC. CMBT operates liner services from Europe to East and West Africa, to India, Pakistan South America, Canada and Portugal

He said CMBT probably transported more containers than Safmarine

It also has a large trucking business in Belgium and a freight agency.

Mr Farr said Safmarine knew CMBT had problems, mainly because it was over-geared, when it bought the company last August.

Since then 200 people have been retrenched and unprofitable operations shut down.

It was planned to solve the gearing problem out of cash flow and Safmarine was prepared to take a four-to-five-year view

Military officers in Russian trade group

B/Day 4/3/92 (269)

LINDEN BIRNS

A HIGH-LEVEL Russian trade delegation, which includes two senior air force officers and several representatives of military aerospace design bureaus, is to arrive in SA today.

A statement released yesterday by the delegation's Hanover-based organisers, The Marvol Group, said the aim of the visit was to tie up a deal with Pilkington Glass and to finalise another deal involving the pharmaceutical industry

But the main emphasis seems to be on promoting the Russian aerospace industry.

On March 20 a Russian Antanov-124 freight aeroplane — the second largest aircraft in the world — will land at Jan Smuts Airport to pick up a cargo of glass valued at about R1,5m and an unspecified amount of pharmaceutical products which it will fly to Russia on behalf of Pilkington and an unnamed pharmaceutical firm.

The group will hold a seminar on Russian-SA commercial co-operation in Cape Town later this week. The seminar will be opened by Foreign Affairs director-general Neil van Heerden

Of the 24 delegates, at least nine represent Russia's defence force and design bureaus involved in the development and production of jet fighter technology

The most senior delegate is Government Committee of Conversion of Defence Industry chairman Mikhail Bazjanov

One delegate is from the Klimov design bureau, which was recently reported to be collaborating with the SA Air Force in testing the suitability of its jet engines as a replacement for the French Snecma-Atar engines in the SAAF's Mirage F1 jet fight-

☐ To Page 2

Russians

B/Day 4/3/92

☐ From Page 1

er fleet. The SAAF has not denied the accuracy of that report

Also in the delegation are the chief designer and general director of Rusjet

High-level discussions relating to civil aviation are also on the visitors' agenda.

The visit follows one last September when Marvol — which has extensive business interests in Russia — entered a joint agreement with an SA and an Italian company to produce solar electrical modules and systems in SA, and to relocate a packaging factory from SA to Moscow.

Other delegates represent Russia's foreign affairs department, the Moscow Legal Bar, Moscow General Industries, the Agricultural and Chemical Trade Organisation of Russia and Omsk Manufacturers

Russian maker of planes to exhibit at Jan Smuts fair

(269)

B/Day 4/3/92

LINDEN BIRNS

RUSSIAN fighter and commercial airliner manufacturer Yakovlev is to exhibit at Aviation Africa '92, the international aerospace industry trade fair, which will be held at Jan Smuts Airport between April 1 and 4.

Showplan director Lynn Browne, who is organising the event in conjunction with the Commercial Aviation Association of SA, would not confirm Yakovlev's participation in the exposition yesterday.

However, a source close to the organisers said the Russian firm had reserved a stand and would take part in the trade fair

Evaluation

It is not yet clear whether Yakovlev will bring any aircraft to SA or if it will promote its products with display models and brochures on its exhibition stand

Yakovlev's participation follows the visit last week of a high-powered Russian delegation which met aviation authorities to discuss Aeroflot's access to SA.

Last month it was reported that engines for Mikoyan MiG 29 fighters, built by another Russian aerospace company, Klimov, were being evaluated by the SA Air Force as a possible upgrade for its Mirage F1 interceptors

Yakovlev is one of Russia's five biggest aircraft manufacturers along with Ilyushin, Mikoyan, Tupolev and Sukhoi.

It produces military and civil aircraft, although it has not developed any new civil aircraft for several years

Last year the firm made aviation headlines when it published details of its most recent fighter, the Yak 141 Freestyle jumpjet, which can take off and land like a helicopter

Although in some respects it resembles the British Aerospace Harrier, the Freestyle is currently the only vertical takeoff and landing aircraft capable of supersonic flight

Jane's Defence Weekly reported last June that Yakovlev had embarked on a campaign to attract foreign interest in the aircraft, as at the time the Soviet Union, which needed large numbers of the aircraft, did not have the necessary money to finance mass production

Like its Russian competitors, Yakovlev is thought to be keen on recouping some of its investment made in developing new aircraft It is said to be hoping some of the "wealthier" Third World states would find its aircraft attractive

The firm has already approached the Indian Navy with an offer on the Freestyle

Apart from Yakovlev and local military suppliers such as Kentron and Atlas Aircraft Corporation, only British Aerospace will actively promote military equipment — the Hawk trainer jet fighter and tactical support systems — at the exposition

Main focus of the event is expected to be in the civil sector with exhibitors promoting products which range from light, single-engined propellor planes to large jetliners

R11,9m revamp for Soweto stations

(269) B/Day 5/3/92

WILSON ZWANE

THE SA Rail Commuter Corporation is to pump R11,9m into upgrading 11 Soweto railway stations

The aim of the project was to make the rail service safer, more convenient and more aesthetically pleasing, Commuter Corporation MD Kobus Nel told a news briefing yesterday

Concern about attacks on commuters meant improving security at stations and on trains was top priority, Nel said.

Statistics show there are at least three attacks on commuters every week.

Nel said black business and community organisations would be consulted on the planning of the project, which would start later this month and be completed by June The project would not affect fares.

Commuter Corporation senior MD Koos Meyer said the number of security guards on metropolitan trains would be trebled. The feasibility of installing closed-circuit cameras in coaches was being studied.

Nel said the upgrading of the 11 stations (Naledi, Inhlazane, Ikwezi, Dube, Phomolong, Phefeni, Mzimhlophe, Midway, Chiawelo, Nancefield and Mlamlankunzi) was part of a larger project.

Flitestar dismisses claims of pending coup or problems

B/Day 5/3/92 LINDEN BIRNS (269)

FLITESTAR MD Jan Blake yesterday scotched rumours that the fledgling airline was facing tough financial headwinds, and said it could continue to operate at current passenger loads for another two years before fresh capital was required.

The airline wanted to enlarge its domestic fleet, but had put its plans on hold because an addition to the current domestic surplus would lower fares to levels where only SAA could operate

Blake dismissed claims published in a recent edition of an Afrikaans financial weekly that Flitestar's major shareholder, Safren, was about to execute a coup against its partner shareholders, Rentmeester Beleggings and the Meulklin Trust

"The three owners have been partners for a long time, and their relationship is very good There is no truth in the coup allegations, or in the magazine's claims that we owe any of our shareholders money," he said

Between SAA and Flitestar, 10 new aircraft have been added to the domestic fleet SAA bought four new Airbus A320s (with three more on order), to replace some of its older aircraft, but it has not sold its older equipment.

Meanwhile, SA's domestic passenger market shrunk by 15% last year, with no sign of recovery, said Blake.

"When the economy recovers, the market will recover, but until then over-capacity is what comes into play

"If SAA puts all of its aircraft into the sky, then all the other domestic carriers' loads will drop to 40% and fares will be depressed a further 10% This will push costs above break-even and it will be impossible to carry on operating," he explained.

Flitestar's aircraft run on a 55% load factor, about 2%-3% above break-even for its fleet of four Airbus A320s and two ATR 72 turbo-prop airliners.

Compounding the situation were the increases in landing and parking fees announced last week, and SAA's hike in aircraft ground-handling fees SAA is the sole handling licencee for domestic flights at the nine state-owned airports.

Blake said the recent reconfiguration of Flitestar's A320s, in which Business Class seating was halved and the Economy Class extended, was not due to any financial heamorrhaging

He said people were still flying for business, but in the current economic climate they favoured Economy Class

The airline recently said it was to start night flights on its Johannesburg-Port Elizabeth and Johannesburg-Cape Town routes Unlike SAA's similarly priced midnight flights, Flitestar will be offering a full snack and bar service

SAFREN FM 6/3/92 (269)

Choppy waters

An earnings undertow is evident in the results for the half year to end-December. Both the fall in world trade and local recession are apparent in the skimpy turnover and earnings growth produced by all three of the

Safren's Hawton *prudent measures*

FM 6/3/92 **FOX**

FEELING THE BITE

Six months to	Dec 31 '90	Jun 30 '91	Dec 31 '91
Turnover (Rbn)	2,11	2,26	2,31
Operating income (Rm)	318	363	338
Pre-tax profit (Rm)	321	362	337
Attributable (Rm)	120	182	133
Earnings (c)	224,5	341,0	248,3
Dividends (c)	60	177,5	65

(269)

major divisions

As always at the interim stage, Kersaf was the main contributor to attributable earnings. It pushed its contribution of R65,4m up by 13,7%. But, as group CE Buddy Hawton emphasises, the leisure and hotel organisation was unable to escape effects of the poor economy. The number of visitors to the new Carousel resort at Babelegi met expectations, Hawton says, but they spent considerably less than expected. Hotel occupancy was also well down.

On the shipping front, Safmarine is vulnerable to reduced international trade. While exports have seen some growth — fuelled by the softer rand — lack of demand has dampened imports.

Half-year results show attributable earnings growth of 8,7%, to R45,2m, but do not take into account Safmarine's most important cargo — movement of southern hemisphere fruit to the north. These will feature in the second six months and boost earnings for that period. But the weakened global trade may result in Safmarine's full-year attributable earnings being below that of Kersaf's for the first time.

Safmarine will not receive any profit contribution from last year's purchase of an interest in Compagnie Maritime Belge Transport in Belgium On the contrary, Hawton says this investment has required higher up-front non-recurring expenditure As a "prudent measure," the R78,5m investment has been written off as an extraordinary item It is not expected to break even for another two to three years, though this was apparently in line with initial projections

Rennies, according to Hawton, has shown resilience so far this year. He says it has managed its book and cash flow well but is likely to remain under pressure for the rest of the year. Its contribution to the group rose to R21,6m from the year-ago R19,4m. Unless the economy improves markedly, it's difficult to see its earnings contribution rising materially above last year's R39m

Hawton makes no bones that the recession "is clearly biting into group business," and he does not see much of an improvement in the economy during 1992 Earnings growth should continue, but at a lower rate Barring one or two possibilities that might enhance Safmarine's performance — such as a large slice of the maize imports now required, improved exports after the referendum or a much weaker rand — it is difficult to see a substantial improvement in EPS.

Having all but doubled since this time last

FOX FM 6/3/92 (269)

year, the share, at R95, stands on an historical dividend yield of 2,5% and a p:e of 16,8. With earnings growth slackening, the share has probably entered a consolidation phase and may even weaken. However, given a positive referendum result, the inherent long-term strength of the group should attract buyers before too long. *Gerald Hirshon*

Continued →

Zimbabwe opens its tenders to Transnet

B/Day 6/3/92.

HARARE — National Railways of Zimbabwe (NRZ) has opened its tenders to Transnet for the first time, the weekly Financial Gazette reported yesterday.

Transnet had previously been barred from bidding for projects and supplies for Zimbabwe's state-owned railway

However, the NRZ has leased locomotives and freight cars from SA

The Financial Gazette quoted Transnet's marketing arm Transtrade MD Bertie Heckroodt as saying SA was keen to participate in the programme, which is partly funded by the World Bank, to rehabilitate the NRZ

(269)

Harare and Pretoria still do not have official diplomatic relations although SA is Zimbabwe's biggest trading partner

President Robert Mugabe has said full ties would be established only when SA's anti-apartheid movements gave the go-ahead — Reuter

No escape from deregulation

(269)

FM 6/3/92

The negotiations on a new bilateral air services agreement between SA and the UK are taking place against an inexorable movement towards deregulation in western Europe. That trend has profound implications for SA and its national carrier

As Bob Ebdon, British Airways' head of government affairs, sees it, no airline that operates services into the deregulated EC after January 1 will be able to maintain regulation in its home market.

"Europe is seeking to remove barriers to trade and aviation is just one part of that," Ebdon said in London last month. "The EC is pushing for a liberal, open and competitive environment. In return for such a system here, we will expect liberal, open systems in other countries"

The reward for such willingness to embrace competition is, BA believes, vastly improved prospects for expansion. On the SA route, for example, he insists that BA has no objection to the introduction of competition from Virgin Atlantic Airways.

"Our experience has shown that there is no point in resisting the entry of additional British carriers," he says "We object only if their access hampers our opportunities to do what we want to do It's foolish to say we want a liberal agreement and at the same time try to restrict the access of other airlines. Increased access will give us an opportunity to promote and expand the route"

The new bilateral agreement is expected to eliminate many of the restrictions on the SA-UK route. The way could be cleared for one or possibly two new airlines — Virgin Atlantic and Flitestar — to begin to serve the route. Representatives from BA, SA Airways, Virgin Atlantic, the Department of Transport and the British Embassy met in Pretoria last week for the first round of talks. They are expected to meet again in London in the next few months.

The reciprocal nature of the current agreement prevents BA and SAA from fully developing the route because sanctions forced SAA to fly around the bulge of Africa This pushed up SAA's costs and helped to maintain high fares for both airlines on the route

"But if we are free to operate a normal, nonstop service, as we want, to fly direct to Cape Town or Durban, we are confident we will expand the market and make more money," Ebdon says.

Certainly, BA is well-placed to take advantage of a freer environment It is one of perhaps 20 world airlines (among the top 200) that makes an operating profit Latest results show that in the nine months to December the airline recorded an operating profit of R1,6bn — 13,5% better than the previous year.

"What we have now is a regulatory system that keeps airlines in existence that would not be there in a normal economic environment," he says.

Therefore, the cost of deregulation, almost inevitably, is short-term turmoil that may well result in many airlines going under. The new ones that start up will also have a tough time. Salomon Brothers' airline analyst Julius Maldutis says deregulation in the US in 1978 brought 178 new airlines into existence

Mega-airlines .. *are they ready for open skies?*

"Only one survives today and that is in Chapter 11 bankruptcy Mergers caused 22 of them to disappear. Others reorganised."

With a pronounced shift from domestic to international travel by Americans, he adds: "There will be further asset sales and acquisition of international routes by the strong companies."

Will the same thing happen in Europe? Maldutis believes not. "This is because no government will permit its national flag carrier to disappear. In Europe, you are seeing a consolidation and disappearance of the smaller charter carriers.

"Far more important is the globalisation of the airline industry, in which national airlines are looking for partnerships or engagements with other national airlines. To survive in the international arena you will have to be a global airline"

Tie-ups have been negotiated or mooted, involving Swissair, Delta and Singapore Airlines; BA and KLM; and Japan Airlines and Lufthansa. These last two groups are reportedly looking for further expansion via a link with a US airline. Where does this leave small national carriers such as SAA? "They will survive," Maldutis says "There is plenty of room for niche players to make good profits There will be continued growth for smaller specialist airlines."

The lesson of privatisation at BA — which Maldutis regards as "one of the great success stories of the last decade" — is significant for all government-owned airlines Says Ebdon. "BA was not profitable when it had huge government support. Now it operates on a commercial basis and makes money I would hope governments would see that running airlines is a matter for business people."

Deregulation will inevitably lead to concentrations of airline power in Europe, he agrees. Five or six mega-airlines may end up handling most of the European travel business. But this won't mean less competition.

"Regulation should create a more competitive environment, even if it means fewer airlines. You will have a few mega-airlines competing very fiercely"

Safer stations for Soweto

(269) C/Press 8/3/92

By NOMVULA KHALO

THE South African Rail Commuter Corporation (SARCC) is to upgrade 10 railway stations in Soweto.

Naledi, Inhlazane, Ikwezi, Dube, Phomolong, Phefeni, Mzimhlope, Midway, Tshiawelo, Nancefield and Mlamlankunzi stations will be beautified and made safer and more convenient for commuters.

Security will be tightened, facilitating controlled access to and from trains.

SARCC managing director Dr K Nel said funds for the project were available and were not in any way related to past fare increases or future fare structures.

Nel said the programme would create job opportunities for local builders and improved opportunities for those who wish to run businesses in the area.

Virgin 'to cut fares 40%'

B/Day 10/3/92 (269)

LINDEN BIRNS

VIRGIN Atlantic owner and founder Richard Branson says he can cut London-Johannesburg fares by 40% if allowed to fly the route.

Last year, when Branson first said he wanted his airline to compete with British Airways (BA) and SAA on the route, he promised to cut fares by 30%.

He did not say if the 40% discount fare would be an introductory offer or if it would be across the board.

Virgin Atlantic, BA, SAA, and the UK and SA governments are involved in talks aimed at drafting a new bilateral air services agreement between the two countries, which would make provision for airlines other than BA and SAA to operate on the route.

SAA spokesman Leon Els said it was not prudent to comment on Branson's proposals until the new agreement was in place.

BA southern Africa GM Malcolm Freeman said if Branson could sustain a 40% drop in the fares, "then good luck to him".

BA was unlikely to be able to sustain any further drop in price than the 25% discount introduced on its Pex fares late last year, he said. This set the cost of a ticket at R2 750.

SAA to fly directly to Cairo and Luanda

STAR 11/3/92

(269)

By John Miller

SA Airways will shortly begin direct flights to Luanda and Cairo. The service will be weekly and continue to Athens.

Although the travel industry has been told the first flight to Cairo will be on April 1, SAA spokesman Zelda Roux said she could not say exactly when the services would commence.

Last year, the airline received permission to overfly Egypt on flights to and from Europe.

While technical staff are busy installing the airline's first Boeing 747-400 and Airbus A320 simulators — the first in Africa — the airline has denied rumours that it has been forced to cancel outstanding aircraft orders.

Miss Roux said two more A320s would arrive in August this year. A 747-400 would be delivered in November.

The final A320 and 747-400 are to be delivered some time next year, she said.

B/Day 11/3/92

SAA may join African body

(269)

LINDEN BIRNS

SAA may be admitted to the African Airlines Association (Afraa) before the end of the year, giving the airline better access to African markets and improving its relations with other carriers on the continent.

London-based African Airlines reports in its latest issue that Afraa secretary-general Mohammed Ahmed said he was certain SAA would become a member, and that he hoped to welcome the airline into Afraa by the end of 1992.

Several African airlines, notably Air Zimbabwe and Zambia Airways, are reluctant to have SAA as an Afraa member as they fear they would be dwarfed by it and would lose a lot of traffic within Africa.

However Egyptair, Kenya Airways and Ethiopian Airlines are keen to develop air links with SA.

SAA spokesman Zelda Roux yesterday said admission to Afraa would enable the airline to foster better business relations with other African carriers "SAA believes it can offer help to the other African carriers in the way of training and maintenance expertise"

NEWS IN BRIEF

(269)

Air India men fly in

A TWO-man delegation representing Air India was due to arrive in SA last night on a 10-day fact-finding mission with a view to establishing air links between SA and India. B/Day 12/3/92

The delegation comprises Air India's deputy commercial marketing manager V G Choubal and its senior marketing official M Bharucha.

Overseas arrivals in SA boosted by marketing

(269) THEO RAWANA

SA's growing acceptability as a tourist destination and Satour's marketing initiatives had boosted the overseas arrivals figure for November last year by 28,4% when compared with the same month in the previous year, Satour said yesterday. B/Day 13/3/92.

Overseas arrivals last November totalled 59 850, as against the 46 624 who arrived in November 1990.

Satour said in a statement one of the main results of political reforms in SA was that foreign airlines had intensified their marketing of SA as a destination, and that much of this marketing was done in co-operation with Satour and SAA.

This enabled Satour to broaden its marketing thrust and gain greater penetration in existing and new markets, the board said.

The most significant increase in foreign arrivals came from Asia, where various joint marketing campaigns between Satour, SAA and China Airlines, and between Satour, SAA and Cathay Pacific, respectively, resulted in an average 87,6% increase.

"Taiwan, with an increase of 122,4%, is a particularly vibrant market, although Japan, with an increase of 46,3%, is also growing," Satour said.

The joint advertising campaign which Satour launched with SAA in the UK in June last year — aimed at niche markets to promote tourism in slow local periods — resulted in an increase of 23,3% over November 1990, said Satour.

Commuters cheer as trains are searched

STAR 13/3/92

(269)

By Peter Davies

Passengers burst into song, clapped and stamped until carriages rocked as 180 armed riot police from the Internal Stability Unit — armed with rifles, shotguns and pistols — yesterday searched late afternoon trains bringing commuters back to Soweto

The hour-long blitz at Mlamlankunzi station yielded a 50 cm long sharpened meat cleaver, a homemade axe, a knobkerrie, a shortened panga and a hand gun

Despite almost daily killings, the trains running from George Goch to Lenz and Residencia were crowded

One commuter said "We have no other transport What must we do? I wish the police were always on the trains. People are getting hurt."

The conductor of train number 9072 from George Goch to Residencia, watched as police searched commuters, rifled through possessions and scoured boxes and bags for weapons.

"I've been with the railways for more than 30 years Last week I had seven stitches in my head. Five guys beat me with a kerrie when I told them to move. I don't mind how long it takes, these cops can search the train for sure," he said

All of the passengers to whom The Star spoke agreed police presence on trains was a good thing, but many believed police should be visible in the early mornings, when most killings occur

Soweto police spokesman Captain Joseph Ngobeni said random train searches were conducted in mornings and afternoons, but it was impossible to [illegible] every train.

"We are doing our best to curb violence on trains, but we also need the co-operation of the public People need to stop provoking each other and change their attitudes before this senseless violence will stop"

Train boycott mooted

C/Press 15/3/92

By THEMBA KHUMALO

(269)

AZAPO has threatened to start a massive train boycott unless Spoornet takes drastic measures to curb the violence on trains.

By Friday the death toll stood at 25 and more than 100 injured.

Lawyers for Human Rights has offered a reward of R10 000 for information leading to the arrest of those involved in the attacks.

Germans expected for air services talks

B/Day 16/3/92

LINDEN BIRNS

(269)

GERMANY is sending a high-level Transport Department delegation to negotiate a bilateral air services agreement with the SA government.

No such agreement exists at present, and flights are operated in terms of a commercial agreement between Lufthansa and SAA Lufthansa spokesman Karin Lambson said the delegation was due to visit within the next few weeks, probably after SA Transport Minister Piet Welgemoed announces SA's new international civil aviation policy.

Germany is SA's number one trade partner and the conditions of a bilateral agreement could have a bearing on imports and exports.

If government approves a multi-designation arrangement — whereby airlines other than SAA and Lufthansa are given access to Germany-SA routes — then stiff competition can be expected between carriers vying for lucrative air freight contracts.

Lambson said passenger and freight traffic on the route had boomed since Germany lifted sanctions in January

She declined to say if or when the airline would press ahead with its announced intention to increase its five weekly flights to a daily service

She said the negotiations would focus on capacity and flight frequency distribution.

SAA and Lufthansa currently have an almost 50-50 split on the passenger market, but Lufthansa, through its subsidiary German Air Cargo, dominates the air freight market

Representatives from the Department of Transport, the Directorate of Civil Aviation, SAA and Lufthansa will attend the talks next month.

It is expected, however, that invitations will be extended to other interested parties, possibly including Flitestar and Lufthansa rival LTU

Germany readies for SA air pact

(269) CT 16/3/92

Own Correspondent

JOHANNESBURG. — Germany is sending a high-level Transport Department delegation to negotiate a bilateral air services agreement with the SA government.

No such agreement exists at present, and flights are operated in terms of a commercial agreement between Lufthansa and SAA. Lufthansa spokesman Karin Lambson said the delegation was due to visit within the next few weeks, probably after SA Transport Minister Piet Welgemoed announces SA's new international civil aviation policy.

Germany is SA's number one trade partner and the conditions of a bilateral agreement could have a bearing on imports and exports.

If government approves a multi-designation arrangement — whereby airlines other than SAA and Lufthansa are given access to Germany-SA routes — then stiff competition can be expected between carriers vying for lucrative air freight contracts.

Lambson said passenger and freight traffic on the route had boomed since Germany lifted sanctions in January.

SAA and Lufthansa currently have an almost 50-50 split on the passenger market, but Lufthansa, through its subsidiary German Air Cargo, dominates the air freight market.

Representatives from the Department of Transport, the Directorate of Civil Aviation, SAA and Lufthansa will attend the talks next month.

It is expected, however, that invitations will be extended to other interested parties, possibly including Flitestar and Lufthansa's rival German charter airline, LTU.

HOUSE OF ASSEMBLY

QUESTIONS

†Indicates translated version

For written reply

General Affairs

Total tonnage of cargo moved

119 Mr E W TRENT asked the Minister for Public Enterprises

(1) What was the total tonnage of cargo moved through the Port Elizabeth harbour during the latest specified calendar year or 12-month period for which figures are available,

(2) (a) what was the percentage use of container capacity in Port Elizabeth over this calendar year or 12-month period broken down into each month of that year or period and (b) how do these percentages compare with those in respect of Cape Town, Durban and Kaserne (Johannesburg)?

B309E

The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of TRANSNET LIMITED has furnished the following information in reply to the hon member's question

(1) 3 859 263 ton (1 February 1991-31 January 1992)

(2)

	(a) Port Elizabeth	(b) Cape Town	Durban	Kaserne
February 1991	25%	31%	62%	65%
March 1991	22%	36%	34%	68%
April 1991	30%	35%	67%	70%
May 1991	24%	23%	72%	65%
June 1991	26%	27%	71%	73%
July 1991	24%	30%	72%	65%
August 1991	24%	18%	64%	66%
September 1991	28%	22%	72%	68%
October 1991	26%	14%	65%	64%
November 1991	22%	23%	65%	66%
December 1991	24%	26%	63%	56%
January 1992	24%	24%	65%	62%

Portnet/Spoornet: revenue

120 Mr E W TRENT asked the Minister for Public Enterprises

(1) In respect of the latest specified financial year or 12-month period for which information is available, (a) what was the total revenue that accrued to Portnet and Spoornet from cargo moved through the Cape Town, Durban and Port Elizabeth harbours and Kaserne, (b) in what categories was this revenue accrued and (c) what percentage of this revenue accrued directly to Port Elizabeth,

(2) (a) what were the expenses (i) directly and (ii) indirectly involved in moving this tonnage and (b) in what categories were these expenses incurred?

B310E

The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of TRANSNET LIMITED has furnished the following information in reply to the hon member's question

		Portnet (1 April 1990-31 March 1991)	*Spoornet*
(1)	(a) Cape Town	R220.310 (m)	Particulars are not readily available and it will take much time and expenses to gather such information
	Durban	R859 942 (m)	
	Port Elizabeth	R124 499 (m)	
	Kaserne	Nil	
	(b)	Marine, Cargo handling and Ship repairs	
	(c)	10 3%	

(2) (a) (i) and (ii) and (b)

Particulars are not readily available and it will take much time and expenses to gather such information

Total tonnage of ore: Port Elizabeth harbour

125 Mr E W TRENT asked the Minister for Public Enterprises

(1) (a) What was the total tonnage of ore moved through the Port Elizabeth harbour during the latest specified calendar year or 12-month period for which figures are available and (b) how many jobs did the ore terminal create,

(2) (a) what was the total revenue that accrued to Portnet and Spoornet from these transactions, (b) in what categories was this revenue accrued and (c) what percentage of this revenue accrued directly to Port Elizabeth? B336E

The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of TRANSNET LIMITED has furnished the following information in reply to the hon member's question.

(1) (a) 1 796 734 ton (1 April 1990-31 March 1991)

(b) 150 (1 April 1990-31 March 1991)

(2)

	Portnet	*Spoornet*
(a)	R6 571 817 (1 April 1990-31 March 1991)	R81 000 000 (1 April 1990-31 March 1991)
(b)	Cargo handling	Rail traffic revenue
(c)	100%	Nil

Rail revenue allocation is based on the origin of the traffic In case of export traffic no rail revenue is accrued directly to Port Elizabeth

SADF: drug abuse

129 Mr L FUCHS asked the Minister of Defence

(1) Whether any Defence Force personnel and national servicemen were found to be drug abusers and drug addicts during the latest specified 12-month period for which information is available, if so, (a) what estimated number of persons was involved, (b) which drugs were most commonly used and (c) what were the sources of the drugs,

(2) (a) what steps are being taken to (i) treat and (ii) rehabilitate drug abusers and addicts in the Defence Force and (b) what results have been achieved,

(3) whether he will make a statement on the matter?

B330E

The MINISTER OF DEFENCE

(1) Yes, for the period 1 January 1990 to 31 December 1990

(a) 739

(b) Alcohol, Dagga and Mandrax

(c) Some drugs are obtained from legal trading Where illegal trading is suspected, it is referred to the SA Police for further investigation

(2) (a) (i) and (ii)

Preventative actions and programmes which emphasize the value of a healthy lifestyle, are presented A multi-professional team gives attention to the treatment of abusers Serious cases which require long term treatment, are referred to Government Institutions

(b) 717 persons were submitted to treatment within the SA Defence Force while 22 were admitted to Government Institutions

(3) No

Own Affairs

Model B schools: additional staff

30 Mr R M BURROWS asked the Minister of Education and Culture

(1) Whether he or his Department has agreed to supply additional staff, according to existing staffing quotas, to those schools which voted for Model B and whose 1992

cont - - >

Foreigners eye fourth Elfi issue

SHERIDAN CONNOLLY

TRANSNET will launch the fourth issue of its equity-linked fixed investment security, Elfi IV, on April 1 B/Day 17/3/92

Transnet treasury manager Johan Van Schoor said at a launch in Johannesburg last night the commencement of trade on the new Elfi issue would co-incide with the redemption date of the group's Elfi III issue on April 1

(269)

Although aimed at domestic investors, foreigners would be able to invest in Elfi through the finrand Van Schoor said Transnet recently met with potential foreign investors who were very interested in the issue, but reluctant to commit themselves before the referendum outcome.

Transnet first launched the Elfi stock in November 1986 and, since then, the company has raised R2,23bn from Elfi issues The Elfi instrument consists of a Bull and a Bear tranche with a positive and negative link to the JSE's all share index.

Transnet said the issued combination represented a fixed interest loan of determined life for Transnet "Because Transnet always endeavours to balance the two tranches, it has no capital risk, and the average coupon on the two tranches can be pitched below ruling interest rates to the effect that Elfi becomes a relatively inexpensive means of funding"

Whether, with reference to his reply to Question No 27 on 27 March 1990 and Question No 55 on 15 March 1991, any persons have been detained, arrested, charged and/or convicted in connection with the alleged murders of 16 persons, whose names have been furnished to the South African Police for the purpose of the Minister's reply, if not, why not, if so, (a) what are the names of the persons (i) detained, (ii) arrested, (iii) charged and/or (iv) convicted in connection with each of these alleged murders and (b) in respect of what date is this information furnished?

B332E

The MINISTER OF LAW AND ORDER

No, nobody has yet been charged or convicted for the alleged murders, because no evidence could be obtained to connect anybody with the cases

(a), (i), (ii) and (iv) Fall away

(b) 9 March 1992

Note

As a result of Mr Dirk Coetzee's confession regarding the murder on Griffiths Mxenge, a warrant for his arrest was issued The warrant of arrest was cancelled on 1 October 1991 by the Attorney-General of Natal Alfred Nofomela, who was condemned to death, also alleged that he was involved in the murder of Griffiths Mxenge The Attorney-General of Natal intended to institute charges against Nofomela, but the charge has been preliminary withdrawn Nofomela also appeared before the Harms Commission in connection with his and Dirk Coetzee's allegations The ruling of the Judge is common knowledge

Prostitution

135 Mr M J ELLIS asked the Minister of Law and Order

(1) How many women were arrested for prostitution during the course of 1991,

(2) whether these women were tested for sexually transmitted diseases, if not, why not; if so, how many of them were found to be HIV-positive?

B339E

The MINISTER OF LAW AND ORDER

(1) 2 061

(2) No, the South African Police has no authority to subject women to such tests

Investigation: Ibhayi Town Council/Municipal Police Force

142. Mr E W TRENT asked the Minister of Law and Order

(1) Whether, with reference to the reply to Question No 17 on 14 May 1991, the investigation into the affairs of the (a) Ibhayi Town Council and (b) Ibhayi Municipal Police Force has been completed, if not, (i) why not and (ii) when is it anticipated that it will be completed, if so, what are the findings,

(2) whether any interim reports have been received, if so, what are the relevant details,

(3) whether (a) any charges have been laid as a result of the above investigation and (b) any of those charged have appeared in court; if so, (i) (aa) what charges and (bb) against whom have they been laid and (ii) what are the names of those who have appeared in court,

(4) whether any of these persons have been convicted, if not, why not, if so, what are their names?

B355E

The MINISTER OF LAW AND ORDER

(1), (2), (3) and (4)

Because of the number of cases involved and the various stages of the investigation, it is not possible to answer the question point by point but rather as a whole

The investigation of the following cases has already been completed

New Brighton CR(A) 28/8/90 — fraud
New Brighton CR(A) 29/8/90 — fraud
New Brighton CR(A) 38/8/90 — corruption
New Brighton CR(A) 327/1/91 — fraud
New Brighton CR(A) 328/1/91 — fraud
New Brighton CR(A) 329/1/91 — fraud
New Brighton CR(A) 282/1/92 — extortion
New Brighton CR(A) 30/8/90 — fraud
New Brighton CR(A) 31/8/90 — fraud
New Brighton CR(A) 326/1/91 — fraud
Louis le Grange Square CR(A) 491/1/91 — fraud

(In my reply to Question No 17 on 14 May 1991 the case reference was given as Louis le Grange Square CR(A) 479/1/91)

The investigation of the cases Algoa Park CR(A) 5/9/88, New Brighton CR(A) 34/8/90 and New Brighton CR(A) 35/8/90—fraud—has been completed The Attorney-General declined to prosecute

Regarding the cases New Brighton CR(A) 279/3/88—corruption against the Town Council and New Brighton CR(A) 36/8/90—corruption against an employee of the Town Council, the investigation has not been completed

— The reason why the investigation has not been completed, is because the accounting records of the Town Council of Ibhayi is being audited by an auditing firm at present Their final report has not been submitted According to the auditing firm it will still be a considerable time before the audit is completed, as the books of Ibhayi were not kept up to date

— It is not possible to determine when the investigation of the two cases will be completed

The investigation of the following cases has not been finalized.

New Brighton CR(A) 324/2/92—fraud—goods obtained with false Town Council order forms

New Brighton CR(A) 438/2/92—fraud—tender documents forged

In order not to delay the police investigation, the relevant auditing firm has already submitted two interim reports which show alleged fraud and corruption, and the investigation is nearly completed

In the cases New Brighton CR(A) 28/8/90, 29/8/90, 38/8/90, 327/1/91, 328/1/91, 329/1/91 and 282/1/92 *supra* the accused have been charged

— They have already appeared in court However, the allegations against them were provisionally withdrawn on instructions from the Attorney-General

— The cases New Brighton CR(A) 30/8/90, 31/8/90, 326/1/91 and Louis le Grange Square CR(A) 491/1/91 *supra* is with the Attorney-General at present for his decision

In the following cases the accused have already been found guilty and sentenced

New Brighton CR(A) 32/8/90—the State versus Philda N Msimango—fraud

New Brighton CR(A) 33/8/90—the State versus Mxolix F Sosi—fraud

In the case Louis le Grange Square CR(A) 522/9/90 Jacobus Johannes Nieman was charged with corruption He was acquitted as the State could not prove corruption to the satisfaction of the court

Ore-berth, Port Elizabeth

143 Mr E W TRENT asked the Minister for Public Enterprises (269)

(1) (a) What is the capital investment of South African parastatal bodies in the ore-berth in Port Elizabeth Harbour and (b) in respect of what date is this information furnished,

(2) (a) what is the life-span of the mechanized system currently in use at this ore-berth, (b) when is it due for refitting and (c) how much will this refitting cost?

B356E

The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of TRANSNET LIMITED has furnished the following information in reply to the hon member's question

(1) (a) R21,9 million

(b) As on 11 February 1992

(2) (a) The remaining economic life-span is approximately 15 years

(b) Refitting/maintenance is done on a continuous basis

(c) Approximately R3 million is budgeted under operating expenditure for refitting/maintenance per year

Port Elizabeth Airport

144 Mr E W TRENT asked the Minister for Public Enterprises (269)

cont ---

In respect of the latest specified calendar year or 12-month period for which information is available, what was the (a) total number of (i) South African Airways, (ii) other commercial and (iii) private flights that landed at Port Elizabeth Airport, (b) capacity percentage of the above South African Airways flights, (c) total number of passengers (i) arriving at and (ii) departing from Port Elizabeth and (d) total weight of freight transported (i) to and (ii) from Port Elizabeth Airport? (269)

B357E

The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of TRANSNET LIMITED has furnished the following information in reply to the hon member's question

(a) (i) 6 550 (1 January 1991-31 December 1991)

(b) 66,55%

(a) (ii) and (iii), (c) (i) and (ii) and (d) (i) and (ii)

This information must be obtained from the Department of Transport

SAP: printing presses

156 Mr J VAN ECK asked the Minister of Law and Order

(1) Whether any branches and units of the South African Police have their own printing presses, if so, (a) which branches and/or units, (b) where are these printing presses located, (c) how many are there in total, (d) how many persons are employed to man these printing presses and (e) what categories of material are printed,

(2) whether any material printed on these presses is used for distribution amongst civilians, if so, what kind of material is distributed?

B382E

The MINISTER OF LAW AND ORDER

(1) Yes

(a) Division Logistics

(b) Pretoria

(c) One (1)

(d) 20 members

(e) (i) Internal material regarding the activities of the South African Police

(ii) Material for the improvement of the image of the South African Police

(iii) Material describing hints, programmes and notices aimed at crime prevention

(2) Yes

(i) As in paragraph (1) (e) (ii) and (iii)

SAP: National Peace Accord/code of conduct

157 Mr J VAN ECK asked the Minister of Law and Order

(1) Whether all members of all branches of the South African Police are required to sign the National Peace Accord code of conduct for the South African Police, if so, how many members (a) had signed and (b) still had to sign this code of conduct as at the latest specified date for which information is available,

(2) whether any members have refused to sign, if so, (a) how many and (b) what steps have been or are to be taken against these members,

(3) whether contraventions of the code of conduct by members of the South African Police will be dealt with in the same manner as misconduct in terms of the provisions of the Police Act, No 7 of 1958, if not, (a) why not and (b) in what manner will such contraventions be dealt with?

B383E

The MINISTER OF LAW AND ORDER

(1) Yes

(a) All members who served in the Force on 13 March 1992

(b) Falls away

(2) No

(a) and (b) Fall away

(3) Yes

(a) and (b) Fall away

Own Affairs

Rented houses: Port Elizabeth

42 Mr E W TRENT asked the Minister of Housing and Works

How many houses being rented in the Port Elizabeth metropole were owned by (a) the Government, (b) Port Elizabeth Municipality, (c) Uitenhage Municipality and (d) Despatch Municipality as at the latest specified date for which information is available?

B358E

The MINISTER OF HOUSING AND WORKS

On 29 February 1992 the following units being rented in the Port Elizabeth Metropole, were owned by

(a) *Government*

Houses — 209

Flats — 1 335

(b) *Municipality of Port Elizabeth*

Houses — 404

Flats — 535

(c) *Municipality of Uitenhage*

Houses — 26

Flats — 36

(d) *Municipality of Despatch*

Nil

Permanent/non-permanent housing units

43 Mr E W TRENT asked the Minister of Housing and Works

(a) What was the total number of (i) permanent and (ii) non-permanent housing units in the (aa) previously White area of Port Elizabeth Municipality, (bb) Port Elizabeth District, (cc) previously White area of Despatch Municipality, (dd) previously White area of Uitenhage Municipality and (ee) Uitenhage District as at 31 December 1991 and (b) what is the estimated number of persons per housing unit as at the above date?

B359E

The MINISTER OF HOUSING AND WORKS

I regret that I am unable to supply the required information due to the fact that my Department does not keep the relevant statistics, and the local authorities concerned also indicated that they are unable to supply the necessary information

pleted according to the initial planning

(ii) (aa) Falls away,

(bb) It is expected that the project will be finalized during the second half of 1993

Number of persons sentenced to community service

*6 Mr A J LEON asked the Minister of Justice

How many persons were sentenced to community service during the 1991 calendar year?

B380E

The MINISTER OF JUSTICE

755

Relocation of ore-terminal: PE

*7 Mr E W TRENT asked the Minister for Public Enterprises (269)

(a) What is the estimated cost of relocating the Port Elizabeth ore-terminal to another convenient site and (b) in respect of what date is this estimate furnished?

B381E

The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of TRANSNET LIMITED replied as follows to the hon member's question

(a) The relocation of the existing ore loading facility (equipment, etc) to another site within the Port Elizabeth environment has not been considered The cost of such a move has also not been determined

The moving of the facility to Saldanha Bay has been considered and the estimated cost to provide additional facilities is approximately R135 million which does not make the project economically viable

(b) The estimate with regard to the shifting to Saldanha is at 1990/91 cost levels

Cango Caves: concerts/moss

*8 Mr J VAN ECK asked the Minister of National Education

(1) (a) On what date was the first concert held inside the largest chamber of the Cango Caves and (b) (i) how many persons had attended concerts in this chamber, and (ii) how many persons (excluding concert-goers) had visited the Cango Caves, from the date of the first such concert up to 31 December 1991

(2) whether any unusual growth of moss has been noticed in the Cango Caves, if so,

(3) whether any steps have been taken to establish the cause of this growth of moss, if not, why not, if so, with what result?

B385E

The MINISTER OF NATIONAL EDUCATION

In terms of the Cango Caves Ordinance, 1971 (Ordinance 5 of 1971) the Cango Caves fall under the jurisdiction of the Oudtshoorn Municipality According to the Municipality the replies to the questions are as follows

(1) (a) 1964

(b) (i) 15 000

(ii) 4 471 806

(2) No

(3) Falls away

INTERPELLATION

The sign * indicates a translation The sign †, used subsequently in the same interpellation, indicates the original language

Own Affairs

Schools: restricting admissions

Mr R M BURROWS asked the Minister of Education and Culture

(1) Whether he intends to prevent schools in his Department from restricting admissions on a racial basis, if not, why not,

(2) whether he will make a statement on the matter?

B344E INT

The MINISTER OF EDUCATION AND CULTURE Mr Chairman, in his address at the opening of Parliament on 1 February 1991 the hon the State President said the following (Hansard, col 15)

If we wish to create a future South Africa without discrimination and with equality of opportunity, this will have to be true of education as well However, distinctive or autogenous education, conducted with Government assistance within a single system for those who desire it, has to remain an option

That is how we see the future and that is what we are working for Our efforts will undoubtedly be given tremendous momentum by the outcome of yesterday's referendum

In regard to this process the hon the State President also said that the present educational system shall and must be changed

Work on this is being done on the political and educational levels In the meantime education has to continue in an orderly manner At this point in time the admission of pupils is still regulated by the present Constitution I am referring to section 14 and paragraph 2 of Schedule 1 to the Republic of South Africa Constitution Act, in which it is stated that education at all levels is the own affair of a population group

Since the present Constitution and provisions referred to are still valid, admission according to population group is legally still possible I have no authority to prevent schools from applying the provisions of the Constitution of the country The reply to the hon member for Pinetown's question is therefore as follows Firstly, no, because I have no authority to do so, and secondly, no

Mr R M BURROWS Mr Chairman, I am pleased that the hon the Minister referred to the historic referendum of yesterday and the overwhelming landslide vote for reform I would also like to mention the hon the State President's speech at 15 00 today in which he made reference to the historic turning point and the getting rid of apartheid that this referendum signified [Interjections] It is on precisely that point that the hon the Minister sticks Apartheid is like pregnancy, in that one cannot be half pregnant One is either pregnant or not pregnant One either has apartheid or one has no apartheid [Interjections] If one is going to have closed schools, one still has apartheid [Interjections] The key question—and this is true for all of those hon members—that they are going to have to address is whether their schools are open or closed, not whether they received a Yes or a No [Interjections] If own affairs is to go and to go soon, as we understand, then it is perfectly possible that section 14 and Schedule 1 of the Republic of South Africa Constitution Act will disappear, and we will be very pleased [Interjections] However, it still remains a possibility that schools could apply racial restrictions on admission One must draw attention to the reasons why they should not, and in this respect I would like to refer to the Interim Report on Group and Human Rights of the SA Law Commission, in which the following quote from the De Lange Report of 1983 appears

However, differentiation also rests purely on the basis of race or colour, which cannot be regarded as relevant for inequality of treatment

Then they go on to propose a new draft article 10 for a bill of human rights for South Africa which would contain the following clause

Everyone has the right to freedom of choice with regard to the available public educational and training institutions and fields of study Provided that—

(c) no state school or state-aided school or institution for education and training shall refuse to admit a pupil or student merely on the ground of his or her race, colour, religion or ethnic origin,

Less than three weeks ago the hon the Minister of Justice said that this country should get an interim bill of rights in the near future I am now asking the hon the Minister of Education and Culture to commit himself to what the interim bill of rights may say and to state categorically that it is the policy of the NP that no State school or State-funded institution should be able to refuse racial admission restrictions That is the keypoint The hon the Minister should commit himself to a goal, he should commit himself to getting rid of apartheid and to promoting open schools Today is the perfect day to do so He has 68% of the country behind him to do so [Time expired]

*Mr A GERBER Mr Chairman, the hon member for Pinetown raised a very important matter this afternoon on which we want a clear and unequivocal reply from the hon the Minister Up to now we have accepted that what the Government had in mind was a new education system in which race would play no role regarding admission to schools However, it was also accepted at the same time that the present traditional admis-

cont ... 1>

French may finance rail system

B/Day 18/3/92 (269)

STEPHANE BOTHMA

A FRENCH bank has in principle accepted a proposal to facilitate the R1bn in financing required for a proposed light rail system for Johannesburg.

Merchant bankers Edmond de Rothschild of Paris accepted an initial proposal and feasibility study by Johannesburg-based consulting engineer BKS Inc for an inner city distribution system designed to alleviate the city's transport problems.

The bank accepted the proposal on condition that Matra, France's biggest manufacturer of transport systems, was involved in the project, Rothschild's local representative Johan Erasmus said yesterday.

"This is the type of transaction Rothschild would like to be involved in, subject to normal banking practices," he said

He said the bank had looked at the initial feasibility study put forward by BKS, and would now like to go into the next phase of the proposal.

Erasmus stressed that Rothschild's involvement should be seen as a French credit export and not as an investment in SA. The bank's involvement was merely to facilitate financing of the project

BKS transport engineer Riaan Perold said his company had discussed the proposed scheme — an automated guideway "Val" system — with the Johannesburg City Council and intended to be consultants to a consortium which would submit a tender to the council later this year when tenders were called for.

Perold said their system was not an alternative to that of the council, but was a system that could pay largely for itself as a starter for the city's masstram system.

Some subsidising may be required.

The Matra system proposed by BKS, which would use rubber wheels and as a result would be quieter, would cover the entire CBD including Hillbrow, Braamfontein and as far as Farraday and Westgate.

The system will be used 18 hours a day with a train every minute.

One train, which consists of four coaches, can transport 330 people a minute, translating into about five buses or 22 minibus taxis a minute.

Taxis and buses would transport people from the townships and suburbs to various stations around the city and from there the automated guideway system will transport passengers into the CBD.

R1,2bn for bus, rail subsidies

B/Day 19/3/93 (269)

Political Staff

CAPE TOWN — Government subsidies for bus and train passengers will total R1,205bn during the 1992/1993 financial year.

Although the provision under the Transport vote is nearly double the R695,5m provided in the last financial year, R559,9m for rail commuter services has been included under this vote for the first time.

The subsidies for buses are to go down slightly from R645m to R641,5m.

The government has said in the past that it wanted to phase out the subsidies.

Weapons banned on trains and at stations

(269)

B/Day 20/3/92

WILSON ZWANE

LAW and Order Minister Hernus Kriel has prohibited the carrying of "dangerous weapons" on trains and at railway stations.

The announcement came amid a spate of attacks on Reef trains and stations yesterday and on Wednesday, and after repeated calls from various organisations for such a ban.

Police spokesman Capt Burger van Rooyen said in a statement yesterday the prohibition would be published in the Government Gazette on Monday and be enforced immediately

In terms of the prohibition it was an offence to "take any firearm or dangerous weapon on to the premises of the SA Rail Commuter Corporation, except when permission has been obtained", he said

"The SAP will do everything within its power to enforce the prohibition and an appeal is made to every person who makes use of the trains to co-operate with the police," he said

Meanwhile yesterday, six people were injured when they were tossed from a train between Johannesburg and Braamfontein stations, police said.

In another incident, three men were seriously injured when they jumped out of a moving train to escape attackers.

At Jeppe Station, a man was attacked and thrown off a moving train He sustained head injuries

A body was found at Longdale Station near Soweto, and a man was injured on a train at George Goch Station by a group of people

Police spokesman Lt-Col Tienie Halgryn said six people were injured — one seriously — when a handgrenade exploded at Meadowlands taxi rank, Soweto, early yesterday.

It could not be established whether the grenade was flung from a moving vehicle

Halgryn said police were investigating the incident.

Sapa reports that a man was killed and four others were wounded when they were attacked yesterday at Mzimhlope by a group of men armed with pangas

At Meadowlands, police found the body of a man who had apparently burned to death The body of a man who was shot was found in Zola A man was arrested at Merafe station after a handgrenade was found in his possession.

The body of a man who had been shot was found in Alexandra, police said An ANC Alexandra official said the man was killed in the township's 5th Avenue

Organisations in Alexandra, including the ANC, Azapo, PAC, church and civic bodies, have called for a stayaway and a march next week to protest against violence which has raged in the township since March 7

The ANC official said the residents would march to the town council's offices and police station, where they would hand over a memorandum demanding closure of the Madala Hostel and increased policing in the township.

Alexandra residents were continuing to evacuate their homes and seek refuge at the council's offices and at the local community centre

The ANC official said about 1 000 people had left their homes since the violence began "The people are being forced out by Inkatha supporters at Madala Hostel," he said

Inkatha Alexandra chairman Simon Nxumalo could not be reached for comment yesterday evening, but has said that although his organisation was committed to peace, unruly elements were looting residents' property

Cops ban carrying of lethal weapons

Sowetan 20/3/92

POLICE yesterday announced a blanket ban on carrying of all dangerous weapons at stations and on trains.

In an unprecedented move, Minister of Law and Order Mr Hernus Kriel also announced that toll-free phone numbers had been made available so that commuters could report crimes without any cost to themselves

He said the prohibition "on the possession of all firearms and dangerous weapons on the premises of the Rail Commuter Corporation" would be published in the *Government Gazette* on Monday.

He said the police would do everything in their power to enforce this prohibition

The announcement came as violence on suburban trains continues.

Yesterday a man was killed and at least 13 others injured in train violence in Johannesburg

In one of the incidents, seven people were injured during a scuffle between Xhosa and Zulu-speaking commuters between Braamfontein and Johannesburg stations about 8am yesterday

Police said witnesses claimed that the men had boarded a train at Longdale Station

The Zulus allegedly demanded to search the Xhosas for weapons

A scuffle broke out and police said a Zulu man pulled out a gun and fired at the Xhosas.

"In the mayhem that followed, men and a woman jumped from the train," a police spokesman said

In a separate attack, a man was hacked to death and his body dumped at Longdale Station. Three were injured near George Goch stations

SAA to resume flights to Angola

(269)

CT 20/3/92

LUANDA. — South African Airways will resume flights to Luanda on April 6 after a 17-year break, Angola's state-run daily Journal de Angola reported on Wednesday

It quoted an SAA official in Johannesburg as saying regular flights between Johannesburg and Luanda would be shared between SAA and the Angolan state airline TAAG

Direct flights between the two countries were suspended in 1974 after an SAA aircraft was fired at on the ground at Luanda Airport, during the period of transitional government following Portugal's decision to leave its African colonies.

South Africa and Angola agreed to open interest offices in each other's capitals — Reuter

Big cut in CPA roads budget

(269)

CT 20/3/92

THE Cape Provincial Administration roads budget has been slashed by nearly R54 million, with construction and maintenance taking the biggest cuts as the government moves to economise.

An explanatory memorandum to the budget tabled in Parliament says that R23,67m less will be spent on the resealing of roads and R13,38m on constructing regional roads by RSCs

A further R12,1 million will be saved because fewer road contracts are to be awarded to private contractors

The memorandum states that the cuts result from "compulsory economic measures"

An extra R8,1m will given to RSCs for essential maintenance to main, divisional and minor roads, and an extra R3,5 million for more surveys and investigations and traffic counts.

Nearly R2 million more is to be given to municipalities for road building and maintenance, while an extra R1,3 million is earmarked for expansion of the provincial traffic force

Flitestar wants to set course for East

LINDEN BIRNS

FLITESTAR has proposed fares of R2 000 return for its envisaged flights to India and the United Arab Emirates.

The fares were published in a recent Government Gazette as part of the airline's application to have the scope of its operating licence widened to include international routes (269)

A delegation from the airline, which only began domestic operations last October, visited India and several Arab states last month There they held discussions with civil aviation authorities on the possibility of inaugurating flights between those countries and SA. B/Day 24/3/92

If the application is approved, Flitestar would be allowed to start non-scheduled, weekend flights to Bombay, Delhi, Bahrain, Abu Dhabi and Dubai.

Flitestar MD Jan Blake said in a recent interview that initially the airline would operate these flights on a non-scheduled basis, but that once sufficient demand had been built up, it would apply for a scheduled licence on the routes.

He said the airline would use on the routes its 135-seater Airbus A320s, as they were underutilised at weekends This would necessitate a refuelling stop in either Kenya or the Seychelles

SAA and Air India are known to be having talks aimed at establishing a scheduled service between SA and India.

Virgin has still not got official SA go-ahead

LINDEN BIRNS (269)

VIRGIN Atlantic airline owner and chairman Richard Branson has not been given Transport Minister Piet Welgemoed's full approval to start flights in October, nor has any formal agreement been reached regarding the allocation of landing slots.

Transport officials confirmed last night that the Minister "definitely did not give his signature or stamp of approval to anything he discussed with Mr Branson".

Yesterday afternoon Branson said his airline had been given the Minister's go-ahead to offer five direct flights a week between the UK and SA and that it would inaugurate its new service in October.

Branson and Welgemoed met in Cape Town to discuss Virgin Atlantic's envisaged operation on the UK-SA route

If Welgemoed had given his seal of approval, he would have pre-empted the next round of negotiations between the UK and SA governments, British Airways, Virgin and SAA, which concern the drafting of a new bilateral air services agreement.

Welgemoed would also have pre-empted the publication of SA's new international civil aviation policy, which he is expected to announce next Wednesday

Transport director-general Skippie Scheepers said Welgemoed could not, and did not, grant Virgin final approval, but that the licensing committee would not be averse to considering Virgin's application

He said his department did not want to give the impression that it was repudiating Branson's statements, but the Minister could not pre-empt the committee

On Monday Branson said he was looking for an SA partner to take a 25% share in his airline, and that he would invest also in a hotel chain, music and book retail outlets and a model agency in SA.

He warned that if Virgin Atlantic was not given an adequate number of landing slots in SA, he would take his investment proposals and capital elsewhere.

Virgin Atlantic's ultimate plan is for daily flights on the UK-SA route. Should it be allocated slots, this would end the 50-year-old bilateral air services agreement

□ To Page 2

Virgin

B/Day 25/3/92 (269)

□ From Page 1

between the UK and SA enshrining BA's and SAA's monopoly of scheduled flights.

Talks last month between the two governments and three airlines — BA, SAA and Virgin — were postponed until April, after deadlock was reached over the allocation of landing slots

BA Southern Africa GM Malcolm Freeman said that Branson's plans and any decision by Welgemoed would be subject to negotiation and finalisation of the new bilateral agreement

On Monday, Branson said if Virgin was not awarded seven slots, he would apply to the UK's Civil Aviation Authority to strip BA of three of its 10 weekly flights and award them to Virgin

Branson recently used similar tactics against BA in his bid to increase landing slots at Tokyo's Narita Airport, but eventually had to settle on a compromise arrangement after BA successfully appealed against the CAA's initial approval of Virgin's application

Freeman said Branson's threat was a legitimate one, but that BA would "vigorously defend" any such application to the CAA He said that while welcoming competition, BA would continue to offer market-related fares on the route.

During recent weeks Branson has steadily increased his discount promises, from 20% to 60% by yesterday

SAA spokesman Zelda Roux declined to comment until an official statement was released by Welgemoed

Tollgate sells Tramway Holdings

ARG 25/3/92

Business Staff (269)

INVESTMENT holding company Tollgate has sold Tramway Holdings to a consortium of South African investors for an undisclosed sum

Tollgate directors said the sale would have a positive effect on the group's gearing ratios and earnings.

The group has also decided to delay the publication of its final results for the year to end December in order to incorporate the financial effects of the sale of Tramways

According to a financial notice today, the consortium of investors bought Tramway's operations, tradenames and transportation licences with the effect from April 1.

Tramway's properties would also be sold in a seperate but related transaction

The consortium, controlled by Tramway's existing management under the chairmanship of Nic Cronje, will change Tramway's operating name to "Golden Arrow Bus Services".

Tramway's current operations comprise the commuter bus service of City Tramways in the Cape Town metropolitan area, Boland Passenger Transport and Southern Cape Passenger Transport.

■ A return to taxpaying status for **Kanhym** prevented it from turning a sound performance at operating level into an equally sound performance at attributable level.

Turnover for the group rose eight percent to R534,9 million in he half-year to February

Operating income, despite tough conditions caused by the drought and declining consumer expenditure, rose 24 percent to R29,1 million. But after a finance charge of R6,11 million (R5,9 million) it stood at R23,02 million.

Executive chairman Dirk Jacobs said yesterday that with some assessed tax losses still not yet fully utilised, no tax had actually been due in the first half of the financial year.

Kanhym, however, had deemed it prudent to make provision for tax at a rate of 20 percent (R4,666 million) — the estimated average for the whole year.

This left earnings attributable to ordinary shareholders up five percent at R18,3 million, or 33,4c per share The dividend has been left unchanged at 10c.

■ **Transvaal Clothing Industries** continued its recovery for the the first half of the year ended December 31, 1991, pushing turnover up by 29 percent to R26,5 million compared to the previous year

Continuing the recovery which began in the second half of 1990, the group achieved earnings of one cent per share for the six months, up from a low base of 0,4c in the previous interim period.

Operating profit improved by 30 percent to R1,1 million.

Toll road triumph celebrated

SHARKEY ISAACS
Transport Reporter

(269) ARG 25/3/92

THE millionth truck through the Huguenot Tunnel was proof of the success of the toll road system, Minister of Transport Dr Piet Welgemoed said at the fourth anniversary of the opening of the R180 million tunnel.

He said the curved tunnel between Paarl and Worcester through the Klein Drakenstein Mountains was one of the greatest civil engineering feats in the history of road construction in South Africa and he praised the ingenuity of the engineers.

The tunnel had seen a saving of R55 million in fuel.

More than 10 million kilometres had been clocked up by heavy vehicles since the tunnel opened on March 18, 1988

Dr Welgemoed said the 4 km tunnel had had an impact on road safety.

There was an average of 125 collisions every year in Dutoitskloof Pass before the tunnel opened and three years later the figure had dropped to 41.

Tollgate sheds City Tramways

(269) CT 25/3/92

TOLLGATE's City Tramways Limited has been taken over by Golden Arrow Bus Services

Tramways spokesman Bob Krause said last night the change in ownership would have "absolutely no effect" on the commuter service and operations would continue as normal

Golden Arrow is controlled by the existing management of City Tramways under the chairmanship of Nic Cronje.

An announcement from Tollgate says the sale of Tramway — involving just under 1 000 buses — is effective from April 1. Properties occupied by Tramways will also be sold in a separate transaction.

The sales would positively affect Tollgate's gearing and earnings, the announcement said, and as a result the publication of Tollgate's annual results had been delayed.

Details of the amounts involved had not been published because the transactions had not yet been finalised, a company spokesman said yesterday

Tramway's operations consist of commuter bus services City Tramways, which operates in Cape Town, Boland Passenger Transport in Paarl, Hottentots Holland and Malmesbury areas and Southern Cape Transport in the Mossel Bay area.

Tollgate sold its Transvaal commuter bus operations early in 1990 and its Port Elizabeth commuter operations in December 1990 Its remaining bus services are Greyhound Citiliner, which specialises in long distance travel, and tourist transport operator Springbok Atlas. — Staff Reporter and Own Correspondent

Boycott the trains - PAC

(269)

By KENOSI MODISANE

THE Pan Africanist Congress yesterday called for a boycott of trains and a one-day stayaway to protest against the killings of commuters on Reef trains.

The organisation also called for the establishment of an independent international commission of inquiry to investigate the killings.

So far more than 300 people have been killed in violent attacks on trains, which intensified after the announcement of the whites-only referendum on February 20 Sowetan 25/3/92

Speaking at a Press conference in Johannesburg yesterday, Mr Ntsundeni Madzunya, chairman of the committee preparing for the campaign, said the PAC had still to contact other liberation movements

He said international organisations such as the Organisation of African Unity (OAU) and the United Nations would be asked to set up independent commissions of inquiry into the attacks

"The call for such a campaign was in fact made by our president, Mr Clarence Makwetu, last year. And all we are doing is bringing it into effect," Madzunya said.

In another statement released yesterday, the organisation said it would revive talks with the African National Congress on the Patriotic Front formed last year

Rail horror: man held

A THIRD man was arrested yesterday morning for his alleged involvement in last Thursday's train attack in which 10 people were injured, the public relations division of the SA Police said yesterday

The 25-year-old man was arrested at his place of work in Johannesburg

Two men were arrested on Monday.

The three were expected to appear in court late yesterday

Meanwhile, police yesterday arrested six men linked to murders, kidnappings and robberies in the East Rand townships of Katlehong and Tokoza.

Police said yesterday they had tracked down a suspect after a tip-off and his arrest led to five more men being rounded up

Police seized guns and stolen property - *Sapa.*

BAe opens office in SA

LINDEN BIRNS (269)

BRITISH Aerospace (BAe) has opened a permanent southern Africa office in Johannesburg, allowing the company to strengthen its ties with potential airliner and corporate jet customers in the region.

Initially the office will concentrate on corporate and regional commercial jet sales.

BAe plc's other business interests include military aircraft, satellite communications, specialised electronics, armaments, the Rover motor vehicle company and business property development. B/Day 26/3/92

Regional director Bill Jones yesterday said it was impossible to predict whether BAe would eventually use its regional office to promote these other interests.

The company has spent the last four years consolidating its position in Africa.

Next week BAe will be demonstrating its latest corporate jet, the BAe 125-1000, at the Aviation Africa '92 aerospace trade fair at Jan Smuts Airport.

It is believed that Anglovaal chairman Basil Hersov ordered one of these $15m jets before the aircraft prototype had been fully certified.

Flitestar's Mombasa bid reviewed

LINDEN BIRNS

THE National Transport Committee (NTC) is expected this morning to review an application by Flitestar for charter flights between Johannesburg and the Kenyan coastal city, Mombasa

Once the NTC has heard Flitestar's application, it will probably adjourn for several weeks before making a final decision on which carrier — SAA, Flitestar or Air Supply — it will award the route licence to B/Day 26/3/92.

Air Supply first applied last year to start charter flights on the route, but the NTC upheld an objection lodged by SAA on the grounds that charters would be uneconomical and would threaten SAA's revenue on the Johannesburg-Nairobi route.

Shortly after the NTC made its initial decision, Flitestar lodged its own application for a charter service on the Mombasa route. SAA repeated its objection, but because Air Supply submitted a second application for the same service, the NTC announced in January it would delay its decision (269)

Since January, SAA has lodged its own application for scheduled flights to Mombasa and has added a second weekly flight to Nairobi.

SAA spokesman Leon Els recently said the airline planned to have one of its weekly Kenya flights land in Mombasa en route to and from Nairobi

An Air Supply spokesman said yesterday the company would not lodge any objections against Flitestar's application

It is unlikely that the NTC will make a final decision before Transport Minister Piet Welgemoed announces SA's new international civil aviation policy, which observers expect will liberalise the market from SAA domination.

Branson discusses SA deals for Virgin with Kerzner and Hawton

B/Day 26/3/92

LINDEN BIRNS and SYLVIA DU PLESSIS

BRITISH tycoon Richard Branson has held talks with hotel magnate Sol Kerzner and Safren deputy chairman and CE Buddy Hawton concerning possible co-operation on several issues, including the £55m sale of a 20%-25% holding in Virgin Atlantic airline.

Hawton, whose company has diversified interests in leisure, transport and insurance, said the talks focused on areas of "possible opportunity and co-operation" and were not limited to Branson's airline.

The three men met at Jan Smuts Airport on Tuesday evening shortly before Branson returned to London

Hawton indicated that Safren, through its interests in Flitestar, Safair, Rennies Travel, Sun International, Interleisure, Ster-Kinekor and numerous other companies, presented an attractive partner to Branson's Virgin Group

Kerzner was involved in the talks from the Sun City point of view, since there was the possibility of providing package tours linked to Sun International tourist destinations, Hawton said.

Mo Foster, a spokesman for the Virgin group of companies, confirmed that talks had taken place concerning the possible sale of a 20% holding in Virgin Atlantic.

Branson said on Monday he was interested in expanding his broadcast, film, video and music distribution interests. Hawton said talks between Virgin at the Interleisure level were also taking place and centred on the video business Safren, through Kersaf, has a 76% stake in Ster-Kinekor, Interleisure and television production facility Toron.

Hawton said Safren would like to learn more about Branson's company before entertaining ideas of taking a direct stake.

Apart from talks with Safren and Kersaf, Branson has also met Allied Bank MD Bob Aldworth, and according to sources, is involved in negotiations with Future Bank

Involvement with Safren presents several opportunities in the travel and leisure industry for Virgin Holdings, the ultimate owner of Virgin Atlantic

Safren, through Safmarine, owns Safair Freighters and has a 37,5% stake in Trek Airways, which trades as Luxavia and Flitestar Virgin and Safair have extensive interests in air freight and are active in the aircraft maintenance industry

The UK-based airline has already asked Safair if it would be prepared to service its Boeing 747s at Jan Smuts Airport and handle freight carried on those aircraft

Safair's human resources and administrative services GM Eric Visser said yesterday that irrespective of talks between Safren and Branson, Safair would be interested in co-operating with Virgin in terms of cargo capacity on their aircraft and other services

Through Safren's 75% stake in Rennies Travel, Virgin would enjoy greater exposure on the local travel market for its air-

☐ To Page 2

Virgin

B/Day 26/3/92

☐ From Page 1

line, hotel and holiday packages.

Co-operation between another subsidiary, Virgin Mailing and Distribution, and Safren's other air, land and marine freight subsidiaries could provide Branson with the infrastructure he needs if he is to set up Virgin Megastore retail outlets in SA.

☐ CHRIS BATEMAN reports from London

that British transport department spokesman Paul McKie said yesterday Virgin's cut-price air route to SA was "anything but sewn up", and depended on the outcome of the SA government's air policy review and negotiations between competitors He was responding to claims by Branson that SA Transport Minister Piet Welgemoed had given him the go-ahead

rose rose 9,2 percent to R11,7 billion.

Net income rose 16,9 percent to R988 million

Sales to mining dropped five percent, while those to traction dropped 6,9 percent But sales to industrial and rural users 2,49

Eskom had been able to achieve a higher-than-budgeted net income

Non-payment of electricity bills by certain local authorities remained problematical But Dr Maree was hopeful that solu-

Zimbabwe, and was also investigating the feasibility of a second power station at Cahora Bassa

Some money had been obtained for the rehabilitation of the line from Cahora Bassa to South Africa.

STAR 26/3/92

Safren denies it will take stake in Virgin

By Derek Tommey (269)

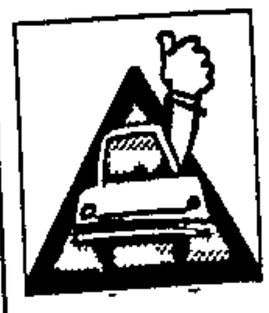
Safren had no plans to take an equity stake in Richard Branson's Virgin airline, said Safren's chief executive, Mr Buddy Hawton, last night.

He was commenting on a report in a British newspaper yesterday that Safren, the country's 12th biggest commercial group, could end up taking up to a 20 percent holding in Virgin at a cost of £55 million (R275 million).

Mr Hawton said the proposal was new to him. He had held discussions with Mr Branson about ways Safren could work with Virgin. But at no time had the possibility of Safren taking an equity stake in Virgin been discussed.

Talks about how the two groups could co-operate were still in the exploratory stage. But there were a number of areas where opportunities for co-operation existed.

FliteStar, in which Safren had a 37,5 percent stake, and Trek could also co-operate with Virgin.



Drive alive!

Insurance scheme for commuters

269

STAR 26/3/92.

An insurance policy scheme aimed at protecting road and rail commuters in the event of death or disability in accidents or violence was launched in Johannesburg yesterday

Robin Pogir, a director of the company behind the Safe Journey Commuter Policy, says it is aimed mainly at black commuters, but whites who travel by bus, taxi, aeroplane or train also qualify.

The policy covers any fare-paying commuter for a fixed amount, payable in cash, to his/her nominated beneficiary in the event of the policy holder being killed or permanently disabled while commuting.

It costs R50 a year, is paid in full on issue and provides cover of R10 000

Individuals may purchase up to 10 policies and increase the cover to a maximum of R100 000.

Children over the age of five and under 16 qualify for the policy, but are only eligible to R5 000 life cover, irrespective of the number of policies bought.

Disability cover for children will increase from R10 000 to a maximum of R100 000, depending on the number of policies purchased.

The riots and strikes limitation clause has been removed from the provisions of the scheme, Mr Pogir says, adding that the policy has been undersigned by certain underwriters at Lloyd's of London.

Transport 'collapsing'

(269) CT 26/3/92

By PETER DENNEHY

THE public transport system in Cape Town is collapsing, transport planner Mr Paul Mann told the taxi war committee of the Goldstone Commission yesterday

He said that major problems were being experienced in the taxi, bus and rail industries, and there was a rapid increase in congestion on the roads.

"At the heart of the problem has been inadequate understanding of metropolitan transport problems," said Mr Mann, who has spent over a year drawing up a 16-part transport study for the Cape Town City Council

"The powers that are available to deal with the situation are divided between a plethora of different departments"

He advocated that there should be a single political body at metropolitan level with full power to decide on transport policy, and that no taxi permits should be issued until this had been achieved.

Mr Mann quoted a survey in which 83% of commuter respondents said they were unhappy with overcrowding of taxis, and 73% with the way they were driven

His ideal system would be one in which private operators provided taxi, bus and rail transport in parameters laid down by the authority

PAC to meet rail company over violence

(269)

Sowetan 26/3/92

By JOSHUA RABOROKO

A HIGH-LEVEL delegation of the Pan Africanist Congress is to meet officials of the South African Rail Commuter Corporation in Johannesburg today to discuss the ongoing violence on trains.

PAC deputy president Mr Dikgang Moseneke said the meeting would take place at the request of his movement and would focus on violence and steps taken by the corporation.

The meeting would also discuss possible steps the organisation could take to ensure the safety of commuters on the trains

SAA, Flitestar hearing postponed

(269)

LINDEN BIRNS

THE National Transport Commission yesterday postponed its hearing on Flitestar's application for permission to begin charter operations between Johannesburg and Mombasa.

Commission chairman Japie Smit adjourned the hearing after SAA's counsel J J Reynecke told the hearing he was not adequately prepared for Flitestar's motivating arguments. B/Day 27/3/92

The issue marks the first challenge by local competitors to SAA's dominance in operating flights to African destinations.

Three airlines, Air Supply, Flitestar and SAA have applied for permission to start flights between Johannesburg and Mombasa. Air Supply did not oppose Flitestar's application at yesterday's third round of the hearing.

During the hearing it was learnt that SAA had reversed its intention to offer flights to Mombasa in the short-term. SAA recently acquired permission to offer a second weekly flight between Johannesburg and Nairobi.

Counsel for Flitestar Nic Maritz told the commission in terms of the interim international civil aviation policy, the airline only had to prove that it could offer a safe and reliable service on the route, and that the envisaged service would not "overlap uneconomically" with any existing scheduled service on the route.

Reynecke argued that the interim policy regulations were not applicable, and that Flitestar's proposals constituted a scheduled and not a non-scheduled service.

Arguing that Flitestar had misled SAA and the commission, he appealed, unsuccessfully, to the chairman to "kill mercifully" Flitestar's application.

Flitestar's witness, Unisa business economics lecturer Berendien Lubbe, presented a study the airline had commissioned her to undertake.

SAA stood to lose about 5% of its traffic on its twice weekly Johannesburg to Nairobi flights if Flitestar was allowed to set up a charter service to Mombasa, she said.

"A 5% reduction in profits doesn't equal an overall loss on SAA's service, and shouldn't be allowed to hinder proper competition," said Maritz.

For this reason, SAA could not claim that a charter service to Mombasa would overlap uneconomically with its scheduled service, she added.

The NTC will reconvene the hearing on May 8.

Air show is SA's window of opportunity

B/Day 27/3/92

AVIATION Africa '92 can help SA regain its credibility to the extent that countries still imposing an arms embargo on Pretoria will be forced to reconsider if they do not want to miss out on golden opportunities

SA is in the market for new air force trainers and it also wants foreign markets for its military aircraft, such as the Rooivalk combat support helicopter.

In the long term, it is going to need new jet fighters, even though the chief of the SA Air Force has said it reallyneeds stand-off "smart" weapons systems.

Since the arms embargo was imposed, the SAAF has had to rely on home-grown aircraft refurbishment programmes, and recent defence budget cuts forced it to mothball or sell aircraft not urgently required.

Some SAAF aircraft, such as the Harvard trainers, have almost outlived their economically useful lifespans. These planes, which date back to the Second World War, were forced to remain in service because the SAAF was not allowed to buy more efficient and cheaper-to-run modern trainers

269

In 1990, the then chief of the SAAF Lieutenant-General Jan van Loggerenberg announced the Harvards would be replaced from 1995 and called for a modern turbo-prop trainer. Several foreign firms have presented potential replacements.

Last year, the Council for Scientific and Industrial Research (CSIR) unveiled a two-seater trainer designed to meet all the SAAF's requirements.

The world's major contenders will be taking advantage of the mounting pressure on the SAAF to choose its replacement

The CSIR's "no-name brand" demonstrator will have its first public outing since the project was unveiled

Brazilian manufacturer Embraer is flying its Tucano trainer to the expo, where it will make its SA debut.

This aircraft was recently selected by the Royal Air Force as its new pilot trainer

Other competitors for the SAAF contract include Swiss company Pilatus, which has equipped the Botswana Air Force with its PC-7 trainers and PC-6 Turbo-Porter light personnel transporters

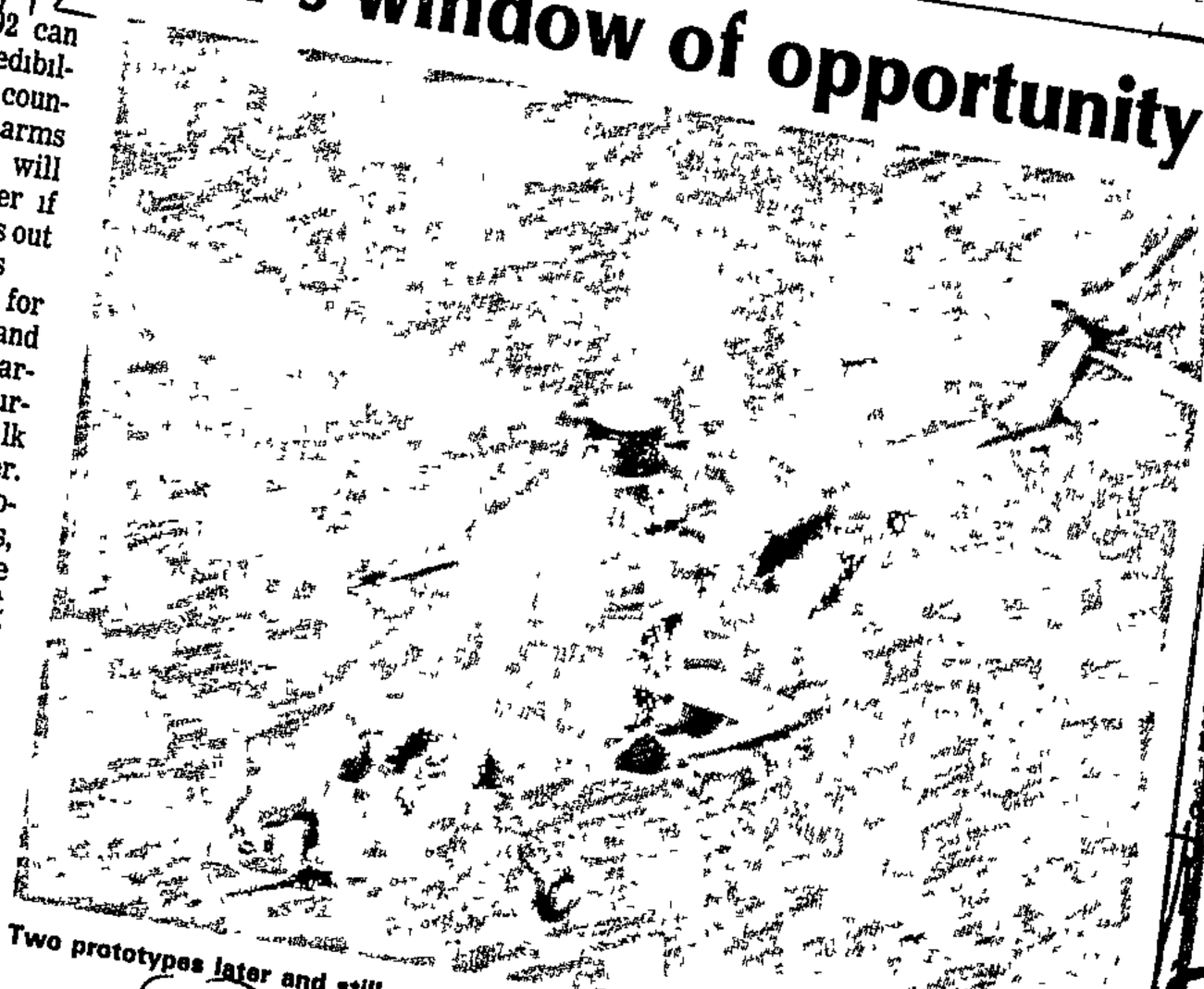
Pilatus will be showing off its PC-7 and the newer PC-9 trainers and will be marketing its PC-12 multi-mission turbo-propliner.

Stiff competition will also come from Eastern Europe with, among others, Poland's Orlik turbo-prop trainer also on show.

The Atlas Aircraft Corporation's pride and joy, the Rooivalk, will be putting in an appearance.

Until recently, the helicopter promised to become an expensive white elephant, but perseverance on the part of the project leaders has convinced the SADF to reconsider its decision to cancel its Rooivalk orders.

The first prototype will perform a flying display, while the second, featuring a new cockpit layout, will be on static display.



Two prototypes later and still searching for firm orders is Armscor's Rooivalk combat support helicopter.

Pilatus's PC-7 is a contender to replace the Harvard as the SAAF's new trainer.

British Aerospace hot on the trail of new local sales

B/Day 27/3/92.

(269)

BRITISH Aerospace (BAe) has been active in the southern African market for many years.

With the lifting of sanctions it has been able to raise its profile, something it did long before several of its competitors saw the value of open business in SA

The past eight months have been difficult for the company, and it recently implemented measures to counter the effects of depressed economies.

Observers say the company will be vigorously marketing its wares during the next year and needs to do business in all spheres of its opertion

BAe will showcase its jet and turbo-prop regional airliners, corporate jets and military products. Its interest in the Airbus Industrie consortium will be represented by the French-based manufacturer at the airshow

The company's regional aircraft family incorporates the BAe 146 four engined jetliner, the Advanced Turbo-Prop (ATP) and the Jetstream turbo-prop range.

Safair Freighters last year became the latest southern African operator to acquire a BAe 146-100, which it uses on its twice nightly express cargo flights between Johannesburg and Cape Town

Air Botswana has bought two BAe 146-100s and Air Zimbabwe has also purchased a BAe 146-200.

Last year, the BAe 146 captured 57% of the 70 to 130-seater market with 27 orders for new aircraft.

The ATP, a new generation twin turbo-prop which seats between 64 and 72 passengers, was launched in 1988 and is in service with several operators around the world. Last year, 27 orders were placed for this aircraft, representing nearly a third of the market.

Computerised

The company's stake in the small airliner market is represented by the Jetstream Super 31 and Jetstream 41 aircraft

The Super 31 is a 19-seater computerised turbo-prop which has become popular with users in the US. Its larger sister, the Jetstream 41, seats 29 passengers and was introduced a year ago

The first of 136 Jetstream 41 deliveries is expected in the final quarter of this year.

The regional aircraft are ideally suited to the southern African market, which has been marked by increased levels of inter-airline co-operation and deregulation

BAe will also use the airshow to introduce the world's first mid-sized intercontinental range twin-jet, the BAe 1000, to SA's corporate jet market. The aircraft was marketed here last year, but only on paper, and a sale of one aircraft to Anglovaal chief Basil Hersov was reported last May.

The BAe 1000 was manufactured in response to demand for intercontinental range, bigger cabins and increased performance, says BAe local agents Osprey Aviation Holdings chairman Richard Charter.

The aircraft has an rich heritage, being a direct descendant of the BAe 125-800 which captured 55% of its market in 1989, the year of its introduction It is also a descendant of the original Hawker Siddeley HS 125, first built in the early '60s

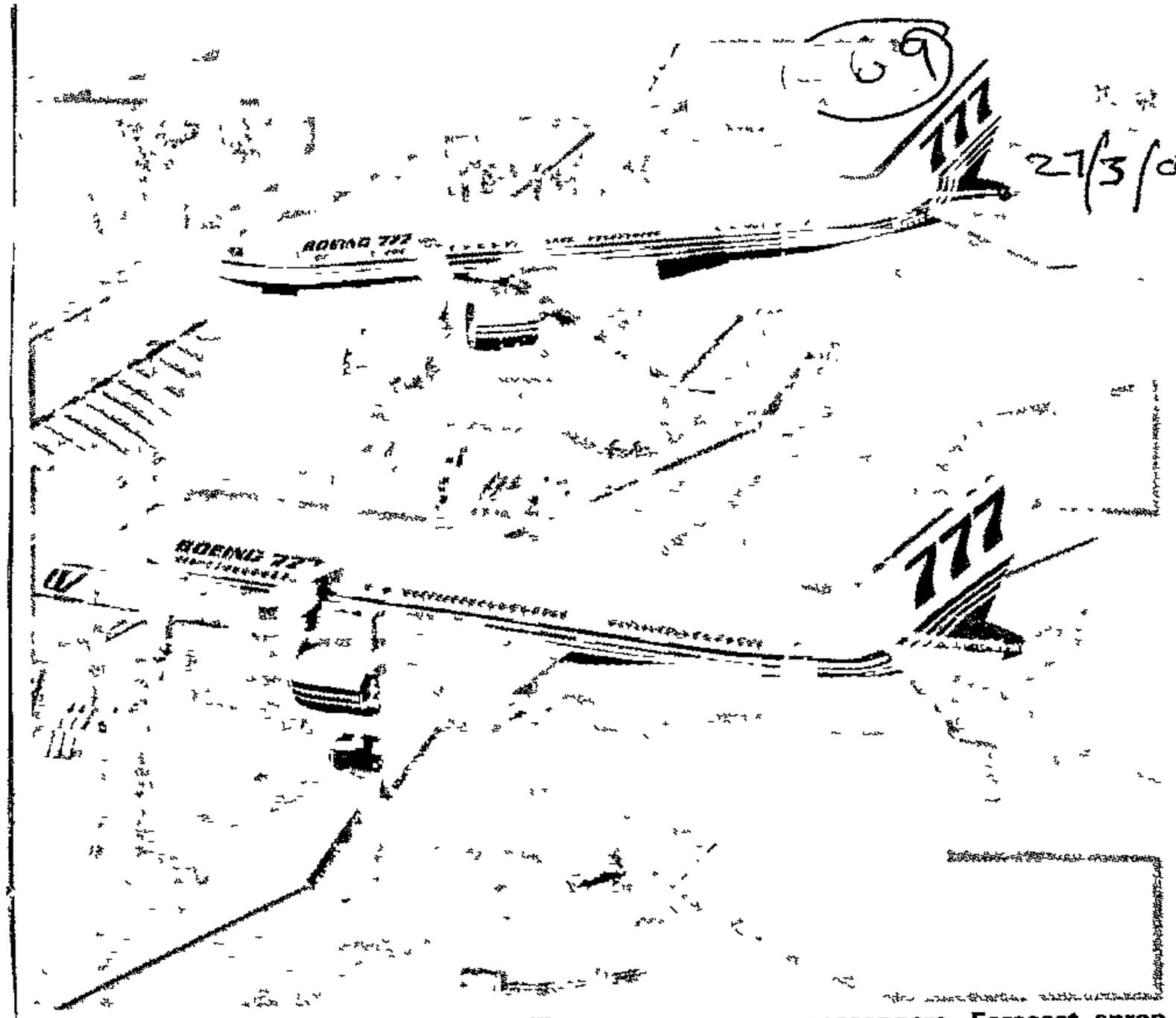
On the BAe 1000, the fuselage has been lengthened by almost a metre, increasing the cabin capacity from six to eight passengers in an executive configuration, or up to 15 in a corporate shuttle layout This also increased the plane's fuel capacity. By fitting new, efficient engines, power has been increased and consumption reduced.

Both the BAe 1000 and the BAe 125-800 will be on static display at Aviation Africa

(69)

27/3/92

A history of aviation on the runways of Africa



Bigger aircraft with longer wings will soon carry more passengers. Forecast apron congestion led Boeing to design folding wingtips for its new B 777

Linhas Aereas de Mocambique operates Boeing 737-300s on medium-haul routes.

WHILE Africa might be regarded as the dumping ground for ageing airliners, there is an interesting flip side to the coin The continent has become home to a range of still-flying aircraft each with its own place in aviation history

A stroll along the tarmac at Kinshasa's Njili airport is akin to entering a time warp — it could be any European airfield in the early '70s Vintage Vickers Viscounts rub shoulders with Douglas DC-8s and dubious looking Nord Atlases.

Scrapped

Slightly decaying Tridents and Britanias share the oil-stained apron with what would elsewhere be scrapped Boeing 707s and 720s You might have to be mad to risk flying in one of these machines, but for aviation buffs it is heaven.

There are two jet airliner types that have become virtually synonymous with African civil aviation both in the passenger and freight markets These are the venerable Boeing 707 and the Boeing 737 families, several of which are in safe flying condition in SA

The B 707 was the US's first commercial jet, and after the UK's Comet project crashed after a string of disasters, the B 707 went on to usher in the jet age on an international scale

It was designed in the mid-'50s, and though production of passenger versions ended in the mid-'70s, a military variant was still in production until late last year when the line was closed

While most of the civilian variants are now blacklisted in Europe and the US because of their noisy and smoky engines, the largest population of B 707s outside the US is in Africa Two are on SA's register, belonging to Safair Freighters, which also maintains and services several other B 707s on behalf of other African airlines

At least three converted B 707s are owned by the SA Air Force, which uses them as air-to-air refuelling tankers for its jet fighter force

One engine on a new Boeing 747-400 generates more thrust than the combined thrust of all four engines on a B 707

In 1960 SAA became the first African carrier to introduce the B 707 into service

Introduce

The airline was also the first African carrier to introduce every other Boeing commercial jetliner, except the B 757 and B 767 into service

The other narrow-body Boeings which have flown under the banner of the flying springbok were the B 727 trijet (introduced by SAA in 1965 and withdrawn in 1981) and the B 737, which is still in service after 24 years

SAA was also the first African airline to take delivery of the B 747-200 Super B, 747-200 Combi, 747 SP, 747-300 Stretched Upper Deck, and the latest jumbo jet variant, the B 747-400.

Although Boeing has revamped its B 737 jetliner design, more than 25 African airlines still operate over 100 of the type, the majority being the older series 100 and series 200-Advanced variants, both of which comprise SAA's entire B 737 fleet

More than 2 200 B 737s out of 3 000 orders have been delivered worldwide, making this the world's most popular airliner

Differ

On the surface the latest B 737 versions, the series 300, 400 and 500, differ from their predecessors in that they feature new engines and an improved tail with an extended fillet section extending forward from the tail's base

The three new variants differ in fuselage length and seating capacity

Several African carriers have recently acquired new-generation B 737s These are Air Malawi, Egyptair, Royal Air Maroc, Linhas Aereas de Mocambique and Tunisair

Besides SAA, other operators of the B 737-100 and -200 Advanced in southern African include Air Namibia, Air Zimbabwe, Zambia Airways, Air Zaire and Angola's national airline TAAG.

'Big Three' jet makers hawking their wares here

B/Day 27/3/92

(269)

COMPETITION is fierce between the big three jetliner manufacturers — Boeing, Airbus Industrie and McDonnell Douglas — which are battling to secure orders in a depressed world market.

Next week, the fight moves to SA, when they compete at Aviation Africa '92 for southern African orders

The stakes are high, with only a few orders to be secured. Africa accounts for less than 5% of new airliner sales, but in a slow market, any sale is better than none.

SAA is the primary target. The airline is courting all three companies to see which can offer the best

late in 1971

Boeing has for more than the past 18 months been trying to convince SAA of the merits of its B 767 and B 777 jetliners

Airbus is keen to add SAA to its client list for its new four-engined A 340

All these aircraft are smaller than the B 747s in operation. However, they will improve SAA's load factors (which is the percentage of revenue-generating passenger and cargo capacity sold on each flight).

The new generation engines on these aircraft are powerful enough to lift a wide-bodied airliner off Jan Smuts Airport without any load penalties, even on hot days when the air is

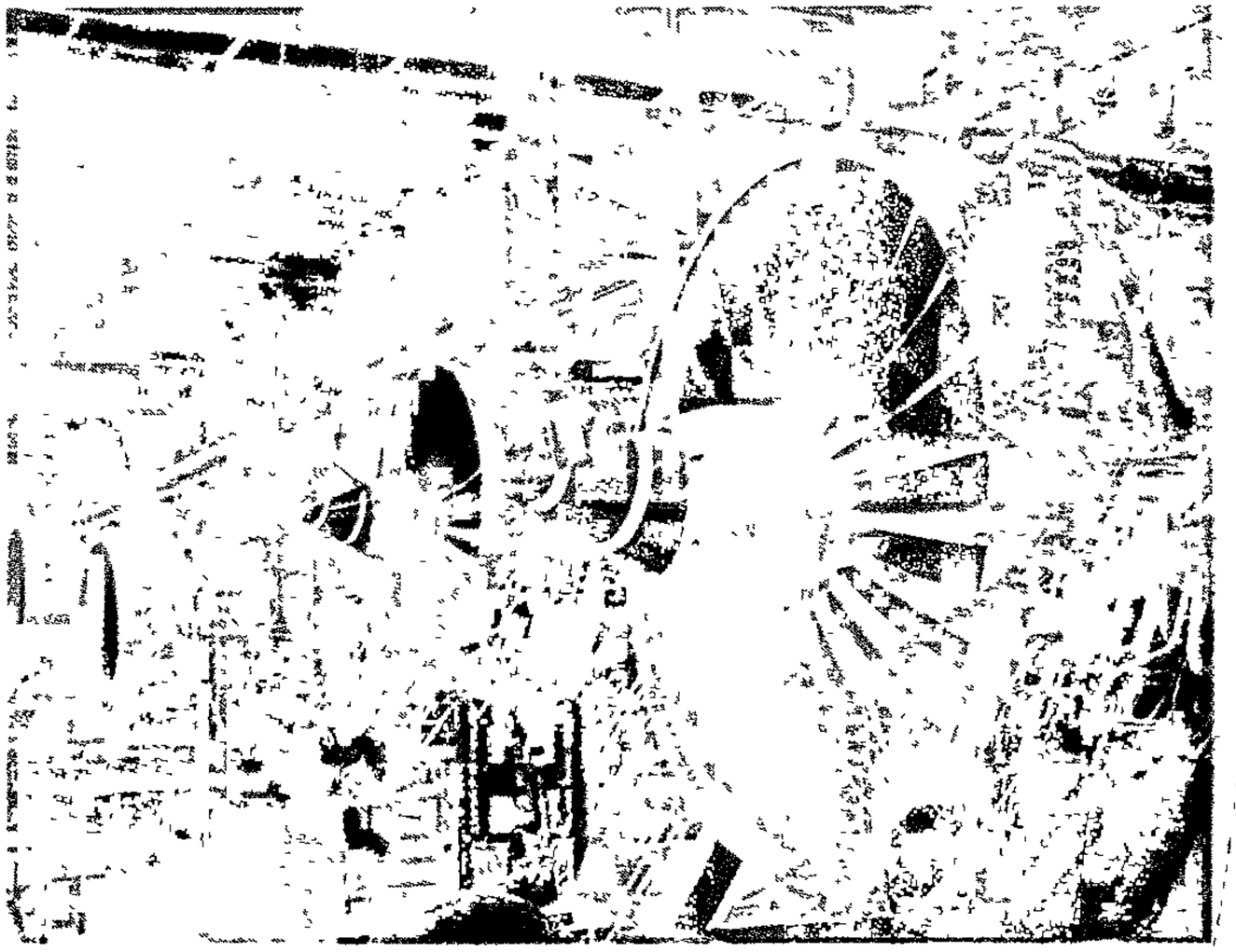
lar cockpit layout, which reduces costs in pilot conversion training, and carry a percentage of common parts, reducing maintenance costs.

SAA is about to put some of its domestic and regional service aircraft — Boeing 737s and Airbus A 300s — up for sale or lease, and could look for replacements, although it still has three new 130-seater Airbus A 320s on order.

Flitestar, too, is a potential customer for long-range aircraft following its announced intention of becoming an international airline

Prefer

Whether it will purchase



SAA recently returned to Rolls Royce power for its new Boeing 747-400s The UK firm co-manufactures the IAE V2500 engines on SAA's new Airbus A320s

package for its 1995 fleet update

Head start

Boeing and the European Airbus consortium have a head start on McDonnell Douglas as SAA already uses their latest aircraft. McDonnell Douglas's last SAA sale was for DC-7B long-range propliners in the late '50s, although it has maintained a presence through several DC-10s operated by airlines based in neighbouring states.

By 1995, SAA will be replacing some of its older 350-seater Boeing 747s, the first of which was delivered thinner than normal.

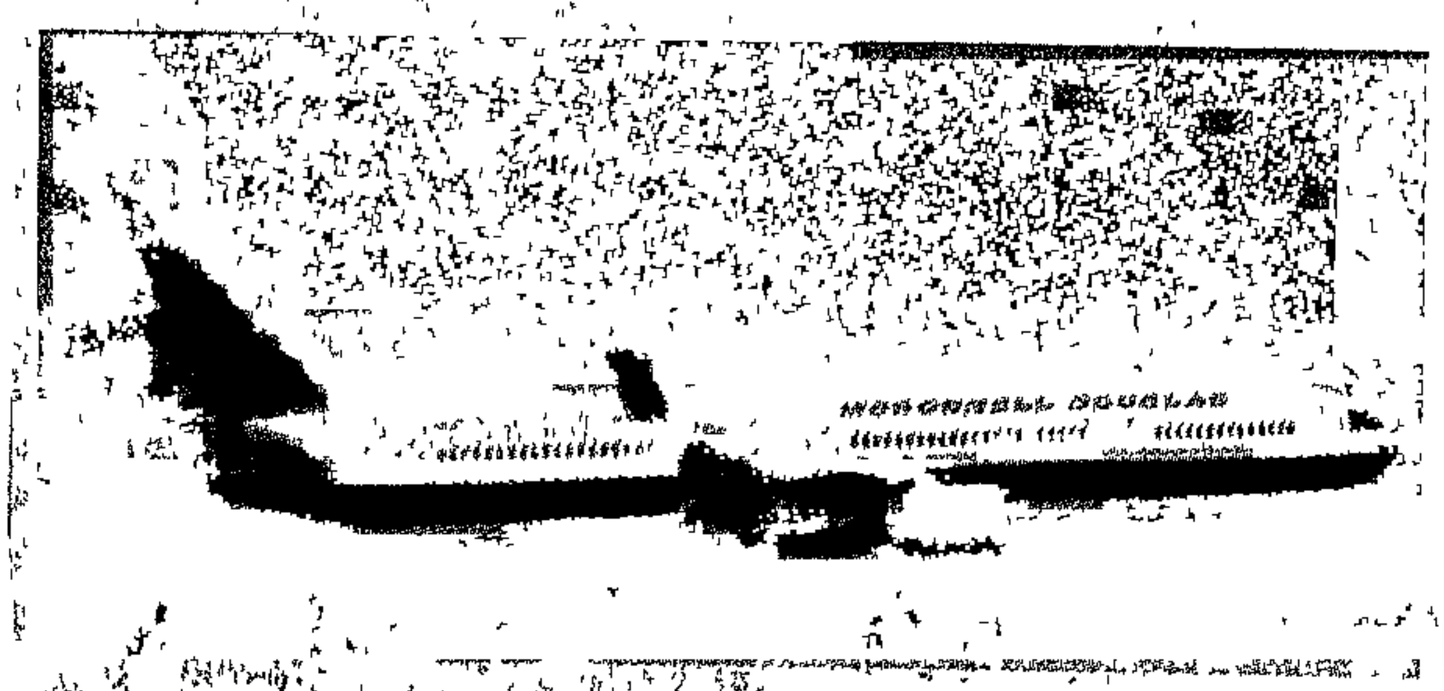
During daylight hours in summer, first generation B 747s cannot take off from Jan Smuts with a full load.

Although SAA has been taking part in development programmes for McDonnell Douglas's MD-12, it is doubtful it will order the aircraft, or the Californian-based company's DC-10 replacement, the MD-11

These aircraft would cost SAA more in gearing up to operate and maintain as they have little in common with the Boeing and Airbus planes in service.

Boeing and Airbus have focused on producing aircraft families with a simi- aircraft or lease them through Irish-based Guinness Peat Aviation or the International Lease Finance Corporation, remains to be seen, although experience has shown Flitestar's shareholders prefer the reduced risks and lower capital outlay of leasing.

Other local potential buyers include Comair, which is on the brink of an expansion programme, Safair, which wants to augment its freighter jet fleet, and Air Supply, which has visions of moving beyond executive turbo-prop, jet and helicopter charters and into the holiday package charter business



McDonnell Douglas hopes to break into the local market with its MD-11.

B/Day 27/3/92

269

Field work pays dividends right across the continent

FIELD Aviation SA is a prime example of a company which has, over many years, built up a portfolio of aircraft maintenance clients across Africa.

The company has solicited maintenance and overhaul work from Zaire, Angola, Mozambique, Botswana, Lesotho, Swaziland, Malawi, Zambia, Chad, Burundi, Cape Verde, Namibia, Indian Ocean islands and SA.

Field is also a major contractor to the SA Defence Force, on whose behalf it services Harvard trainers, DC-3 Dakota and DC-4 Skymaster transporters

It is one of SA's largest privately owned aircraft maintenance organisations and has accumulated more than 57 years of experience looking after Viscounts, Fokker F27s, Hawker Siddeley HS-748s, De Havilland Twin Otters, Caribous and a variety of other light and medium aircraft

The company headquarters and main workshops are at Germiston's Rand Airport, while a separate parts manufacturing and reconditioning facility is based at Lanseria

Field offers a full overhaul capability for Pratt & Whitney PT-6 turbo-prop engines as well as for Rolls Royce Dart, a range of P & W, Lycoming and Continental piston engines This service includes the supply and refurbishment of aircraft and engine components and accessories.

Africa is littered with types of aircraft on which Field has experience, making it the ideal hunting ground for work-hungry and ambitious maintenance firms such as Field

The company is also intent on expanding its position in the turbo-prop maintenance sector through its new P & W PT-6 engine workshop, which came on stream last October.

This new facility, which also allows for the testing and repair of several other small turbo-prop engines, represents an initial investment of about R3m.

Many corporate aircraft, such as the Beech King Air series, the Cessna Caravan and the Pilatus Turbo-Porter and agricultural service aircraft, including Thrush and AgCats are powered by the PT-6 engines.

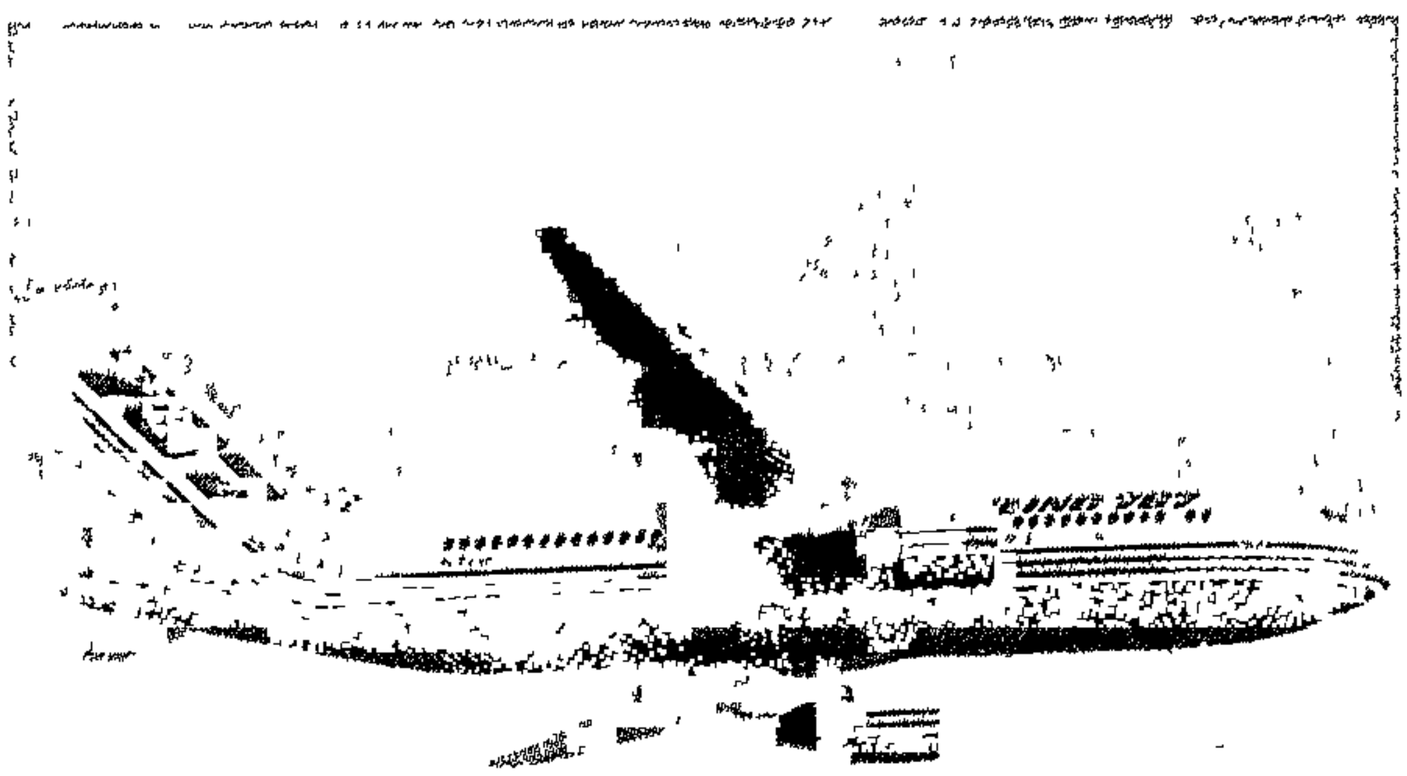
Field's Rand Airport workshop space is about 8 500m² and carries a staff of more than 275 people responsible for maintaining and overhauling airframes, engines, propellors, instrumentation and electronic components

Other on-site capabilities include painting, welding, modifications, non-destructive testing, aircraft weighing and certification, sheetmetal work and composite material repair and manufacture.

B/Day
27/3/92
269

Business Day SURVEY

The biggest aviation exhibition in the southern hemisphere, Aviation Africa '92, opens at the SAA Technical Centre at Jan Smuts airport on Wednesday. Some 98 companies, 35 of them from 11 different countries, will be exhibiting. Aircraft on show range from jetliners to light aircraft and helicopters. ***LINDEN BIRNS*** *reports.*



Boeing hopes to clinch SAA orders for its medium-long range B 767 jetliner.

New fliers offer competition this year

B/Day 27/3/92 (269)

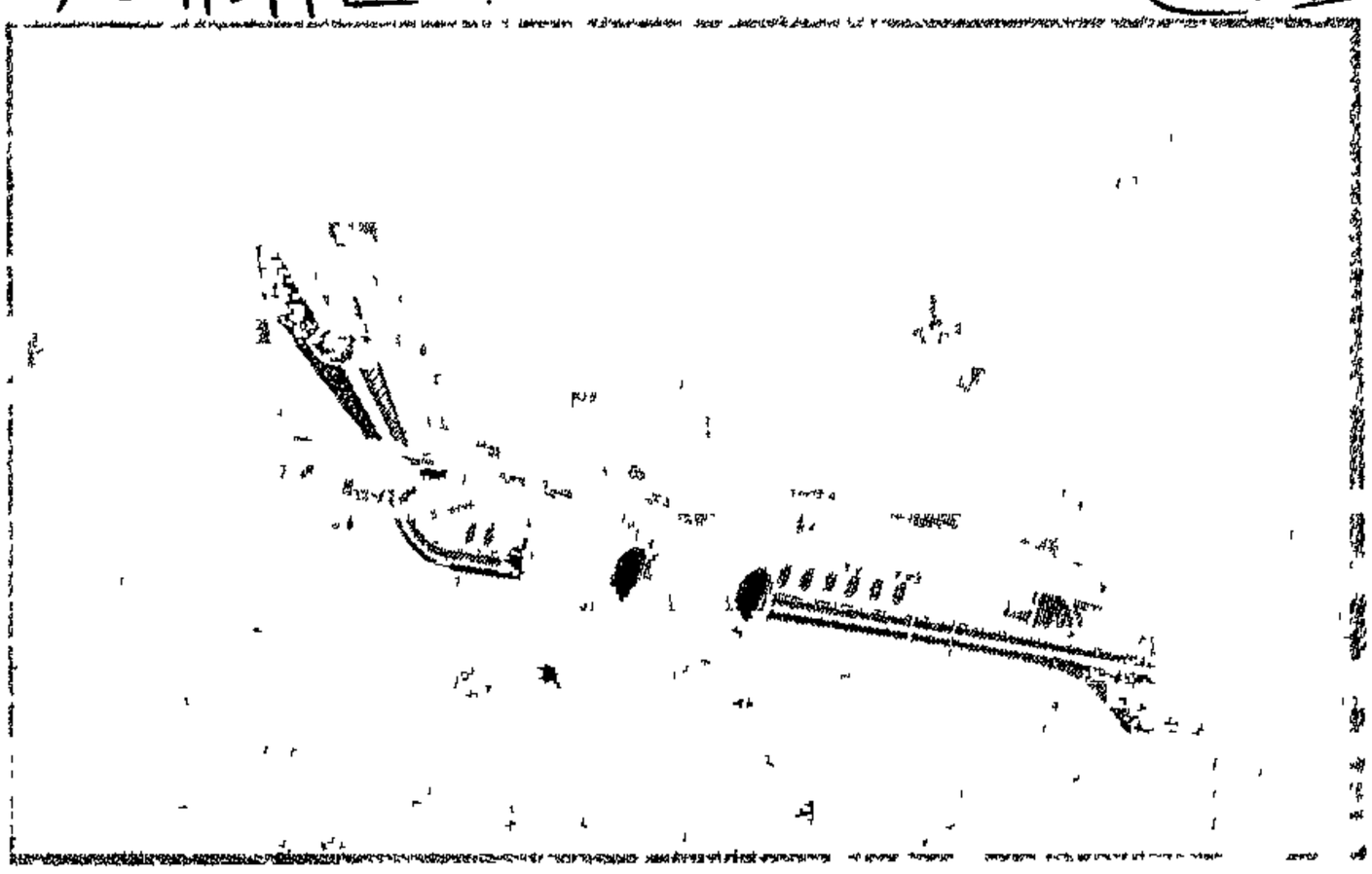
SA's major airlines — SAA, Flitestar and Safair Freighters — will be exhibiting at Aviation Africa '92 — the first air show since domestic air services were deregulated in 1991

The airlines will promote their services, although SAA has the advantage of hosting the expo in the heart of its technical centre at Jan Smuts Airport

SAA's consumer product is well known, but the airline will be promoting its maintenance capabilities in a bid to attract third-party contracts from foreign airlines

Flitestar will be showing off its new A320 jetliners and ATR 72 turbopropliners, which are the backbone of its fleet.

The airline recently announced its intention to start flying international routes and its stand is likely to be visited by all three of the hopeful major airliner manufacturers.



Safair wants to acquire more freighter versions of the BAe 146.

Together with its part-sister company Safair Freighters, Flitestar will promote the cargo capacity on its aircraft

Safair markets this on behalf of Flitestar

Apart from marketing its maintenance and operational capabilities, Safair will be showing off its latest acquisition, a British Aerospace BAe 146-100 "Quiet Trader".

Earlier this month, Safair MD Braam Loots said further BAe 146 acquisitions could be in the offing. Aviation Africa could well be the platform from which any sale announcements are made.

Aviation Africa founder and joint promoter, World Airnews editor Tom Chalmers, says it is the norm for companies to keep sales under their hats and announce them at air expos.

"Exhibitors are inclined to promote their products rather than sit down and hammer out deals, but this year's show should act as a catalyst to the industry's local recovery," Chalmers says.

This year's is the biggest in the event's 17-year history The first two attracted a lot of attention, but as sanctions gripped, attendance dropped. The turnaround came at the 1990 show.

"When we started in 1975 it was just after the fuel crisis and many companies were cancelling their demonstration flights around Africa. So we felt an aviation expo in Africa would be a good thing It was well received and supported by the manufacturers," says Chalmers.

Plans to hold Aviation Africa in different countries were scrapped in 1977.

Initially, there was a plan to take the show to Nairobi, and Jomo Kenyatta had given the project his backing.

However, before anything was finalised the Kenyan leader died and the organisers faced increasing problems and corruption, which forced them to keep the event in SA.

Flitestar, which operates two ATR 72s, is the European consortium's first SA customer.

Beware! The midnight express is coming . . .

(269) ARG 27/3/92

SHARKEY ISAACS
Transport Reporter

NEW overnight express freight trains, travelling at nearly twice the speed of normal goods trains, will be introduced between Cape Town and Johannesburg on April 1.

High speed 14E locomotives will travel at 120km/h — 50km/h faster than the average goods train speed of 70km/h.

Each electrical locomotive will haul 20 trucks with 240 mini-containers on board.

The trains, leaving at 6pm from Bellville and Natalspruit near Johannesburg will make the journey in 17½ hours.

Spoornet has already taken delivery of three of the 10 locomotives it ordered from Siemens in Switzerland. The SML13 trucks with high speed bogies were constructed in South Africa.

But the revolutionary service holds a danger for users of stations and 700 unguarded level crossings on the 1 523 km railway line.

Mr Wicus Pretorius, executive manager of PX, Spoornet's parcel and mini-container division, said: "Contact has been made with organised commerce and industry and we will also be launching a campaign to warn users of level crossings to be more careful.

"We are concerned about the level crossings as well as the stations the trains will pass through.

"We want to provide a better and faster service to our customers without prejudice to anyone and therefore want to inform people how fast PX has become and tell them to be extremely cautious when approaching level crossings."

He said Spoornet was investigating improving the running times of the trains as well as the possibility of introducing the services to Durban, Bloemfontein and the northern Transvaal.

Mr Paul Pfister, head of the communications directorate of the National Road Safety Council, warned motorists to be more alert at level crossings.

He said: "Motorists have now to cope with the additional hazard of high speed goods trains flashing past level crossings. I want to warn them to keep this in mind and it might be a good idea for drivers to ascertain what times these trains pass through their areas."

● Meanwhile, the Argus Correspondent in Johannesburg reports that an insurance policy aimed at protecting road and rail commuters in the event of death or disability in accidents or violence has been launched.

Mr Robin Pogir, a director of the company behind the Safe Journey Commuter Policy, says it is aimed at fare-paying passengers

"Everyone we've spoken to — churches, soccer clubs, big firms who employ lots of people — think its a terrific idea.

"A lot of families have been left destitute because of the horrific accident rate on buses and taxis and the violence on the trains," Mr Pogir said.

The policy covers any fare-paying commuter for a fixed amount, payable in cash, to his/her nominated benificiary in the event of the policy holder being killed or permanently disabled while commuting.

It costs R50 a year, is paid in full on issue and provides cover of R10 000.

Individuals may buy up to 10 policies and increase the cover to a maximum of R100 000.

Children over the age of five and under 16 qualify for the policy but are only eligible to R5 000 life cover, irrespective of the number of policies bought.

Disability cover for children will increase from R10 000 to a maximimum of R100 000, depending on the number of policies bought.

Speedy rail link to Rand

CT 27/3/92 (269)

Staff Reporter

DAILY high-speed trains that will cut the delivery time of small goods by about six hours will be introduced between Johannesburg and Cape Town next Wednesday

The trains — which will travel at speeds of up to 120 kilometres an hour — will reach their destinations in 17½ hours, compared to the current 23½-hour journeys travelled at an average speed of 70km/h, said the executive manager of Spoornet's PX division, Mr Wicus Pretorius

The new service will not be available to passengers at this stage. Passenger trains — including the Blue Train — take about 25 hours to travel between Johannesburg and Cape Town

Mr Pretorius said the high-speed trains, which comprise 20 SML13 trucks with modified undercarriages, will be drawn by Spoornet's new high-performance class 14E electrical locomotives

"With the introduction of these trains PX can now render a superb overnight service to our clients that is faster than road transport and very competitive with air freight," said Mr Pretorius

He expressed concern that there were still 700 protected and unprotected level crossings en route and warned the public to be cautious when approaching the crossings.

A fast passenger train service which was introduced between Cape Town and Pretoria a few years ago was discontinued a while ago, a spokesman told the Cape Times last night.

The rolling coffins

Sowetan 27/3/92 (269)

They have become the world's most elusive killers Faceless but full of energy and resourceful, these killers have on average m[illegible] five people a day on Reef trains since the beginning of the year Some arrests have been made, but not a single conviction has been recorded, reports KENOSI MODISANE

Police keep watch as commuters alight from a train in Soweto during one of the routine searches aimed at curbing the ongoing attacks on trains

THEIR methods are based on brute force and terror.

Commuters are faced with a Hobson's Choice Allow themselves to be assaulted with pangas, knives, sharpened sticks and spears and then flung from the train or escape the attackers by jumping through the window of a speeding train

Death in almost all the cases is horrible and instantaneous

The train deaths have caused a major outcry among commuters and in the black community

Attacks, however, are still continuing despite the introduction of various security and safety measures

These include the deployment of special riot police units and the use of metal detectors at stations and in trains

Reward offers have been made by the police, railway companies, newspapers and various interest groups in an attempt to prosecute the culprits

But the bloodbath continues

A R50 000 reward offered by the police late last year for the arrest and conviction of the culprits has not helped

Sowetan last year offered a R50 000 reward after three suspects arrested for an attack at Kliptown station were cleared by the courts

Information

Lawyers for Human Rights has also offered a R10 000 reward

And on Wednesday the South African Rail Commuter Corporation joined the fray and offered R25 000 for information leading to the arrest of the killers

An average of nine people a day have died in attacks on commuters on the Reef and other unrest related incidents since the beginning of the year

Many people are asking who are these faceless killers, where do they get the energy to be so consistent with their countless attacks and when will this senseless tragedy end?

A report released by the Human Rights Commission on Wednesday said at least 300 people had died in train attacks and in township battles as violence surged ahead of the referendum vote

The HRC said 62 people were killed and 52 others were injured in political violence last week alone

The report blamed more than half the casualties on vigilantes

A total of 15 train attacks was recorded on March 19, 20 and 23 in which eight people were killed and 19 others were injured

The commission blamed some of the deaths on paid assassins

Spoornet, which took over the trains service from the South African Railways, says it is not responsible for commuter safety

A spokesman told *Sowetan* the safety of commuters was the responsibility of the South African Police

Mr Gerrie Lourens of Spoornet said "We cannot comment on the safety and protection of commuters as this is purely a matter handled by the SAP"

The SAP have attributed the problem to the large number of people who commute in trains every day

The large number of trains made policing even more difficult

Witwatersrand police spokesman Captain Eugene Opperman yesterday said the region alone handled about 1 118 trains

According to Opperman, the trains transport about 1,8 million commuters to and from Johannesburg to various townships in Soweto, the East and West Rand

"Police are doing their best to protect commuters You can imagine what will happen if we withdrew all our members from the property of Spoornet Hundreds of people will be killed every day," Opperman said

A report released by the Independent Board of Inquiry into Informal Repression in February criticised the police and Spoornet for their failure to stem the tide of violence against commuters

In a special report on train violence entitled "Blood on the Tracks", compiled mainly from media and police reports, the IBIIR said despite promises to curb the violence, Spoornet and the police response was "at best poor"

Convictions

"After 18 months and 30 attacks, there has as yet not been a single conviction And this from a police force which claims to be one of the best in the world The SAP took 13 months to come up with a tactic which satisfied commuters the searches of passengers and trains"

Police spokesman Colonel Reg Crewe at the time rejected the IBIIR's criticism and said the SAP indeed made numerous arrests in connection with train attacks

However, hopes of tracing the faceless killers behind the onslaught, re-surfaced on Monday with the arrest of three Merafe Hostel dwellers in connection with the massacres

The three men, Isaac Mazibuko (24) Michael Mnguni (26) and Phineas Tshabalala (24) appeared in court on Wednesday They were remanded in custody to March 31 when a formal bail application will be heard

The SAP earlier this month and yesterday deployed members from their new Internal Stability Unit - armed with rifles, shotguns and pistols

On March 19 Law and Order Minister Mr Hernus Kriel announced the ban on the carrying of weapons - including traditional sticks and other such weapons - but the massacre has still not stopped

The proclamation became effective from mid night on Sunday March 22

Seven people, including a railway ticket examiner, have died in the past week despite the ban on weapons

Electronic metal detectors used to search commuters at railway stations have also not helped to reduce the number of weapons smuggled into trains

The highest number of casualties reported for this month was on Wednesday March 11 when seven commuters were killed and seven others injured in attacks

More displays from France as SA comes in from the cold

(269)

B/Day 27/3/92

FRANCE has maintained ties with SA's aviation sector for over three decades

These were traditionally through the sale of military and civil aircraft and parts, although military deals were curtailed by the the arms embargo

Aviation Africa '90 marked a turnaround in that Airbus Industrie, Aerospatiale and Avions Transport d'Regionale (ATR) were all represented in SA

However, this year's expo promises even more from the French, with other prominent aerospace companies taking part

Promoting

While those interested in airline manufacture will focus on Airbus Industrie and its two US-based "heavy metal" competitors, Boeing and McDonnell Douglas, corporate and military aviation watchers will view activity at other stands flying the tricolour

Aerospatiale will be promoting the Ariane IV rocket launcher, satellites and, through its local agent, its stake in the Eurocopter consortium

Midrand-based Advanced Control and Engineering will represent Dassault and several other French electronic systems, avionics and navigational aid manufacturers, such as Sectant Avionique, Intertechnique, Labinal, Sully Produits Speciaux, Teleflex Syneravia, Secan, Elecma and others

- Cabris will be promoting products in the hardware and electrical/electronics sector, as well as steel and aluminium raw materials

Other French aeronautical firms will be represented by France's aerospace industry association, Gifas

A source close to the expo organisers says he hopes by the Aviation Africa expo in 1994 the arms embargo will have been lifted and military aircraft and support equipment will be displayed and sold in SA

At present, the majority of aircraft and missile systems used by the SA Air Force are either French built or based on French designs

ATR is back this year, keen to capitalise on the foothold it gained in the SA market when Flitestar bought two ATR 72s for its coastal services

Limited

Previously, its profile in southern Africa was limited to Air Botswana and Zambia Airways, which have several smaller ATR 42s between them.

Airbus, which had a good year in 1991 as far as the SA airline industry goes, will be promoting its entire family of aircraft, from the single-aisle A320 twinjet to the new wide-bodied four-engined A340 long-haul jetliner

SAA and Flitestar are both Airbus A320 users, while the national airline was one of Airbus's first customers for A300s in the mid-'70s.

Pre-dawn raid of trains

Cops try to halt violence

Sowetan 27/3/92 (269)

POLICE moved out in force on Soweto trains yesterday in a desperate bid to halt the violence and killings.

Hundreds of armed members of the Soweto Internal Stability Unit were involved in the pre-dawn operation at stations and on commuter trains

Several trains were stopped and all commuters searched Trains were delayed for up to 10 minutes as the policemen moved from coach to coach looking for dangerous weapons

Passengers appeared to be grateful for the police presence No weapons were found during the operation.

And, as train violence claimed another victim on Wednesday, the SA Rail Commuter Corporation (Metro) spelt out tough new security measures to enforce the Government's blanket weapons ban at stations and on trains

Strict access control, entailing large-scale searching of commuters before they enter Metro property, strict ticket control and thorough policing on stations and trains would be implemented to enforce the ban, said SARCC managing director Dr Kobus Nel

The body of yet another unidentified victim of the train violence, his throat slit, was found on a train when it pulled into Johannesburg station at 8 40am on

Sowetan Correspondent

Wednesday

The Human Rights Commission said on Wednesday it had recorded a total of 15 train attacks on March 19, 20 and 23 alone in which eight people were killed and 19 others injured

Nel's statement came amid a renewed appeal from the police for commuters to come forward with information on train attackers - and followed a call by the Pan Africanist Congress for a train boycott and one-day stayaway to protest against the killings of Reef commuters.

In his statement, Nel appealed to commuters to co-operate with security force members at search points and not to carry excess luggage so as to avoid unnecessary delays, inconvenience and possible conflict

● A civilian was killed and three policemen were hurt when a group of commuters attacked 20 Mobile Unit policemen who were patrolling on a train from New Canada Station to Mlamlankunzi Station in Soweto last night

Lieutenant Tienie Halgryn of the Soweto police said the policemen boarded the train at about 6pm and were attacked while the train was in motion

● **See pages 13 and 14.**

FM 27/3/92

STILL A VIRGIN

(269)

Hypemaster Richard Branson says Transport Minister Piet Welgemoed imposed only one condition in exchange for permission for his Virgin Atlantic airline to fly the UK-SA route — a pledge by Branson to use his influence to change the World Cup cricket rules Evidently, there are a few more conditions

Branson's announcement this week that he had received the go-ahead from SA authorities to begin five flights a week in October, with ticket prices cut by more than half, sounded too good to be true. And it turned out it was, at least for now.

A Transport Ministry spokesman confirmed that Welgemoed met Branson this week but denied the Minister gave him the necessary permission An assistant to the Minister says his boss is just one in a long line of authorities who must sign off.

"The Minister is always pleased when another airline flies to SA," the spokesman says "He regards that as a boost to tourism and the opening of another door to SA, and he likes the idea of more competition, but he gave no undertaking regarding flights. He may not give permission to fly into SA on his own.

"Virgin (which already has British government approval) will have to go through the normal procedures. It will have to apply to the National Transport Commission, which deals with international air licensing and determines the number of flights a week an airline may operate. Virgin will be dealt with the same as any other airline."

While Branson may have jumped the gun, this isn't to say long-suffering travellers won't soon get an alternative to the 47-year-old SA Airways-British Airways cartel — which has made the route one of the most lucrative in the world.

BA local manager Malcolm Freeman says: "The SA Division of Civil Aviation will first have to give permission before Virgin can fly in. But I'm sure there won't be any problems. It will get permission."

Branson, toured SA this week, promises to cut fares by up to 60%, but Freeman says that doesn't scare him. "Virgin will obviously start its service here with some very tempting cut-rate offers, which doesn't faze us. We'd do the same.

"We don't object to competition. We already compete with hundreds of airlines all over the world and won't object to competing with Virgin on this route. We won't object to their fare structure and hope they won't object to ours."

Fast passenger train to Reef?

(269) CT 28/3/92

Staff Reporter

THE inter-city freight train that begins its overnight express run between Cape Town and Johannesburg next week could be the forerunner of a high-speed passenger service between the two centres.

The two brand-new, imported locomotives will travel at a top speed of 130km/h, 60km/h faster than the standard goods train, and will depart daily from each city at 6pm

They will initially be used to ferry small packages in sealed mini-containers and will compete directly with air and road freight transport services. Goods deposited at the Salt River depot before 5pm will arrive in Johannesburg at 1pm the following day. This cuts six hours off standard train delivery time.

Mr Wicus Pretorius, executive mananger of Spoornet's PX division, said Spoornet hoped to be able to increase the speed of the trains to 160km/h by July. He said Spoornet had not ruled out the possibility of using the trains as a passenger service. The overnight train trip between Johannesburg and Cape Town could take about 17 hours and prove a popular alternative to bus transport.

There are 700 unguarded level crossings along the route. Spoornet aims to draw the public's attention to these danger spots but does not propose to establish controls at these points. "The speed on the track is the same as the speed on the roads so it is not necessary to have special protection at these level crossings," Mr Dries Herbst, Spoornet's senior manager of infrastructure research, said.

Times (Bus) 24/3/92

ABOUT 20 000 people are expected to attend the open day of the Aviation Africa '92 show at Jan Smuts airport on Saturday.

The biggest of its kind to be held in South Africa, the show will have millions of dollars of equipment on display — much of it never before seen in this country

Among the more than 50 aircraft that will be there, ranging from executive jets and helicopters to trainers, will be a large East European contingent of exhibitors — three companies from Poland, two from Czechoslovakia and one from Russia

Of specific interest should be the recreational hovercraft which will be exhibited by the US company, Pegasus Aviation

The scramble by local and international companies for space at the show has been so intense that a second hangar had to be acquired to accommodate exhibitors — in effect making available four times the amount of space necessary for the show two years ago

Display

Never have so many international companies exhibited at a South African air show, with products from Canada, China, Italy, Brazil, Britain, France, the US, Holland, Poland and Czechoslovakia

Although the show has an essentially civilian flavour, there will also be something for the military buffs

Atlas Aircraft Corporation is exhibiting its Cheetah fighter aircraft 855 prototype, which is expected to take part in the flying display

The flying display, which begins at 1pm on Saturday until 4 30pm, will include performances by the SAAF's Silver Falcons, the Harvard aerobatic team, the Chubb and Smirnoff Pitts Specials as well as civilian aircraft.

There will not be any flying displays on the trade days from Wednesday to Friday. On these days tickets will cost R15 each and a courtesy bus will carry visitors from the car park to the exhibition inside the technical area.

Catering will include a restaurant and self-service facility as well as fast-food outlets and a beer tent in the public viewing area

The show begins at 10am on the open day, and tickets will cost R10 for adults and R5 for accompanied scholars There is no charge for children under six

SUNDAY TIMES, Business Times, March 29, 1992

SAA honour by Lufthansa

S/Times (BUSS) 29/3/92 (269)

SAA has been given the go-ahead by Lufthansa to carry out the maintenance of its Boeing 747-200 and 400s without any German supervision — the only airline in the world to have this permission

Says Lufthansa's station manager, Mr Pimo Muller "SAA have been doing such a marvellous job in maintaining our aircraft that we have no qualms about handing over to them all our A-checks work and letting them get on with it"

SAA spokesman Robert Quayle said that this was a huge vote of confidence in the skill of the airline's technicians

"In the past, Lufthansa — known for its stringent standards — had to fly technicians to South Africa who would supervise any phase maintenance needed on their aircraft by our personnel. This has now been done away with and we have been given the go-ahead to get on with the work as we see fit"

In addition the German civil aviation authorities — known to have among the highest standards in the world — have added their blessing to the project

According to SAA's superintendent of Boeing maintenance, Mr Trevor Duggan, during the first few weeks that SAA undertook the phase maintenance, both Lufthansa personnel and an inspector from the German civil aviation authority were sent to South Africa to evaluate the standard of work and to give the clearance for aircraft to fly

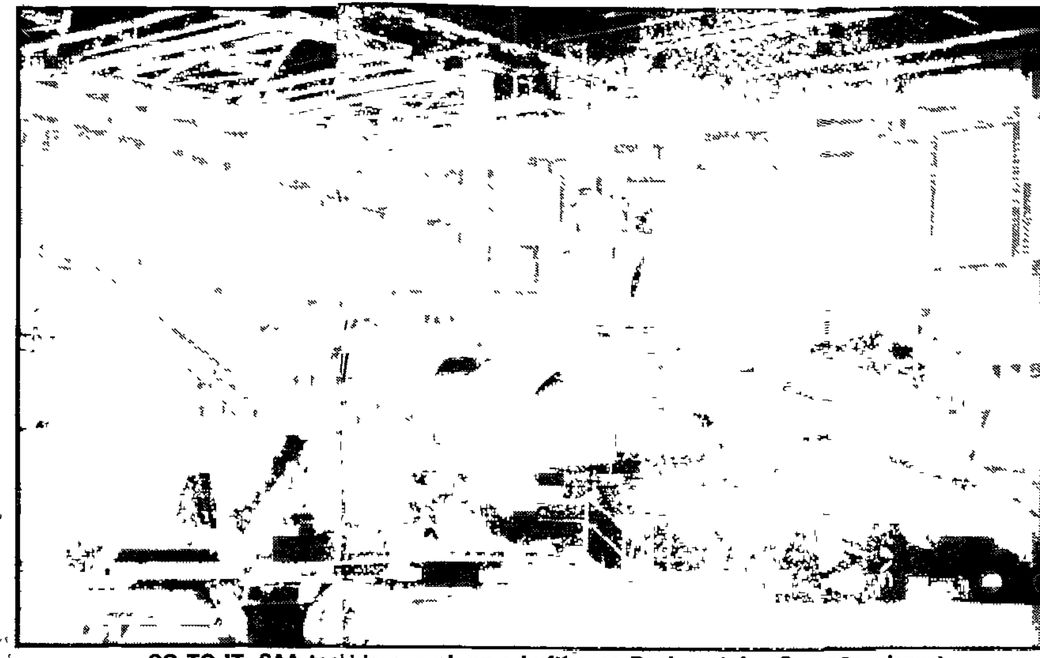
"As time progressed Lufthansa found that our work was of such a high standard that they could entrust to us the responsibility of signing out the aircraft ourselves, which we got in January this year"

Phase checks entail all forms of maintenance, including major repairs

Says SAA's technical spokesman, Mr Theo Zorbas "The importance of this agreement is that although we do phase checks for other airlines like Air Mauritius, Air Namibia, and Luxavia, Lufthansa is known worldwide for its technical abilities and has not awarded maintenance contracts to any airline in the world unless a Lufthansa engineer was on hand to supervise

"Furthermore, the German civil aviation authority does not approve of foreign airlines working on Lufthansa aircraft, which makes it a double honour for our airline"

SAA performs ramp maintenance on 52 airlines flying into Johannesburg



GO TO IT: SAA technicians work on a Lufthansa Boeing at Jan Smuts airport

Air links to India to follow Yes vote?

(269) By RENÉ DU PREEZ (150)

THE overwhelming Yes vote in last week's referendum could herald the start of negotiations for direct air links between India and South Africa S/Times (CM)

Mr Vinay Choubal, Commercial Manager for Marketing Research for Air India, was in South African last week doing market research for a possible direct air link between the two countries 27/3/92

"Had the vote been No, I would have packed my bags and left immediately and with absolutely no chance of my country even entertaining the idea of direct air links," Mr Choubal said.

"But as the vote was a resounding Yes, I believe the information I've gathered over the past 10 days could well pave the way for such a link."

Mr Choubal said that although Air India could accept his survey, it was still for the Indian and South African governments to decide on direct links

This would only be possible once India had decided to drop its economic boycott of South Africa, he said.

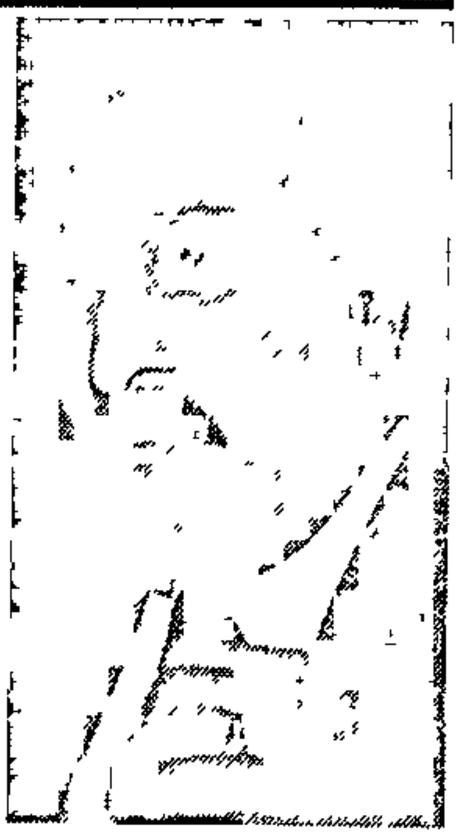
Mr Choubal said he had been pleasantly surprised at the huge tourist market potential South Africa had to offer

"What also impressed me were the travel agent infrastructures, which I thought were very good, although they have to work under difficult conditions as visas to travel to India are not available in your country but have to come via countries like Botswana"

About 2 000 people travel to India from South Africa each month, with the majority either going on business or visiting family.

South Africans travelling to India have to fly to Nairobi, Mauritius or Lusaka on South African Airways before making their way to India on other international airlines.

And unlike the 16 hours it takes South Africans to travel to India today, a direct link between Durban or Johannesburg and India will take eight hours



VINAY CHOUBAL
Doing research

AIRPORT, TRANSPORT SYSTEM CAN'T TAKE INFLUX, TRAVEL EXPERTS SAY

'Chaos' if city gets flood of tourists

S/Times (CM) 29/3/92

(269)

By FRED ROFFEY

A BIG influx of tourists could cause chaos at Cape Town's ill-equipped D F Malan Airport, while a tourist boom would probably disrupt the airport and the city's public transport system, travel experts warn.

They say adequate measures would have to be taken before British airline tycoon Mr Richard Branson's scheme for cut-price flights five times a week from London gets underway in October, subject to official approval.

It is estimated that 49 percent of all foreign tourists to South Africa include Cape Town on their intinerary and Captour has launched an international marketing campaign to try to increase this to 60 percent by 1993, says Captour Executive Director Mr Gordon Oliver. Captour is also trying to increase its 20 percent share of the domestic market to 30 percent

With BA already offering direct flights from Cape Town to London, it seems likely that Virgin would want to route some of its scheduled flights out of the city

At present most international flights are routed out of Jan Smuts, meaning it can cost up to R800 extra for a Cape Town traveller to fly to Johannesburg to catch a connecting overseas flight

Mr Branson's airline has been credited with forcing other airlines to cut their prices after he entered the UK-US market.

Airline sources believe the entry of Virgin into the SA-UK market, one of the most lucrative international routes due to the British Airways and SAA monopo... ill force air fares down and further encourage foreign tourists. Cut-price holiday charter flights should increase with Cape Town certain to capture a large slice of this business.

But travel experts have serious doubts as to whether the city could cope with increased tourism

Transport planner Mr Paul Mann, who spent more than a year drawing up a 16-part transport study for the Cape Town City Council, has already warned of major problems in the city's taxi, bus and rail infrastructure, plus a rapid increase in road congestion, leading to fears that the public transport system could collapse under the pressure.

During a visit to Cape Town this week, top international travel consultant Mr Dries de Vaal said D F Malan Airport was ill-equipped to deal with the volumes of people SA had to attract if it wanted a successful tourist industry.

"Friendly

"South African airports are terrible places for international tourists.

"Jan Smuts is roughly 10 yers behind other international airports, so strategic planning for the tourist industry must start now and be given top priority."

He said SA had about one million visitors a year, of which 500 000 were genuine tourists, compared with 18 million to the UK, 34 million to France and 43 million to Spain.

The 500 000 genuine tourists in SA could be increased to about 2,5 million in five to 10 years if a coherent tourism development strategy was implemented now "from the top".

This would create as many as 200 000 permanent jobs plus a large temporary seasonal workforce, he said.

"The country has everything — the climate, landscape and coastline and friendly and hospitable people."

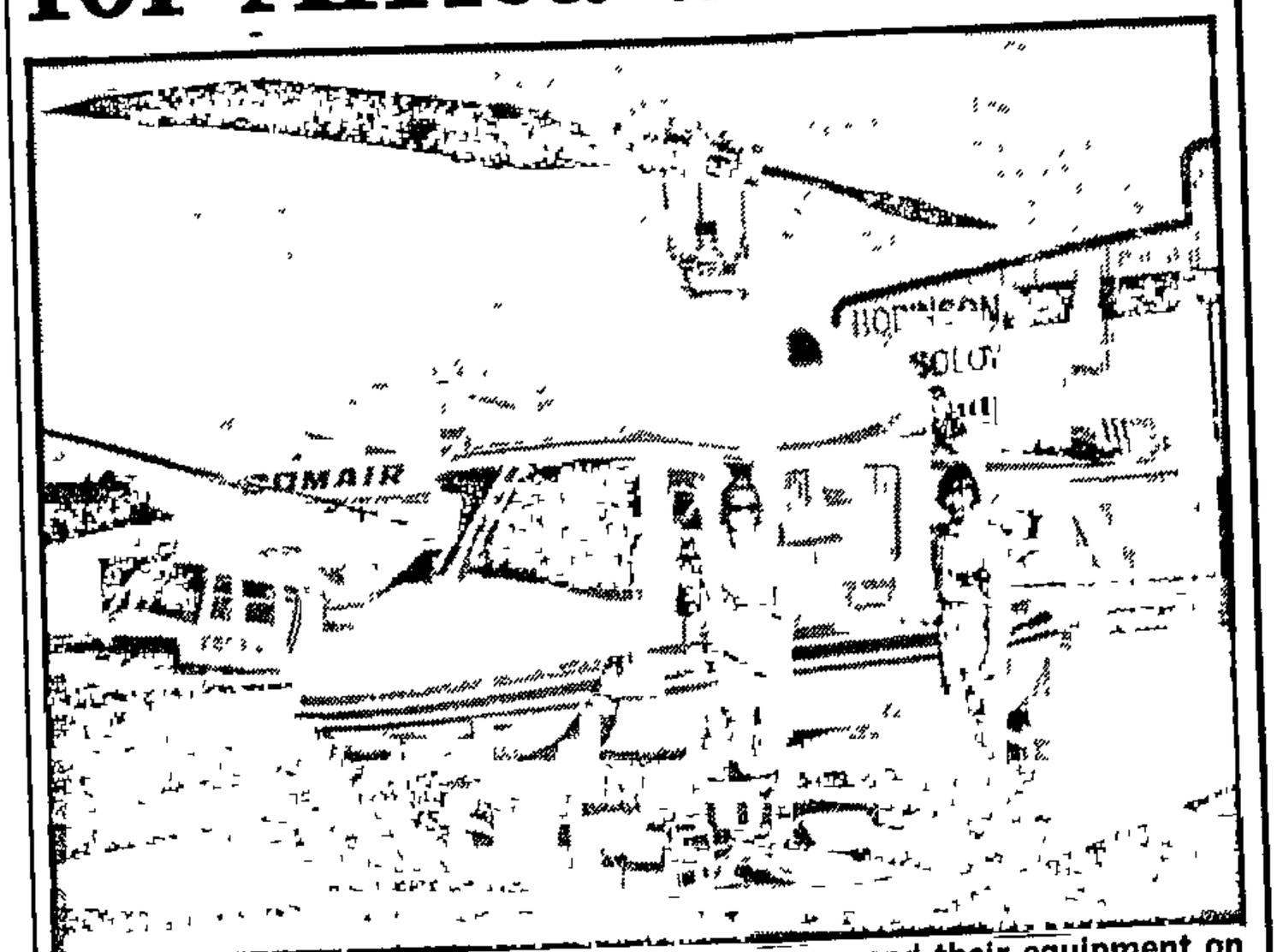
President De Klerk's reforms and the Yes referendum result meant Southern Africa would be "fully restored to its rightful place in the international leisure industry", he said

Mr De Vaal was in Cape Town to commemorate the opening of the local office of Greene Belfield-Smith (GBS), the world's largest tourism and leisure consultancy, which has an international network of 530 offices in 105 countries with 65 000 partners and staff.

It will operate in Africa as the specialist tourism and leisure division of Deloitte Pim Goldby Management Consultants.

Medical cover must for Africa travellers

S/Times (BUSS) 29/3/92 (269)



ANGELS WITH WINGS ... two Medstar ICU nurses and their equipment on standby at an airport near Johannesburg

SOUTH Africans who travel into Africa regularly on business or who stay there for extended periods would be unwise to do so without medical insurance

George Novis, sales manager for Medstar in Johannesburg, which provides a 24-hour, go-anywhere service to evacuate ill South Africans out of African countries, says people living in foreign Third World states for any length of time face a number of potential medical problems not necessarily encountered at home

Archaic

"In most African countries if a worker falls seriously ill he should be evacuated as soon as possible to receive the best medical attention available If not, he could well die"

If First World medical attention is required there are few places in Africa where this can be found with the exception of South Africa

Mr Novis says that in most countries north of the Limpopo medical facilities range from non-existent and archaic to downright dangerous

"It is common practice in Africa to re-use disposable needles, and many of the medicines — if available — have expired Because of this and the high risk of AIDS, we never use anything that is available locally, taking all our consumables — including blood — and equipment with us "It is a fact that 80% of the foreign patients we fly into Johannesburg are HIV-positive, and for this reason our nurses and doctors wear gloves, masks and goggles while attending to them"

He said a lack of foreign exchange in most African countries meant that they either didn't have hi-tech equipment or the money or skills to adequately maintain it

Basics like X-ray machines and CAT scanners are invariably "out of order" so the diagnosis of the sick or injured in usually under-assessed

"For this reason we normally fear the worst and take a full range of miniaturised aircraft-compatible ICU equipment — worth about R2-million — on board even for what may sound like a relatively minor problem," said Mr Novis

However, the difficulties don't end there Getting into smaller towns at night can be prearranged, but there have been cases where the aircraft flew to a strip but couldn't land In one instance because the flares used to light the runway had been stolen, and in another where airport staff were drunk.

Another major problem for Medstar is getting a patient to the airport for evacuation "There are few ambulances in Africa In a recent case we had to transport a subscriber in a commercial vehicle to the airport because the country does not have an ambulance," Mr Novis said

In 1991 Medstar evacuated patients from Kenya, Congo, Malawi, Angola, Mozambique, Zaire, Zambia, Zimbabwe and Botswana, most of whom were suffering from industrial or vehicle accident injuries and a variety of infections

Medstar has a team of ICU nurses who are also aeromedically trained, as well as trauma specialist doctors on 24-hour standby It also has direct access to a wide range of specialist doctors if required

Policy

A variety of aircraft are at Medstar's disposal, ranging from Learjets, turboprops and helicopters, depending on requirements and circumstances

People who plan to travel into Africa or neighbouring countries can take out a travel-assistance policy, available from most travel agents, from R90 to R130 for a stay of one to three weeks.

Companies who have staff travelling regularly into Africa can take out a corporate annual policy either through their brokers or from Mr Novis at (011) 838 6311

The emergency service is also available to anybody on request subject to financial guarantees

Flitestar steals a Gulf march on SAA

S/Times (Buss) 29/3/92

SOUTH Africa's first independent domestic carrier is determined to break into the international market by taking full advantage of the country's newly liberalised aviation policy

With its recent application to the Directorate of Civil Aviation to begin services to India and the Gulf States — it has secured assurances from from Gulf authorities that operations certificates will be issued — Flitestar is on the verge of taking on SAA in the international market

Flitestar's application has stolen a march on the national carrier, which is known to be interested in both destinations SAA has a team in the Gulf evaluating potential and has already expressed an interest in flights to India, but has not yet applied for the routes

If DCA approval is granted, Flitestar expects to begin weekly flights within weeks

There are no scheduled services from South Africa to either of the destinations and, with SA's 1-million strong Indian and Muslim communities, demand for seats to Bombay, Delhi and Dubai or Oman is expected to be strong

269

Competition

Although the airline was evaluating the acquisition of long-haul aircraft for the flights, MD Jan Blake said, initially the routes would be served by its fleet of A320s with refuelling stops in the Seychelles and Nairobi

Mr Blake, besides his recent application to begin a service to Mombasa, which was opposed by SAA, has also expressed an interest in starting long-haul flights to London in competition with BA, SAA and recent applicant Virgin Atlantic Airways

This move is almost certain to throw a spanner in the already complicated talks going on between SAA, BA and Virgin Atlantic

Talks this month involving both governments, the Department of Transport, the DCA and the three airlines on a new air services agreement between SA and Britain ended inconclusively in Pretoria

A DCA spokesman said the talks would resume in London once SA's international civil aviation policy review was completed — probably within two months

Talks are said to have gone well, with agreement being reached that it was time to end the monopoly enjoyed by BA and SAA on the lucrative route

"But," said Virgin's route planning and strategy director Ed Hullah, "although Virgin is allowed to fly to SA we have not been given any frequencies. A decision has to be made on capacity"

Virgin has proposed four flights a week, but would eventually like a daily service

In terms of the existing bilateral agreement SAA and BA split the route capacity and frequencies on a 50-50 basis There is no provision for a third carrier

Overtraded

A 60-40 share was mooted last year by local travel industry leaders, with SAA taking 40 percent, leaving Virgin and BA to work out a compromise on the remaining 60 percent

Flitestar's interest in the route in not going to make matters any easier to resolve Should it be given the go-ahead, the formerly lucrative, high-capacity route could find itself overtraded if the expected tourism boom to South Africa doesn't, for political reasons, materialise

AVIATION AFRICA 92

A Business Times Feature

Big expansion plans for Wonderboom

S/Times (BUSS) 29/3/92 (269)

THE new boss at Wonderboom Flying School has big plans for expansion — plans that could make it the premier establishment of its kind in the country.

Andrew McLeod, former SAAF transport and maritime patrol pilot, and general manager of the Pretoria-based flying school, says that although the school is primarily a training establishment with its own maintenance and sales departments, there are plans to start a charter service which will give the school all-round exposure to the aviation market

Solo

Wonderboom has the only Directorate of Civil Aviation-approved flight training simulator in the country and, with its eight full-time instructors, is the only one that takes students from ab initio standard to the top, which is an airline transport pilot's licence, which includes the commercial and senior commercial licences

Also on the cards for the school is a plan to move its offices at the airport terminal to the opposite side of the runway, where their own hangars and apron will be constructed at a cost of more than R1-million

Metres away is the school's accommodation for out-of-town students and lecture rooms

"At the moment we have 18 students doing the commercial licence, with between 30 and 40 qualifying as private pilots each year, and we send between 70 to 80 students on their first solo each year"

Not all the students are South Africans "Because of the favourable exchange rate we also attract overseas pilots who would otherwise have to pay in their home countries more than double what we charge"

The school has attracted students from Switzerland, the United Kingdom, France, Netherlands and North Africa, some of whom stay at Wonderboom for up to a year

The Small Business De-

"Our high standards, excellent flying weather, relatively uncongested air space and cheap rates are the chief attractions," he said

A recent advertisement in an international aviation magazine attracted 25 inquiries from licensed pilots who wanted to do instrument ratings and commercial licence validations — all of which are far more expensive in their own countries and warrant the cost of travel to SA and accommodation

"Essentially what we are offering is a unique service which will take the pilot from ab initio right up to ALTP standard, rather than the student having to chop and change schools and instructors as he attains higher licences

"We can train students as far as the law allows Obviously we can't do the instructor's rating, senior commercial or ALTP exams These must be done by the DCA, but our staff — we are the only school in SA to have a full-time DCA-approved Grade 1 testing officer — have approval to do initial as well as renewal flight tests"

Minimum

So what does the student get for the R15 000 he will pay for his private pilot's licence, the first rung on the ladder to becoming a professional?

"Accommodation aside — which will be an extra R40 a day and includes two meals, washing and ironing — everything, including books and equipment, he will need to complete the course."

It takes the average student a minimum of 40 hours, normally completed in about four weeks, before he can be tested for a private pilot's licence

Wonderboom's assistant chief flying instructor, Alex Dyason, 26, has a Grade 2 instructor's rating, about 3 000 hours logged and an ALTP — the highest licence obtainable.

His baby at the school is the R1-million simulator, the only general flying simulator in the country approved by DCA for advanced licence renewals

The benefit to the student is that the instructor can stop the training in flight and sort out mistakes without worrying about keeping the aircraft flying and then take up again where they left off

Limitations

"If the student was in an aircraft it would be costing him more than twice as much, and he might also not be learning as fast. We can fly whole routes without leaving the ground and programme the simulator so as to concentrate on weak points only," says Alex

Mr McLeod says the simulator also allows for single- or multi-engine training, depending on which area of flying the student wants to concentrate on

"The Line Oriented Flight Training (LOFT) system is run by our chief flying instructor This system is used in recurrency training for instrument renewals as well as to train pilots for certain tasks depending on what field the pilot wants to pursue — be that an instructor's rating, charter work, small airline or large airline preparation It saves him money and time and gives in-depth training"

Mr McLeod says Wonderboom training is geared to making safety-conscious pilots out of students "And to be safe the pilot has to know his work and his limitations For this reason our commercial pilot students are required to maintain a daily average of 70 percent or we don't permit them to write the exams"

Alan Fitzpatrick of Botswana gets a last-minute briefing from Wonderboom manager Andrew McLeod

Safair's bridging role

S/Times (Buss) 29/3/92 (269)

SAFAIR, with its wide network of operations, can be described as probably the only truly dedicated African airline on the continent

For years it has been criss-crossing Africa, often in the face of international sanctions, to carry SA-manufactured freight to hard-pressed countries north of the Limpopo And these countries, until two years ago, would never admit to having dealings with the airline

"But all that has changed and we are aggressively pursuing new business on the continent — and getting it," says Safair MD Braam Loots

He believes the airline is poised to play a crucial bridging role in the return of South Africa to the African economic marketplace, at the same time helping to invigorate trade relations between many of its countries

"The will to open trade between SA and our neighbours to the north is irrepressible, and the need for an exchange of goods undeniable Also, the demand for a reliable transport infrastructure is overwhelming, and Safair is in a unique position to meet all these requirements," he says.

With its fleet of eight Hercules transport aircraft capable of landing on short, dirt runways, crews with an intimate knowledge of the sub-Saharan routes and topography and a management team that has wide-ranging contacts in Africa, Safair is confident of substantially increasing its foreign-operations turnover.

International business had already decided that South Africa should be the conduit between Africa and world markets, and because of poor road and rail links on the continent it would seem that aviation, and Safair in particular, had a pivotal role to play.

Mr Loots says that Safair, active in Kenya, Angola, Cameroon and Zaire, is flying freight not only from South Africa into Africa but from one African country to another and domestically for some countries

"Safair is a thoroughly African aviation company, one that is structured and equipped to suit African markets and flying conditions

Contract

"We know Africa and we understand our customers, and we've gone to great lengths — even in the years when we were shut out — to put together the aircraft, trained personnel and the maintenance facilities that can handle anything the continent can throw at us."

Maintenance is another aspect of aviation that the company is deeply committed to. Recently it won a contract to do a major inspection of an Angolan Boeing 737 at a cost of R2,5-million, and it has African contracts in the pipeline

"It is cheaper and quicker for us to maintain African aircraft than for them to be sent to Europe or the US," says Mr Loots, whose company is licensed to work on Hercules, Boeing 707s, 737s, ATR 72s, BAe 146s and Convair aircraft

Chris Bester, Safair's general manager of engineering and maintenance, says the airline is talking to several African countries about caring for their fleets, which could bring in business worth R25-million "in the short term and much more in the longer term",

With approximately 12 000 sq m hangar space and 3 500 sq m of workshop space and spares worth more than R200-million, the company's facilities at Jan Smuts can be compared with the best in the world, says Mr Bester

But the airline's activities don't end there With the second-largest fleet of Hercules L-100s in the world, a cargo-dedicated BAe-146 jet, and two Boeing 707s, it operates scheduled and non-scheduled freight and passenger charter flights — which it plans to expand in the future — from the Cape to Cairo and the Atlantic to the Indian Ocean

'Yes' will boost ExecuJet

THE overwhelming "yes" vote in the recent referendum will significantly boost ExecuJet's business in Africa, says the managing director of sales, Mr Andre du Plessis.

"Companies have been holding back on contracts waiting for the referendum's outcome, but now that it's been positive we can expect business to boom," he said.

ExecuJet specialises in flying major SA company executives into Africa.

"We are popular with a SA companies because of our expertise in Africa in getting flight clearances, our wide range of contacts, knowledge of conditions and the range of our Learjets, which enable us to fly non-stop to destinations as far away as Kenya," said Mr Du Plessis.

"Flying into Africa is fraught with problems, which include corruption, inferior air-traffic control and a total lack of medical services. It is therefore essential to use long-range aircraft that can fly high and fast and do not need to make time-consuming and expensive refuelling stops."

Mr Du Plessis says companies involved in construction, road transport and foods flying mainly to destinations like Zambia, Zaire, Malawi and Zimbabwe are their biggest customers.

Sub-Sahara depends on SA — the key is aviation

S/Times [BUSS] 29/3/92 (269)

AVIATION AFRICA 92

On Wednesday, Aviation Africa 92, the largest ever South African aviation trade show, opens its doors at Johannesburg's Jan Smuts Airport. Major international manufacturers are taking part, and as a result Africa's eyes are focused on South Africa and its aviation industry. Sunday Times aviation correspondent ROGER MAKINGS reports on the current state of the industry, its developments and the challenges that lie ahead.

AVIATION is the key to development in southern Africa — and without it countries north of the Limpopo and south of the Sahara face bleak and ever-deteriorating futures

Gone are the days when East and West vied for the attention of southern African countries with unlimited aid They have identified larger markets worthy of exploration in the now-liberated eastern Europe with better chances of returns on their investments

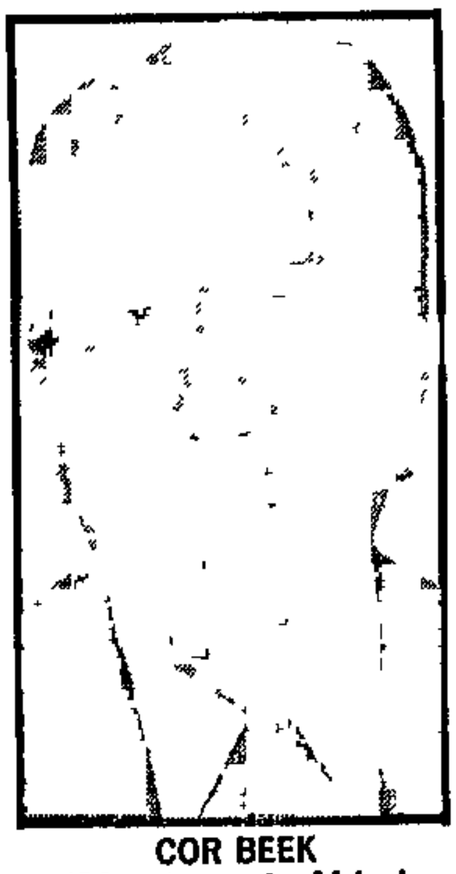
With many of the countries landlocked and road systems in poor repair, the only way they can kick-start their parlous economies is by trading with and through South Africa, the country which, it would seem, has been given the task of motivating these economies

Cheaper

To achieve this southern African countries have to improve their aviation infrastructures, says Cor Beek, executive director of the Commercial Aviation Association and organiser of the Aviation Africa '92 show

"It is far cheaper to extend a runway, upgrade landing systems and lease modern aircraft than it is to rebuild hundreds of kilometres of roads," says Mr Beek, who also points to the obvious benefits of aviation as a means of transport

"Even if their roads and railways were in good repair, these vehicles have to fend off attacks by bandits. Length of time en route would also be a problem in the case of produce"



COR BEEK
'SA gateway to Africa'

He says most African countries realise this and because of the changes in South Africa are now prepared to be seen openly "doing business in the south"

And for this reason the major manufacturers of aircraft, airport technology as well as related aviation industries have decided to exhibit at the Aviation Africa '92 show at Jan Smuts airport from April 1, making it the biggest in SA since its inception in 1975

The show now ranks in size with those held in Singapore and Dubai, with global giants like Boeing, McDonnell Douglas, Airbus Industrie, British Aerospace and Aerospatiale exhibiting and hoping for a slice of the expected action

Contacts

"South Africa is the gateway to Africa — we have the harbours, airports and roads as well as the industry and skilled labour which the major companies can use to launch their products Our entrepreneurs are geared to dealing with the Africans and know their countries"

But it is up to South Africa, as the economic power in the region, to get the ball rolling and become the motivating force in the drive to get sub-Saharan economies going

"Our aviation infrastructure is probably the best in Africa, and because of our proximity it would be advantageous to Africa to come to us for the assistance they will need to upgrade their aviation capabilities," says Mr Beek.

Loss-making African airlines are in a sorry state mainly because of bad management, widespread corruption, government interference and a lack of capital

"We have the expertise to solve all these problems and, in fact, a helping hand is already being extended to some countries to remedy these shortcomings"

SAA has assisted numerous fledgling airlines — Air Mauritius and Air Namibia, to name just two successful operators in southern Africa — by leasing aircraft and crews to them and helping to train their own staff as well as servicing their aircraft

But how are these cash-strapped countries to pay for the services SA is able to provide?

Barter

"We could conceivably introduce a system of barter — though a new concept in aviation it is not new in world economics These countries have an abundance of labour and minerals and some produce which they could exchange for South African services

"This is a problem we will have to solve If we don't, the whole sub-Saharan continent will collapse eventually, dragging SA with it," says Mr Beek

Living life in the fast track

Sowetan 30/3/92

CONNIE SIZAKELE NKOSI

By SIZAKELE KOOMA

CONNIE Nkosi is not frantic about working for a parastatal institution that is partly blamed for the raging violence that has claimed hundreds of black lives in commuter trains

The first black woman to receive an MBA degree, she was recently appointed to the all-male management team of the South African Rail Commuter Corporation (SARCC)

Position

Nkosi is the corporate communications manager of the SARCC, a position she said entailed a bigger responsibility than she has had before and a position she also hopes to use to neutralise the controversy that presently dogs her company

She believes the task she has set herself is not impossible She reminds *Sowetan* Woman that she helped launch the Permanent Building Society to the black community of Soweto and maintains that was not easy

"Most black people thought the Perm was an Afrikaner institution and it was hard making them see through the stigma," Nkosi said

"I know there is a lot of bitterness among people about the situation in the trains The corporation is genuinely trying to solve the problem and I came here because I believed I could influence them in the right direction " she said

Disbanded

Nkosi said the SARCC was spending a lot of money on security, buying metal detectors for example and was talking about reintroducing the railway police force, which was disbanded in 1986

"There is also a plan to upgrade the stations and make the service user friendly to increase commuter satisfaction We will also put up shops and hawker stalls an exercise that will benefit both our commuters and black business people," Nkosi explained

She also believes that communication is another tool that could be used effectively to improve relations between her company and the 'target public She has held discussions with women community leaders and professional males to find out what the SARCC can do to remedy the situation in the trains

Affable

The affable mother of two sons is confident that one, if not all of her company s formulas will work

Nkosi joined the SARCC four months ago Prior to that she was running her own business She is also director of the Black Management Forum, an organisation which seeks to uplift black people who are in management positions

She is often confused with another Connie Nkosi a former Tsakane councillor

Star Beat

ARIES March 21 - April 21
Your inherent optimism could be the cause of your downfall regarding career and commercial affairs unless it is coupled with caution Be realistic and practical take care not to misread people and situations during this round

TAURUS April 21 - May 21
A largely unproductive period is indicated for you as you wrestle with your ideals and principles, perhaps get lost in a maze of thoughts or daydreams Try to put lofty desires on hold in order to get to grips with real issues

GEMINI May 21 - June 22
Co-operation and support will both be hard to come by Save your requests for a more favourable time Watch out for people who try to take advantage of your knowledge You really afford to confide too freely in anyone

CANCER June 22 July 23
Expectations and promises may not be met and some of your existing arrangements may fall apart. Problems are likely to be spread across the commercial and domestic areas of life You will have to grit your teeth and fight back

LEO July 23 August 24
You certainly need to analyse work situations carefully before making any vital moves should double-check facts and figures for accuracy Your health could bear some extra attention at this stage so improve your living habits

VIRGO August 24 September 23
Avoid involvement in risky enterprises Speculation could be a losing game Prudence is also recommended in your dealing on all levels Matters of the heart may not run smoothly A misunderstanding may be difficult to resolve

LIBRA September 23 - October 23
You may not find real comfort anywhere at this juncture not in your family sphere nor in your closest relationships Your own attitude may be rather stern and could invoke aloofness and indifference in usually good allies

SCORPIO October 23 November 23
Take care not to get at odds with yourself Inner confusion may prevail as you wrestle with your conscience over something you should or should not have done Your thinking may go awry and could result in doubtful decisions

SAGITTARIUS November 23 December 22
Romance and finance could be the issues which play on your mind for a while and you may not easily find the answers to the questions which cause your anxiety You are unlikely to obtain worthy advice on such matters just now

CAPRICORN December 22 - January 21
Your most pressing need is to sort out a family or household matter before the situation become completely untenable In order to do so successfully you will have to examine your own attitude and adjust your point of view

AQUARIUS January 21 - February 20
Restlessness and doubt are liable to result from the current planetory pattern Your power of concentration may be rather poor and decisions could be difficult to make Differences with close relatives will begin to surface

PISCES February 20 - March 21
It seems likely that providence will continue to play a strong role in your affairs allowing you too little free will while subjecting you to trying circumstances Do not expect to get co operation from your usual sources

If today is your birthday
A taxing twelfth month is in store for you and you must swiftly settle issues which are currently on your agenda before taking on other responsibilities Several demanding experiences should strengthen your character and resolve

Ivory trading 'not justified'

B/Day 31/3/92

ZIMBABWE's resumption of ivory trading was not justified unless it was guaranteed not to become a conduit for illegal ivory trade — a guarantee Zimbabwe could not provide, Wildlife Society of Southern Africa executive director Tony Ferrar said yesterday.

However, Zimbabwe did have too many elephants.

The country had a moral obligation to other ivory-producing countries to ensure controls against the introduction of illegal ivory into any of the phases of its transactions.

It was vital to openly demonstrate income derived from ivory sales was passed directly to conservation agencies and rural communities. — Sapa.

Murder trial judgment begins

B/Day 31/3/92

SUSAN RUSSELL

JUDGMENT in the murder trial of five Numsa members and a man they allegedly hired to help with an intimidation campaign against non-striking colleagues at Haggie Rand, in which five people were killed, began in the Rand Supreme Court yesterday.

Shop stewards' chairman Richard Ngobeni and worker representatives Jeffrey Mtshali, Malvert Ngubane, Malan Khumalo and Samuel Malepo, have pleaded not guilty to five counts of murder, nine counts of attempted murder, two counts of arson and one count each of unlawfully possessing firearms and ammunition.

Joseph Bhengu, allegedly hired as a "hit man" by leaders of the intimidation campaign, also pleaded not guilty on all 16 counts.

Ngobeni and the other Numsa members on trial were dismissed after an illegal strike in October 1989.

Judge du Plessis, sitting with two assessors, said it was most probable that the gatherings of dismissed workers during the dispute were organised by a workers' representative group known as the "committee of 10" as claimed by Abram Keele, an alleged accomplice of the six who turned State witness.

Ngobeni, the judge said, was clearly a member of the committee or intimately involved with it. As committee members, the other Numsa members would have been regarded as leaders by co-workers.

All the victims except one worked in the wire mill section. The one exception had been in the company of an employee from that section when he was attacked.

"This common factor renders the possibility that the attacks were individually planned remote," Du Plessis said. "Furthermore it indicates the attacks were planned by people opposed to the continual working of the victims."

Judgment will continue today

Railways police set to return

A SECURITY force similar to the disbanded SA Railways Police could soon be patrolling trains and railway stations if high-level talks between the SA Rail Commuter Corporation and the SAP are successful.

This was disclosed yesterday by MD J J Nel, who said the carnage on the trains since July last year had led the corporation to investigate all possible means of ending train violence. B/Day 31/3/92

The Railways Police was integrated into the SAP in 1986.

"The corporation and the SAP are investigating the possibility of a dedicated security force to concentrate on the security of commuters and their environment, such as railway stations and trains," Nel said.

Police stations are also planned for railway property. — Sapa.

Flitestar operations 'picking up'

WILLIAM GILFILLAN

HIGHER capacity from existing carriers and the "definite" entry of Virgin Airlines means competition on international airline routes will intensify substantially, says Rentmeesterbeleggings (Rentbel) MD Joachim Vermooten B/Day 31/3/92

Vermooten said this when presenting the results of the group — which has a 44% interest in Trek Airways, the operator of Luxavia, and fledgling local airline Flitestar — for the six months to December.

A departure from short-term insurance activities, the disposal of its steel interests and rationalisation at its Alnet subsidiary helped Rentbel turn in a trading profit of R2,4m The group recorded a trading loss of R8,1m for the comparable period in the previous year.

But start-up costs at Flitestar knocked the income contribution from associate Trek to R158 000 from R2,2m Vermooten said the contribution was down as Trek had written off most of the starting up costs of the airline in the six months to December

He said Flitestar was "operating above break even" on those routes inaugurated last October, and passenger loads on the routes started up this February were "picking up from week to week" (269)

Interest and taxation charges of R2,7m and R433 000 moved the group's trading profit into an attributable loss of R738 000, a loss of 20,3c a share

As the group ceased its activities in the short-term insurance market in June last year and disposed of its steel interests, any comparison to last year's figures were meaningless

Rentbel's principal operations consist of subsidiaries Rentmeester Versekeraars, a niche life assurer in which it holds 70%, and netting business Alnet, in which the group has a 78% stake. Rentbel's remaining major investment is its stake in associate Trek Airways, which is held in partnership with Safmarine (38%) and the De Muelenaere family (18%).

As the group had been unable to offset losses in some companies against taxable income in its remaining operations, Rentbel had been exposed to the tax charge despite its R281 000 taxable loss. Alnet recorded an attributable loss of R1,2m

Railways police could be reintroduced at stations

269

A security force similar to the disbanded SA Railways Police could soon be patrolling trains and railway stations if high-level talks currently under way between the SA Rail Commuter Corporation (SARCC) and the SA Police are successful.

This was revealed yesterday by SARCC managing director J J Nel, who said the carnage on the trains since July had led the corporation to investigate all possible means of ending train violence.

"The corporation and the SAP are investigating the possibility of a dedicated security force to concentrate on the security of commuters and their environment.

"It is a high-level investigation that involves a wide variety of components, such as the financing of such a force, its deployment, the manpower levels and whether we can get the manpower," Dr Nel said.

"There are just too many people losing their lives on our trains, and while certain measures have already been instituted, we hope the outcome of the current talks will finally end such killings."

Asked about allegations that renegade taxi operators may be fomenting the violence to decrease the corporation's current passenger rate, Dr Nel said they were aware of the rumours.

"The police, too, are aware of the allegations and are investigating them.

"But I don't believe at all that the taxi associations are involved in this — we speak regularly to the SA Black Taxi Association and Saldtu (SA Long Distances Taxi Union). We have, therefore, no reason whatsoever to believe they are involved in the violence." — Sapa.

CAPE TIMES 31/3/92

Bus fares only R1 for just one day

(269)

Staff Reporter

GOLDEN Arrow Bus Services (GABS) will celebrate their city bus transport take-over with one-day-only concessionary fares for passengers tomorrow.

From midnight tonight to midnight tomorrow a maximum fare of R1 will be charged on all scheduled buses operating in Cape Town.

CT 31/3/92

Metro area

In a statement yesterday the company said the "special concession is to celebrate the fact that as from April 1 GABS will control all services rendered by City Tramways in the Greater Cape Town metropolitan area".

The special concessions would not apply to services in Paarl, Hottentots Holland and Malmesbury, the statement said.

GABS has not divulged the full financial details involved in their take-over of Tollgate's City Tramways Limited as the transaction had yet to be finalised.

Railway police soon?

269

CT 31/3/92

JOHANNESBURG — A security force similar to the disbanded SA Railways Police could soon be patrolling trains and railway stations if high-level talks currently under way between the SA Rail Commuter Corporation (SARCC) and the SA Police are successful.

This was disclosed yesterday by SARCC managing director Dr J J Nel.

The Railways Police force was integrated into the SAP in 1986.

Asked about allegations that renegade taxi operators might be fomenting the train violence to decrease the corporation's current passenger rate, Dr Nel said they were aware of the rumours. — Sapa

Public Sector — TRANSPORT_GENERAL

1992

APRIL — JUNE

Expansion of Beit Bridge under way

HARARE — SA and Zimbabwe are expanding the strategic Beit Bridge border crossing point as the funnel for huge quantities of emergency food supplies for drought-stricken southern Africa.

The number of trucks crossing the narrow steel girder bridge across the Limpopo River has jumped to 250 a day from 120.

The number of Zimbabweans visiting SA, most through Beit Bridge, is also increasing dramatically.

Nico Nel, a senior diplomat and SA's trade representative in Harare, said yesterday his mission issued 280 000 visas last year.

Nel said serious consideration was being given to upgrading facilities this year. The scheme had been originally scheduled for 1984/85. — Reuter B/Day 1/4/92.

Atlas starts civil aviation arm

B/Day 1/4/92

ATLAS Aircraft Corporation, long standing supplier of military hardware to the Air Force, is to change its identity and culture — in line with diminishing local defence requirements

Atlas announced yesterday it would trade under the name of Simera and pursue commercial work in civil aviation.

CEO Kobus Ecksteen said while the military would remain an important client, the old Atlas would undertake a wide variety of commercial work, including subcontracting and maintenance. He said contract negotiations were already under way locally, in Europe and the UK.

Aerospace group executive director T Gibon said a thorough analysis of Atlas's potential and capabilities led to the decision to cease operating under the name of Atlas and to establish a civil aviation division of Denel.

"Simera will undertake commercial work in SA and abroad, involving modifications, civil maintenance and co-operative ventures for fixed and rotary wing aircraft and engines," Gibbons said.

Atlas Aviation, the military arm of Simera, would continue to service the needs of the military locally and abroad

The civil aviation division would also be known as Simera while the property arm, which had some 230 hectares of ground adjacent to Jan Smuts Airport, would be known as Astor Park

Some 26ha of this ground was covered and Simera intended leasing available capacity to avaition companies — Sapa.

It is the role of police to stop even political crime, writes **Victor Nell**

Police force passes the buck

STAR 2/4/92 (269)

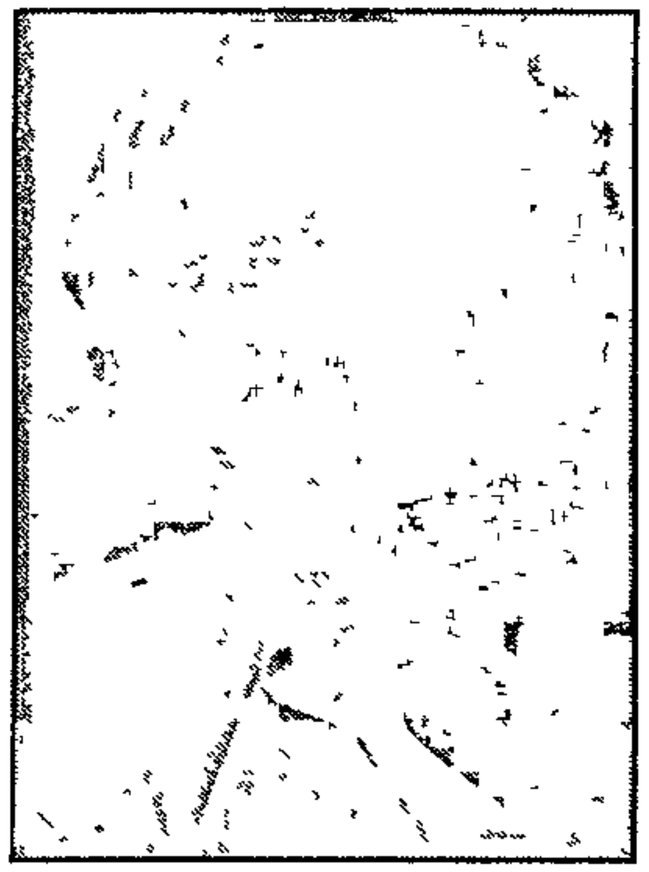
A documentary, "War on the Trains", was screened on TV1 at the weekend On the ballast next to the railway sleepers lie torn bodies, blood oozing through white shirts An immigrant from Mozambique coughs up his last breath as a bright yellow train speeds by, in the background is a policeman in camouflage uniform Rows of wounded people sit on the platforms waiting for the ambulances, still in shock

And the police, asks the reporter, do they protect you? Frightened faces turn away from the camera They are there to protect us, says a woman guardedly, but who can say if they do protect us A man swaying to the motion of the train says they always come afterwards, when the thing is finished Then they come

The tape cuts to a police spokesman, smooth and sincere If we put 100 men on each station and 10 on each coach, he says patiently, we would need 70 000 men We can't be everywhere This matter is in the hands of the community They must come forward and identify the attackers Our hands are tied

Is this a new trend for the new South Africa, do-it-yourself policing? It's an interesting view of police work, and very South African. For years traffic chiefs have persuaded drivers that safety is in their own hands. Traffic police shrug off their simple duty to enforce the law and instead convince drivers that South Africa's high accident rate is because they have bad attitudes.

The habit spreads Since March 18, as referendum euphoria receded, a succession of Cabinet Ministers has warned that there can be no interim government until political parties can persuade their followers to desist from violence



Victor Nell . . . do-it-yourself policing is not the answer.

Duty . . . while "clever" arguments are used to avoid supplying more train security, people are dying.

But political violence is a common crime, no more or less criminal than any other kind of crime, to turn it into the responsibility of "political parties" is devious Isn't it the job of the police to prevent crime? Why has the responsibility for "stopping Inkatha" or "curbing the ANC" been passed back to political leaders?

This is an ominous metamorphosis in State perceptions of how law and order are to be maintained. In what other country do governments and police forces stand back, turning law and order over to the communities and politicians?

It is very clever saying that train security will need shifts of 70 000 men. By analogy, maintaining hijacking security on all of the world's airlines that between them carry, say, 1 000 times more passengers a day than Soweto trains, would need shifts of 70 000 men at a time. Yet since the '60s, when hijacking was something of an international sport, an astonishing degree of airline security has been achieved, using something less than 70 million or even seven million security personnel a day.

The exiled South African poet Dennis Brutus was talking on the radio on Sunday night, just before "War on the Trains" came on TV. He recalled living in Fordsburg in the '60s and writing about the incessant screaming of police sirens up and down his road, enforcing the pass laws and arresting "terrorists"

This country had a police force famous (or notorious) throughout the world for its speed and efficiency Nothing was beyond its powers. It penetrated every nook and cranny of South African society. In 1960, or even 1980, how far would a car carrryng four men armed with automatic rifles killing pedestians at random have travelled before it was hunted down and surrounded?

If the ANC had been suspected of orchestrating "unrest" on trains, how long would it have continued? How many arrests would have been made on Day 1 and how many on Day 2? Now the hands of the police are tied The community must come forward.

There is something very sick in our society, and all of us are dying from it Some of us are dying literally, with dreadful wounds, others feel hope dying, and our belief that decent people can live decent lives in this society that is slipping headlong into anarchy

Of all the priorities facing South Africans at this time, one stands out above the rest how to get a police force that takes responsibility for doing its own job, and is accountable for doing it well □

● *Professor Victor Nell is director of Unisa's Health Psychology Unit, which has special interests in violence, civil anarchy and accountability*

Station upgrade getting on track

Sowetan 2/4/92 (269)

By JOSHUA RABOROKO

THE upgrading of eleven railway stations in Soweto by black property and construction developers and individual companies gets off the ground this month.

Intensive consultation has taken place between the South African Rail Commuter Corporation (SARCC), the black-owned Marketing Builder Services (MBS) and the Soweto Home-Builders Association (SHBA) towards the massive project.

This was said by the corporation's communications manager, Mrs Connie Nkosi, at a Press briefing in Johannesburg this week

The money for the projects would come from the R290-million which was approved by the Minister of Finance, Mr Barend du Plessis, in his 1992/93 Budget

They have also consulted other groups, such as civic associations, trade unions and political organisations on the project, which she said, would create jobs.

"We want to refurbish the stations so that they should look attractive. We appeal to the community to stop destroying the railway properties because they are also yours," she said.

Informal business

At the same briefing, SARCC's manager, Mr Kobie Nel, said that the company was planning to build shops, entertainment and informal business centres near the railway stations

He said that police stations would also be built near the stations where people could report their cases in case of violence on trains.

This, he said, would probably help curb the escalating violence that has claimed many lives on trains in the past few months

It was also their wish to develop entrepreneurial skills among the black community so that they could help the country's economy to grow as well as to help themselves

He added that all these projects would be undertaken in consultation with the community.

The managing director of MBS, Mr Ken Dlamini, yesterday confirmed that they had been consulted by the SARCC in order to participate in development of the projects It was expected that finality on the issue would be reached tomorrow.

Communications manager CONNIE NKOSI

SAA aims at 22 new routes

B/Day 21/4/92 (269)

LINDEN BIRNS

SAA has applied for traffic and landing rights at 22 new destinations in the Far East, Europe and Africa — from Bujumbura to Warsaw

If the modifications to its scheduled air transport licence are approved, it will be able to widen its international route network substantially

In the application, published in last week's Government Gazette, SAA applied for routes between Johannesburg, Durban or Cape Town and Brazzaville (Congo), Lagos (Nigeria), Duoala (Cameroon), Bujumbura (Burundi) and Dakar (Senegal) The airline envisaged those cities as end-point destinations or as points of extension to other destinations in Africa, Europe, Russia and North America

In the second part of the application, SAA asked for permission to include routes from Johannesburg, Durban or Cape Town to Nice (France), Dusseldorf, Munich and Berlin (Germany), Warsaw (Poland), Prague (Czechoslovakia), Bucharest (Romania), Budapest (Hungary), Belgrade (Yugoslavia) and Moscow (Russia).

SAA has also applied to operate flights on routes between Johannesburg, Durban or Cape Town and Bangkok (Thailand), Tokyo (Japan), Kuala Lumpur (Malaysia), Singapore, Jakarta (Indonesia), Seoul (South Korea) and Bombay (India) The flights could terminate at these destinations or be used as stopovers en route to other Far Eastern and Australasian cities

SAA has been negotiating for landing rights at Tokyo's Narita Airport, but the lack of spare capacity at the airport has placed the airline under pressure to seek an alternative Japanese destination It has already announced its decision not to use Bangkok as an end-point destination, but as a stopover on its Johannesburg-Taipei service

Although SAA has applied for traffic rights in Russia and other eastern European countries, it is unlikely to inaugurate services until there is sufficient demand for a direct service from SA

SAA's application follows recent announcements of inter-airline agreements with several carriers, including Czechoslovakia's CSA and Russia's Aeroflot

Sum lost to music pirates 'theoretical'

B/Day 21/4/92

THE headline, "R600m lost to music piracy", to a report last Wednesday may have overstated the position

The report said the SA music industry believed piracy was costing it R600m a year in potential lost turnover

Brian Ellis, CE of the Association of the SA Music Industry, says the figure does not reflect the viewpoint of either his association or the record companies

Independent market research had indicated that more than 20-million blank tapes were sold legally in SA in 1991, and that 95% of these had been used exclusively for the illegal rerecording of music

"The figure of R600m is arrived at as a result of a theoretical extrapolation derived from the sale of 20-million blank tapes multiplied by an average retail price of R30 per prerecorded music cassette" It was not a factual figure

SA 'set to free its international air routes'

LINDEN BIRNS

B/Day 3/4/92

SA's reformulated international civil aviation policy, which is expected to free international routes to SA from domination by SAA and other countries' national carriers, will be announced in mid-May, Transport Minister Piet Welgemoed said yesterday.

Welgemoed spoke at the official opening of the Aviation Africa '92 trade fair being held at Jan Smuts Airport until tomorrow.

The Minister surprised airline industry observers by not making a formal statement on the new policy.

However, he said it would be more flexible than previous interim policies and would be "in line" with SA's recently deregulated domestic civil aviation policy

269

After a conference in Cape Town last April, Welgemoed appointed a steering committee of airline and tourism industry leaders to investigate and present proposals for a new international policy. He said the final draft proposals had been given to him yesterday morning and he would study them as soon as possible.

Industry leaders and sources close to the steering committee have indicated that the new policy will free airlines from regulations governing the fixing of air fares. They expect it to pave the way for renegotiated air services agreements with other countries. These would enshrine the rights of access to more than just SAA and one reciprocal national carrier on any given route in any market.

SAA CE Gert van der Veer said after Welgemoed's speech he was not prepared to say what the airline regarded as its ideal for a new policy, as that would pre-empt the steering committee's findings.

Welgemoed said he hoped to publish the new policy within six weeks if Cabinet approved the proposals.

Representatives from McDonnell Douglas, Boeing and Airbus Industrie said yesterday a substantial liberalisation of the current policy would help to stimulate growth in the local airline industry.

Minister hints at cheaper air fares

CT 3/4/92 (269)

Own Correspondent

JOHANNESBURG — South Africa's reformulated international civil aviation policy, which is expected to liberalise international routes to South Africa, will be announced in mid-May, Transport Minister Dr Piet Welgemoed said yesterday

He said the new policy would be "in line" with the recently deregulated domestic civil aviation policy

Last year, Dr Welgemoed appointed a steering committee of airline and tourism leaders to present proposals which he had received yesterday and would study.

Industry leaders and sources close to the steering committee have indicated that the new policy will free airlines from regulations that govern the fixing of air fares and domination by South African Airways.

Dr Welgemoed said he hoped to publish the new policy within six weeks if the cabinet approved the proposals

Thailand and SA to sign accord

Sowetan 3/4/92

269

BANGKOK - Thailand and South Africa are expected to sign an agreement to open air services between the two countries soon, a Thai official said here Bangkok yesterday.

A delegation of Thai Communications Ministry officials were due to return home yesterday after talks with their counterparts here on opening two-way air services between Bangkok and Johannesburg

Although no formal agreement had been signed, the Thai side is expected to allow South African Airways to fly once a week to Bangkok and on to Hong Kong and Taipei and return on the same route to Johannesburg.

A spokeswoman for Thai Airways International, the national airline, said this would be the first time Thai would be flying to South Africa, but the service would not begin until early next year - *Sapa-AFP*

SAA's Frankfurt fare falls

(269) STAFF REPORTER

SOUTH African Airways has announced a common-rated fare of R2 599 from any of the country's domestic airports to Frankfurt STAR 4/4/92

The fare, SAA's cheapest to a destination in Europe, marks the 40th anniversary of SAA flights to Frankfurt.

It is also the first time the airline has offered a common-rated fare to Europe.

ARG 4/4/92

Cape to Europe air fares slashed

(269)

PATRICK FARRELL
Weekend Argus Reporter

THE price of flying from Cape Town to Europe has been cut by a minimum of R840 in terms of a new special fare announced by South African Airways.

Travellers flying to and from Europe via Durban will also benefit.

The concession has been widely welcomed by businessmen and it should provide a big boost for tourism.

SAA say the low fare of R2 599 return will enable travellers to fly direct from Cape Town to Frankfurt, one of the busiest destinations in Europe, without adding in the Cape Town-Johannesburg fare.

It is the cheapest fare on offer by the airline to a destination in Europe.

The previous best SAA rate to Frankfurt was between R3 440 and R4 090, depending on the season.

The flights will still stop in Johannesburg but the common-rating fare means that passengers will not have to pay extra for the flight to and from Jan Smuts.

Two flights a week are already in operation and the special is on offer until December 31.

Travellers will be required to stay in Europe a minimum of 14 days and a maximum of two months.

Reservations are subject to availability and bookings must be made before June 30.

The special rate will also work from Frankfurt to Cape Town, allowing Germans to fly to Cape Town for 1 952 Deutschmarks — 1952 being the year the service to Germany was introduced.

SA lines on ship buying spree

By ZILLA EFRAT

SOUTH Africa's national carriers are making large investments in their fleets to handle growing trade as sanctions slide away.

Unicorn Shipping Lines has bought a new 14 000 ton multi-purpose vessel for about R17-million for trade with South America.

Unicorn managing director Ivan Clark says the line bought two vessels from Poland for about R120-million at the beginning of last year.

Its R20-million bitumen carrier handles SA oil companies' growing operations.

Safmarine, anticipating that trade with SA would improve, ordered its first new ship in 10 years in December 1990 — the R100-million Oranje container carrier.

Three of its dry-bulk vessels are already in service in Japan. Next month its 169 000 dry-bulk ship will be launched in Romania.

Two refrigerated vessels are being built in Poland and will go into service for Safmarine later this year.

Safmarine and Unicorn have been expanding their shipping routes.

S/Times 5/4/92 (269)

Aviation hazards reporting system started

B/Day 7/4/92

LINDEN BIRNS

THE soaring rate of aircraft accidents and "near-misses" in SA has prompted the Southern African Aviation Safety Council to introduce a confidential aviation incident reporting system in an attempt to alert pilots to hazards.

Speaking at Aviation Africa '92 at the weekend, council spokesman Leslie Stokoe said reports would be processed and published in a newsletter format for distribution by the Directorate of Civil Aviation (DCA) with its monthly Notices to Airmen.

DCA statistics showed there were 172 reported accidents in SA during 1991, 21 more than in 1990 and 30 more than in 1989.

Research by the council has shown that for each reportable accident — one where serious injury, death or substantial damage to property was incurred — there were about 600 unreported incidents. (269)

"If we know from a report that a hazard situation exists, and we can tell pilots about it, then there is less likelihood of an accident occurring as a result of those conditions," Stokoe said

Pilots involved in legally non-reportable incidents are invited to submit confidential reports. This type of reporting system is in use in several countries abroad.

Stokoe said pilots' identities and the registration numbers of the aircraft concerned would not be divulged in the reports or to any third parties

Aviation risk analyst Brett Gebers said of 40 incident reports received this year about 10% were mid-air near-misses between aircraft, hang-gliders, helicopters and microlights in uncontrolled airspace.

About 50% of the incidents related to pilot confusion regarding what radio frequencies to tune into while another problem area was pilots who did not keep a "proper lookout" through their cockpit windows

The statistics showed experienced pilots were more of a risk than pupil and recently graduated pilots

Trains peace plan

Sowetan 7/4/92 (269)

A MAJOR effort by Soweto community leaders to end the train violence is under way with a large company to be formed to police the trains.

The company is to enlist 2 000 people to police the trains independently of the police

The idea has already been accepted in principle by the SA Rail Commuter Corporation, which gave its blessing to the steering committee last Thursday

Final consultations with the African National Congress, Pan Africanist Congress, Azanian Peoples Organisation and the Inkatha Freedom Party begin this week.

The plan is awaiting the go-ahead from the Minister of Transport, Dr Piet Welgemoed

Informed sources at the meeting with the SARCC said on Sunday that two companies would be formed and later amalgamated to deal with the train violence

"One wholly black-owned company will be formed with 10 000 shareholders who will pay R100 for each share Another company, comprising security firms such as Chubb Security and Fidelity Guards, will also be formed

"The two companies will then merge with the amalgamated company being 60 percent owned by the black shareholders and the rest held by the security firms

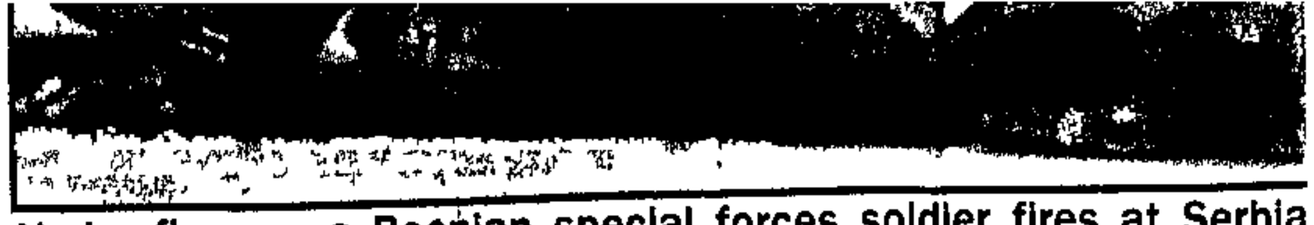
"It will be a private placing of shares on a public basis

"Immediately after the company is formed, we expect that initially 2 000 people will be selected and drawn from the unemployed ranks in Soweto, who will then be trained and will police the trains along the Soweto route," said the source

The force, for which training facilities have already been identified, will have its own culture and uniforms

The steering committee comprises Mr Willie Ramoshaba, a prominent business consultant, Dr Manas Buthelezi, a former head of the South African Council of Churches, Mrs Masechaba Mabaso, Mr Ishmael Mkhabela, former president of Azapo, Mrs Sally Motlana, lawyer Mr Godfrey Pitje, Chubb security managing director Mr Dirk Ackerman, MD of Fidelity Guards Mr Roy McFarlane and a Brigadier Heymans of the SA Police

The force will man checkpoints at the various Soweto stations, be provided with metal detectors, radio and television monitors and be allowed free access on trains throughout the route - *Sapa*



Under fire ... a Bosnian special forces soldier fires at Serbia
Serbian extremists were firing at 30 000 people demonstrating fc

SAA back in Luanda

STAR 7/4/92

A South African Airways airliner landed in Luanda, Angola, yesterday for the first time in 17 years.

Animosities of the past were clearly forgotten as Angolan government and aviation officials warmly welcomed those aboard the "Olifants" 737.

Among those on SA 054 were Renier Schoeman, South Africa's Deputy Minister of Foreign Affairs, controversial CP MP Koos van der Merwe, SAA executives, businessmen and members of the media. 269

Joao Bernardo Miranda, Angola's Deputy Foreign Affairs Minister, said it was an important day for both countries and proof that South Africa was on the right track. — Pretoria Correspondent.

SAA's weekly Luanda flight sets off row

LINDEN BIRNS (269)

A ROW has broken out over SAA's introduction of weekly flights between Johannesburg and Luanda after the airline announced on Monday its services were to be on a scheduled basis.

According to the Transport Department's Directorate of Civil Aviation, SAA is allowed to provide only a non-scheduled or ad hoc charter service on the route, and may not advertise set fares

SAA and Johannesburg-based charter company Air Supply have both submitted applications for a licence on the route

The first adjudication hearing on the two applications would take place before the National Transport Commission on May 21 B/Day 8/4/92

On Monday an SAA Boeing 737 touched down in Luanda, heralding what Deputy Foreign Affairs Minister Renier Schoeman called a "regular" service, and which SAA's news release described as a "weekly scheduled flight" At the time SAA spokesman Leon Els said return fares on the service would be R1 895 in economy class, R2 178 in business class and R1 364 for advance purchase excursion tickets

Nel said under a non-scheduled or charter arrangement, SAA was allowed to cancel flights if not enough tickets were sold Under a scheduled operation the airline was obliged to provide the service on set days at predetermined times.

Els said yesterday it was SAA's strategy not to market the service as a charter operation, but to promote it as a regular service. He said a mistake had occurred when the news release on the service was drafted to read "scheduled service" instead of "non-scheduled service"

Travel agents surveyed yesterday said they were under the impression that SAA's Luanda flights were scheduled

Els agreed that SAA was not allowed to advertise the flights as a scheduled service, but said the fares were displayed on SAA's Saafari computer reservations system to which the majority of SA's travel agents were linked

Air Supply director Bradley Amoils argued that SAA's Luanda operation satisfied the criteria for scheduled services

SAA poised for weekly Jo'burg-Cairo flights

B/Day 10/4/92

LINDEN BIRNS

SAA would introduce weekly direct flights between Johannesburg and Cairo on May 6, an airline spokesman said yesterday

The north-bound flight would leave Johannesburg at 10am on Wednesdays, arriving in Cairo at 6.30pm in the evening, before continuing to Athens, where it would land at 9.30pm.

The return flight would leave Athens at 11 30pm on Wednesdays, stopping in Cairo about two hours later It would land in Johannesburg at about 9 05am on Thursday mornings.

SAA spokesman Anelda Reynecke said the route would cater mainly for the tourist market.

A second weekly flight could be added to the timetable if there was sufficient demand.

The cheapest ticket on the route would be an excursion return fare of R4 123 A full economy return fare would be R6 315, business class would cost R7 264 and a first class ticket R9 435, she added.

(269)

SAA has obtained a scheduled service licence to operate on the route.

In another development SAA and Czechoslovak Airlines (CSA) have signed an interline agreement, under which people travelling to Europe on SAA can take advantage of special fares for CSA flights to Prague.

Train safety scheme 'still an embryo'

STAR 10/4/92

(269)

By Bronwyn Wilkinson

A proposed train security concept involving private security companies, the South African Rail Commuter Corporation (SARCC) and several community leaders, was still in an embryonic stage and no mechanical details had been worked out yet, a member of the steering committee emphasised yesterday.

A steering committee met last Thursday to discuss the proposal, which has been accepted and supported in principal by the SARCC.

Once consultations with private enterprise and political organisations begin, the plan, if accepted, could take another 16 weeks to put into action, businessman and steering committee representative Willie Ramoshaba told a Johannesburg press conference.

Willie Ramoshaba ... train security must involve community members.

According to an outline of the concept presented yesterday, a public company would be formed to control another company comprising private security firms such as Fidelity Guards and Chubb Holdings

Mr Ramoshaba said the emphasis of the concept was on community participation in train security.

"At the moment, people do not see themselves as part of the security machinery and that is not conducive to peace," he pointed out.

He said shares in the proposed public company would be limited to a maximum of 5 percent for each shareholder and would be sold for as little as R100 a share.

Acting SARCC executive chairman Wynand Burgers said the SARCC supported the idea.

"It has definite possibilities, and we welcome any initiative to end the violence," he said, but added that the mechanics of the concept had still to be worked out.

Details such as training, uniforms, number of personnel, funding and the exact form which the independent train security would take could be decided only once the steering committee had consulted with the broad political, business and community spectrum, Mr Ramoshaba said.

That consultation was expected to take eight weeks.

The steering committee consists of Mr Ramoshaba, Fidelity Guards managing director Roy MacFarlane, Chubb managing director D Ackermann, and former head of the South African Council of Churches Dr Manas Buthelezi.

Several community leaders and two senior directors of the SARCC are also involved.

R100m loss: Rail bosses lose jobs

(269)

CT 11/4/92

Staff Reporters

THE chairman of the SA Rail Commuter Corporation (SARCC), Dr Bart Grové, has lost his job as a result of an investigation into a disastrous investment that has probably cost the railways in the region of R100 million of taxpayers' money

Managing director Dr Kobus Nel has been shifted to the post of "senior general manager" for the same reason Dr Grové has been assigned the task of studying the desirability of linking light and heavy rail commuter systems.

A member of the board, Dr Keeve Steyn, has been made acting chairman of the board while Mr Wynand Burger has been appointed acting chief executive officer

SIDELINED ... Dr Bart Grové

The announcements concerning the top staff shifts were made this week by Dr Piet Welgemoed, the Minister of Transport, following "investigations into the circumstances surrounding the liquidation of the Cape Investment Bank (CIB)"

The SA Rail Commuter Corporation had R249 million invested in the CIB, which collapsed exactly a year ago today

It is expected that CIB creditors will be paid a settlement in the region of 50 cents to the rand.

Neither Dr Grové nor Dr Nel could be reached for comment yesterday

Virgin is tops in the air comfort stakes

S/Times (Cape Metro) 269

12/4/92

WE'RE all waiting with bated breath to find out if airfare costcutters Virgin Airlines will be allowed to fly the lucrative London/-Jo'burg route.

Meantime, you may like to know how Virgin and the two other airlines on the route — BA and SAA — compare

During his recent visit, Virgin chief Richard Branson promised cut-rate fares and a better service, including a business class at economy prices — but didn't give fare details But here's how they line up in the comfort stakes

Virgin's Boeing 747-299 and 100 aircraft already plying international routes have seating room that puts SAA and BA 747-400s to shame.

A Virgin economy seat is five centimetres wider than one on BA and three centimetres wider than one on SAA There is seven centimetres more legroom.

What's more, Virgin claims to have one smiling air hostess or steward for every seven passengers, while BA passengers have to make do with 18 shared among 377 people and SAA passengers with 20 for 382 people. That's 21 and 19 passengers each, respectively

BA caters for a slightly more portly first class flyer than SAA, with seats two centimetres wider.

But Virgin beats them both by nearly three centimetres First-class flyers who are tall rather than round should avoid Virgin, though Their leg-room is 16cm less than on BA or SAA.

Flying first-class on BA means eating five-course meals on Royal Doulton china and sipping champagne in crystal glasses whenever the mood takes you

On SAA and Virgin, first-class passengers get served dinner at mealtimes.

All three airlines boast first-class armrest videos, but BA takes the first prize for variety with a choice of 58 titles

BA and SAA economy passengers still have to crane their necks to watch videos on a screen

If you are into reading, however, fly BA, which stocks many British and South African newspapers and magazines

Virgin economy class passengers don't get offered newspapers

If you're flying SAA economy, don't forget your toothbrush. While both other airlines give economy passengers toothbrushes, toothpaste, eyemasks and comfort socks, SAA does not.

Branson promised children "popcorn and icecream" on his recent visit

BA hands every child a colourful plastic bag with scribble pads, playing cards and puzzles Mothers with babies are given a handy nappy change pack in pastel terry cloth

On SAA, the kids only receive plastic helicopters and Teddy bears.

How railways lost R270m

S/Times 12/4/92 (269)

TWO high-ranking railway officials were demoted this week after it was revealed that they had invested nearly R247-million worth of state loans in the now defunct Cape Investment Bank.

The investment debacle — which involved the board chairman and the managing director of the SA Rail Commuter Corporation — was diclosed in the latest Auditor-General's report.

SARCC chairman Dr Bart Grové was asked to quit with immediate effect and given the task of conducting a study into commuter systems

MD Dr Kobus Nel was demoted to the post of senior general manager.

The new chairman is Dr Keeve Steyn and the MD is Mr Wynand Burger

Transport Minister Piet Welgemoed said the changes followed a probe into the liquidation of the Cape Investment bank.

By HEATHER ROBERTSON

In the light of the investigation, he said, it had been decided to change the composition and powers of the board and senior personnel of the corporation.

The Auditor-General disclosed that six months before the CIB was declared bankrupt, in April 1991, an investment limit of R60-million was set by the SARCC funding committee.

But, by October 1991, the investment already exceeded the limit by R220 million

An investigation by the Auditor-General showed that no additional security was obtained for the amount exceeding the R60-million investment limit.

The R247-million still invested with the bank when it collapsed formed part of a state loan granted to the SARCC to cover a projected cash flow shortfall of R500-million.

Responding to the Auditor-General's assessment that the SARCC had exceeded investment limits, the corporation said it had made it quite clear to the Ministers of Transport and Finance that its entry into the capital and money markets implied transactions at a considerably larger scale

BART GROVE

The corporation argued that similar transactions had been conducted by SARCC's predecessor, SATS, and Transnet

Interviewed this week, a former CIB senior executive claimed that the corporation's money would not have been affected by the CIB's liquidation had Reserve Bank officials not advised the SARCC to roll over the investment when it matured early in 1991

"If the Reserve Bank had not interfered the SARCC could have recovered the money when it matured," he said

The former CIB official said the Reserve Bank had invested R300-million in the CIB, but withdrew the money when the bank was *de facto* insolvent

It now emerges that the SARCC deposits of R247-million are at the centre of a major dispute between the corporation and the Reserve Bank.

Reserve Bank Governor Chris Stals refused to comment on the CIB official's allegations."Such claims can only be tested in court," he said.

According to the Auditor-General, the matter is the subject of arbitration, the results of which have not yet been made public

SUNDAY TIMES, April 12, 1992

Road safety council is to go

CT 14/4/92

(269)

Political Staff

THE national road safety council is to be abolished and its functions taken over by the department of transport, in terms of a new bill tabled in Parliament yesterday

The Transport General Amendment Bill proposes that the minister of transport will determine road-safety policy and the director-general of transport will take over the function and powers of the council

The constitution of the transport advisory council is to be changed and the minister of transport is to be granted the discretion to decide on the number of members of the council.

The bill will also scrap the port welfare committees, appointed in terms of the 1951 Merchant Shipping Act to advise on the welfare of seamen

This follows an investigation by the commission for administration into "the role, place, functions and right of existence of institutions and statutory bodies attached to the department of transport", according to a memorandum attached to the bill

The bill also provides for the assets, rights, liabilities and obligations of the council to be transferred to the state

FW stoning — no one charged

Staff Reporter

NO charges have been laid after the stoning of President F W de Klerk during his visit to Mitchells Plain on Saturday.

Captain Attie Laubscher said yesterday that police had observed the incident but had received no complaints and therefore were not investigating

National Party spokesman Mr Karel Greyling said yesterday that laying charges was futile.

Election boost for Solidarity

Own Correspondent

PORT ELIZABETH — Solidarity, the ruling party in the House of Delegates, has increased its parliamentary strength back to 25 in the 45-member Chamber after its candidate in a Port Elizabeth by-election, Mr Kesu Padayachee, was returned unopposed.

Gering up for honeymoon

Own Correspondent

LOS ANGELES — Cindy Crawford, wife of actor Richard Gere, has revealed how she pleases her man She went on a gruelling fitness campaign in preparation for their honeymoon

The newlywed said she worked out for one-and-a-half hours each day to build up stamina — and Gere was thrilled

Kaolin find 'won't stop mine'

CT 14/4/92

By BARRY STREEK
Political Staff

THE Serina Kaolin company would certainly look at the large kaolin deposits discovered in Nigeria, but these would not replace its Chapman's Peak plans

This was said yesterday by Serina's managing director, Mr Carl Tarrant

The proposed mining of kaolin in Katsina state was announced last week by the state's Commissioner for Commerce and Industry, Mr Alhaji Abubaker Jalli Gambo

Mr Tarrant said the kaolin found in the state was about 85% pure which "makes it among the best found anywhere in the world"

However, he said the kaolin had to be of an acceptable quality and had to be good enough for paper, which required a high degree of purity

Kaolin from the Chapman's Peak site is purer than that from the Katsina deposits, he said

It has been reported in the past that the kaolin at Chapman's Peak was about 95% pure

"It is certainly worth looking at, but it would only be in addition to the Chapman's Peak project, not in lieu of it," Mr Tarrant stressed

Large deposits of kaolin have been found at Kankara, Dutsinma, Safana and Batsari, all in the Katsina state.

The state's government is to invest about R1 million in the development of the mines Other funding is to be provided by the federal government

Work on the Kankara project is expected to be completed at the end of this year, while work on the Dutsinma project will spill over into 1993

Threat: Serina to respond

Political Staff

SERINA Kaolin mining company is to respond publicly to the threat by British multi-millionaire Mr John Aspinall to lie down in front of bulldozers at its controversial proposed mine at Chapman's Peak.

The company would be issuing a statement, probably today, on Mr Aspinall's threats, but the statement "is being studied by our attorneys at the moment", Serina's managing director, Mr Carl Tarrant, said yesterday.

Mr Aspinall and his wife, Lady Sarah, who recently returned to their Noordhoek estate, said they would fight the proposed mine "relentlessly and with every means at our disposal".

Firmer rates expected for May

B/Day 14/4/92

THE SA market looks attractive for the shipping industry at the moment as there is a shortage of handy-sized vessels available for the second half of April, which is likely to firm rates upwards, reports Affomar.

At the moment a 28 000dw vessel is worth around $4 500 a day from SA to the continent, and a 35 000dw vessel around $5 000 a day.

A 35 000dw vessel is worth in the region of $7 500 a day with delivery in India for a trip via SA.

However the picture is likely to change in May when the grain shipments start to arrive in SA.

With several million tons of grain to be imported for use in southern Africa over the coming months, it looks as though charterers should have a ready supply of vessels in this area then.

269

In the coal trades, capesized vessels are still being fixed at just under $7 a ton for cargoes from Richards Bay to Rotterdam. Panamax sizes have seen slightly better conditions with, for example, close to $9 being paid for this size of vessel loading from Richards Bay to a Spanish mediterranean port, as against $8,50 a ton a few weeks ago.

There are many grain cargoes being quoted into SA now, with most from the US and Argentina. Charterers mention rates of $17,50 a ton for a cargo of 30 000 tons out of the Mississippi River against owners' ideas of $19,50 a ton.

Small parcels are also quoted, such as 10 000 tons of wheat from Denmark to Durban or Port Elizabeth. A parcel of about 9 500 tons of barley was also fixed from Denmark to Durban at $27,50 a ton.

There was a cargo of 10 000 tons of agricultural products to be moved from China to SA in April at quotes of $38 a ton.

A 55 000 ton cargo of sulphur was to be shipped from Long Beach in the US to Richards Bay after mid-May. And, 10 000 tons of fertilizer were being quoted from Richards Bay to Kenya for mid-April.

The Chinese had an inquiry to ship about 50 000 tons of iron ore from Saldanha Bay to Dalien in mid-May. A small parcel of concentrates was to be moved from Richards Bay to Japan. — Reuter.

Call to curb tobacco use with tax

CAPE TOWN — Increased tobacco taxes could generate revenue for health promotion projects and fund an extended exemption from VAT on essential foodstuffs, says the group executive for community health research at the Medical Research Council, Dr Derek Yach.

Yach, who returned recently from the eighth world conference on tobacco and health in Argentina, said it was surprising that increased taxes on tobacco products had not been part of a comprehensive approach to controlling tobacco use and preventing children from starting to smoke.

"Tobacco consumption is related to affordability, and an increase in tax on cigarettes would reduce their affordability, particularly for children," Yacht said. B/Day 14/4/92

"Compared to increases in other goods, cigarettes have actually become more affordable in the last decade."

An increased tobacco tax would be good for public health, good for government revenue and would probably receive public support ahead of income or sales increases.

While Australia had announced a total ban on sport sponsorship by tobacco companies, to be phased in over the next five years, sport sponsorship in SA was being expanded, Yach said.

He cited the Paris-Le Cap Rally sponsored by Camel and the almost hourly radio and television adverts of Benson and Hedges cricket. — Sapa.

New Canadian plane sent to SA

LINDEN BIRNS

CANADIAN aircraft manufacturing company de Havilland has sent a new 50-seater airliner to SA for demonstration flights to the soon-to-be-launched airline Bass Airways, as well as Comair, Bop Air, SAA and economics research house Econometrix.

The twin-engined Dash-8 series 300 airliner arrived in Johannesburg at the weekend after a ferry flight from Toronto via Greenland, Iceland, Scotland, Austria, Crete, Egypt and Kenya to SA.

Bass Airways MD Mike Basson said he was considering acquiring three of the $13m (about R39m) aircraft for use on scheduled flights between Durban's Louis Botha Airport and Grand Central Airport at Midrand B/Day 14/4/92

He said his new airline would probably begin operations in the final quarter of the year.

"Initially we were hoping to operate four return flights a day, but it appears we'll have enough demand to lay on three morning return flights, three afternoon return trips and a return flight over lunchtime," said Basson.

De Havilland, which was recently sold by Boeing to a partnership made up of the Canadian government and Bombardier, has sold more than 380 Dash-8s to 52 airlines across the world. (269)

Bombardier also owns Learjet, Shorts Belfast and Canadair Challenger, and is a major subcontractor on several other aircraft manufacturing programmes It is represented in SA by Lanseria-based Execujet, which is owned by local electronics mogul Roux Marnitz

R15m plus can buy control of airline

B/Day 14/4/92 269

WILLIAM GILFILLAN

FOR a mere R15m — plus some premium in order to gain control — some aspirant local entrepreneur could have his dream come true and own his own airline.

Market capitalisation of Rentmeester-beleggings (Rentbel), which has a 44% stake in Trek Airways — operator of Luxavia and fledgling local airline Flitestar — is currently standing at R14,7m, giving a 65% discount to shareholders' funds of R41,9m.

As no one party holds more than 50% of the group, control might not be watertight. In fact, a 22% holding in Rentbel is currently under legal dispute after the sale to the Jan Lombard consortium of the interest previously held by Rousseau Snyman. The Vermooten family, who already hold 22%, has disputed this sale.

The De Muelenaere and Bremmer families each hold a 11% stake. Further, the company has gearing of 78% and a negative interest cover which could weaken the current shareholders' bargaining position.

Its three principal operations include subsidiaries Rentmeester Versekeraars (held 70%) and Alnet (held 78%) and associate Trek. Being an associate, Trek is equity accounted and not consolidated, with the result only a small portion of Rentbel shareholders' funds would constitute its Trek interests.

The R41,9m in shareholders funds at end December were split as follows share capital and premium accounted for R2,1m; non-distributable reserves, including revaluation reserves of R13,7m and R10m from profits on the sale of investments, came to R29,3m, and distributable reserves were around R10,5m.

Rentmeester Versekeraars is a niche life assurer, while Alnet is a netting operation.

About 57% of Rentbel's turnover of R42,4m in the six months to December was contributed by the netting subsidiary, with the remaining 43% accounted for by the life assurance operation.

Although both Alnet and Rentmeester Versekeraars contributed to Rentbel's trading profits of R2,3m according to MD Joachim Vermooten, management gave no indication on the split between the two (Although Alnet made a positive contribution at trading profit level, it made a bottom-line loss of R1,2m). The equity accounted contribution from Trek fell to R157 000 from R2,1m over the comparable period in the previous year

Vermooten said the sharp drop resulted from the write-off of start-up costs at Flitestar. As Rentbel holds a 44% stake in Trek, and as Rentbel equity accounts the results from the airline group, attributable earnings at Trek dropped to about R356 000 in the six months to December from around R4,7m in the previous period.

New Ciskei-based airline links Jo'burg and Bisho

B/Day 15/4/92 (269)

LINDEN BIRNS

A NEW Ciskei-based regional airline, Southeast, which will operate scheduled return flights between Bisho and Johannesburg, was launched yesterday

The airline will use an ex-Safair Lines twin-engined 52-seater Convair CV 580 propliner on the route

There will be two return flights on Mondays, Wednesdays and Fridays and a single flight from Johannesburg to Bisho on Sundays.

In a statement yesterday the airline said it was established in response to the need to service the Ciskei's tourist and industry sectors.

The aircraft, which is being leased from Johannesburg-based firm Regional Air, has been configured to carry eight first class seats and 44 economy class seats

Economy class fares on the route will cost R320 one way and R640 return First class tickets are being sold for R400 one way and R800 return Several discount incentive fares are also being offered.

In the past travellers using scheduled flights to travel between Bisho and Johannesburg have had to travel via East London, which is about 76km from Bisho

Flying time between Johannesburg and Bisho is about one hour and 40 minutes

Ciskei's previous attempts to start an airline linking the homeland with SA were never realised, even though the Ciskei government spent millions buying two old Convair 880 jetliners

Last year the Ciskei government auctioned off the two planes for R10 each after they had been left to rust on the tarmac at the Bisho Airport for several years They were not flown after their delivery to Ciskei

New look for SAA planes

LINDEN BIRNS

SAA announced yesterday that it had refurbished several of its older aircraft and would start to phase in new crockery, cutlery and other in-flight service items, as part of its latest "re-imaging" campaign

Airline spokesman Zelda Roux said SAA was not prepared to say how much the "cabin enhancement programme" would cost

Several foreign airlines have announced extensive refurbishment and re-imaging programmes

SAA's oldest Boeing 747-200s, some of which have been in service since 1971, have had their cabins refurbished and given new interiors similar to those installed in its two new Boeing 747-400s

Airline staff began wearing their new uniforms this morning

These mark the first uniform update for SAA since the early '80s

Russia and SA discuss air services agreement

B/Day 15/4/92

LINDEN BIRNS

RUSSIA and SA have held talks surrounding the drafting of an air services bilateral agreement between the two countries, the Department of Transport said in a statement issued in Pretoria yesterday

Department spokesman Maurena Nel said delegates from the two governments met on Monday and again yesterday for talks in Pretoria.

Agreement was reached on all the standard aspects normally contained in such an agreement These are believed to include agreement on the distribution of landing slots for airlines designated by the two governments to service an air link between SA and Russia

Nel said it was now the responsibility of the two countries' aeronautical authorities to arrange for their respective governments to formally accept the agreement

She said no decision had been taken regarding a possible date for the introduction of regular services between Johannesburg and Moscow (269)

In December, SAA and Russian airline, Aeroflot held talks and signed an "interline agreement" whereby Aeroflot is allowed to market and sell SAA tickets in Russia, and SAA is allowed to do the same for Aeroflot in SA.

SAA CE Gert van der Veen said at the time that traffic demand did not warrant the establishment of a direct scheduled air service between the two countries

He said SAA passengers wanting to travel to Moscow would have to catch connecting Aeroflot flights from SAA's European destinations. SAA spokesman Leon Els said last week it was unlikely that the airline would start scheduled flights to Russia in the foreseeable future

SAA breakthrough to Tanzania

South African Airways scored yet another African breakthrough on Tuesday when it signed a commercial agreement with Air Tanzania, allowing flights between South Africa and Tanzania from July 1.

The agreement is regarded as a diplomatic triumph because of Tanzania's hostile attitude towards South Africa — it remains the leading source of succour to the ANC's military wing Umkhonto we Sizwe and the PAC's Azanian People's Liberation Army.

The agreement, signed by SAA's Russell Sheldon and Air Tanzania's commercial director Frank Makwaia, allows both parties to fly passengers, cargo and mail between Johannesburg and Dar es Salaam.

Air Tanzania's inaugural flight is scheduled for July 3. It will operate one weekly flight between the two countries.

Because of the uncharted waters, SAA has agreed that for the next six months it would not operate flights to Tanzania.

The agreement has yet to be signed by President de Klerk and Tanzania's President Ali Mwinyi.

But the Air Tanzanian delegation said it was just a technical formality as the Tanzanian Government had given its blessing to the delegation's visit to South Africa. — Sapa

STAR 16/4/92

(269)

Belville buses petrol bombed

(269)

CT 16/4/92

Staff Reporter

TWO Golden Arrow buses were petrol bombed in Bellville this week for no apparent reason.

Police said yesterday a man alighted from a taxi at the Bellville bus terminus about 11 50am on Tuesday

He opened the door of one of the buses and threw a petrol bomb into the cabin. The driver of the bus managed to stamp out the flames Damage estimated at R150 was caused.

The attacker then repeated the attack on another bus, causing damage of about R650

Police have not as yet established a motive for the attack, but have ruled out a connection with the ongoing taxi war.

Portnet programme to boost efficiency

B/Day 16/4/92

ONE way of making SA's exports more competitive internationally is by cutting transport costs

Portnet management has launched a programme to improve efficiency and increase the rate at which cargo is moved over the quay-side

"A ship standing in harbour costs up to $20 000 a day. If we can reduce the number of days it takes to load and unload cargo it will significantly lower the transport expenses built into exports Reducing cost must become a way of life," says Portnet CE Duke Davidson

Improving efficiency and productivity is a far more positive approach and has greater long-term advantages than merely discounting prices

Davidson also sees the company playing a role in bringing importers and exporters together Portnet's involvement in a number of international trade fairs has entrenched his belief that the company can act as a go-between to promote trade

Promoting trade is not easy The majority of sanctions may have been lifted, but SA's competitors are firmly established in SA's old markets The world recession will also make recapturing lost market share difficult

In fact, the world recession has bitten deeply into Portnet's bottom line. Traffic has been diminishing since October and it is unlikely the company will achieve its 3% forecast increase in cargo handled in the year to end April 1992.

In addition, the boom expected after the introduction of VAT never materialised

A total of 107,5-million tons of cargo was handled through Portnet's eight ports last year, with exports making up 91,6-million tons or 85,2% and imports constituting 15,2-million tons or 14,1% of the total

The rest was trans-shipment activity where SA is used merely as a stop-over on the way to other markets

However, future projections are more cheerful, with a 3% growth in cargo handling expected in the next financial year, excluding the maize import drought relief project. Maize imports alone will increase cargo handling by 3-4%, or about 220 shiploads.

269

Ample

Just under 6 000 deepsea vessels will have moved through SA's ports this year — compared to 6 552 in 1980/81.

SA's harbours have ample capacity to deal with an increase in traffic in the short-term but Portnet is also investing in future growth

In the 1992/93 year about R68m will be spent in extending Durban's container wharves At present the container depot at Durban is being relieved by an aggressive Spoornet marketing strategy which is closing the price gap in train transport between Cape Town and the Reef and Durban and the Reef.

In addition, major investments are planned for Richard's Bay, where the quays are occupied about 80% of the time. Terminal extensions are under consideration

Terminals in the Port Elizabeth harbour are also being given a face lift.

Davidson says the company is not only investing in equipment Its employees are being trained to be more client responsive and flexible — a move away from the "working to rules" formula of the past

"We want employees to take the initiative — take charge of their own situations."

The lifting of sanctions may not be obvious in Portnet's balance sheet but it shows in the different shipping lines which now sail into SA's ports. Russian, German, US, Italian, Norwegian and Portuguese vessels are becoming familiar sights.

sions against the entire local chinese community

Women to fight for Codesa role

B/Day 16/4/92 (304A)

WOMEN from a variety of political persuasions have grouped together and vowed to give fresh impetus to demands for a greater role for women at Codesa. Representatives of various organisations — including the ANC, the NP, Inkatha and the SA Council of Churches — said yesterday there was concern about how little representation women had at Codesa

16/4/92

Pensions to be rounded off

SOCIAL grants paid out to black pensioners will be rounded off to the nearest R5 or R10 in future to overcome the problem of a new teller-assisted cash dispenser which does not dispense coins.

REPORTS: Sapa, Business Day Reporter, Own Correspondent

B/Day 16/4/92

upsurge since October last year

Scott said the company planne a lid on rates following the 1% interest rates earlier this year conditions in February and M

Final sequestrat

DESPERATE attempts by the former Cabinet Minister Pietie to save him from bankruptcy fa day when a final sequestration granted against him in the Supreme Court

The order, by Judge H J Prei ed months of litigation, during Plessis stalled his final liqu

Air Tanzania to start SA route

(269)

LINDEN BIRNS

AIR Tanzania is hoping to start flights between Dar es Salaam and Johannesburg by the beginning of July.

SAA was evaluating the viability of starting its own service on the route, a spokesman confirmed yesterday following the signing of a commercial air services agreement between the two airlines.

SAA spokesman Anelda Reynecke said Air Tanzania had expressed interest in hiring SAA's technical assistance and service for its Boeing 737-200s similar to those operated by SAA. B/Day 16/4/92

"Nothing has been finalised on the technical side yet, but they have been shown our facilities and now we are just waiting for the Tanzanians to make a decision," she said.

Sapa reports that an Air Tanzania delegation visiting SA held talks yesterday with several travel companies, including Thompson Tours and Orient Travel. The talks concerned the compilation of various package tours

Tanzania recently lifted its ban on SA-registered aircraft passing through its airspace

This enabled SAA to reroute its Nairobi flights over Tanzania instead of its aircraft having to first fly east and then north over the Indian Ocean before turning west to cross the Kenyan coast near Mombasa

Air Tanzania said in a statement yesterday it hoped to start operating weekly flights to Jan Smuts Airport by July

SAA had no plans to introduce a flight, but was willing to assist Air Tanzania in developing the route, said Reynecke

Market demand would dictate whether SAA would put its aircraft into service on the route.

u DIPS

other members who party" projects itself as a centrist political

TRANSPORT (269)

FM 17/4/92

Bringing in the maize

FM 17/4/92

The massive effort to import nearly 9 Mt of maize may be denting the foreign exchange reserves of SA, Zimbabwe and other countries affected by the drought, but it is boosting the local transport industry

Trucks and goods trains are kept busy as the shipments land in SA ports to be distributed throughout southern Africa

The maize loads won't solve all the industry's problems but they will help to keep equipment more profitably employed

Last year was a slow year for transporters Independent private-sector truckers carted 488,1 Mt of goods in the 12 months to November, 5,3% less than in the same period the previous year, according to the latest figures from the Central Statistical Service And there was a 7,3% decrease in the number of trucks in use in November, compared with the same month the year before

Government-owned public transporters Spoornet and Autonet are also believed to have carried less tonnage last year. Now Spoornet has slowed the demolition of its oldest wagons and private road hauliers are blowing the cobwebs off vehicles they had mothballed because of the recession

André Jacobs, executive director of the National Association of Private Transport Operators, which represents truckers who carry mostly their companies' own goods, says the road transporters that will benefit quickly are those with "bathtub" trailers that can convey bulk, unbagged maize Those with flatbed trailers can convey only bagged maize, which is not available yet

Carting maize by road will not be cheap Hauliers operating 30 t payload vehicles "won't be able to do more than 10 trips a month between Durban and Harare," Jacobs says "To cover costs, including the empty-leg return trip, and still show a profit, they will have to charge R480/t, which is a lot of money to transport a high-bulk, low-value commodity such as maize." In fact, that figure is about what the maize itself costs

Spoornet has allocated 6 000 wagons — with a capacity of 44 t each — to transport to inland silos, for storage and bagging, the 4,7 Mt SA is importing for its own use And it has allocated 7 000 wagons with a capacity of 40 t each to transport the nearly 4 Mt that other nearby countries have ordered so far — Zimbabwe 2 Mt, Zambia 900 000 t, Malawi 800 000 t, Botswana 80 000 t and Lesotho 50 000 t Spoornet is not saying what it is charging

The huge transport operation begins at local ports, where a total of 220 ships will bring the maize in; 140 of those will be laden with maize for SA, the rest with maize destined for other countries in the region Durban will handle at least 4,5 Mt of maize, Cape Town will handle 1,2 Mt and East London will handle 1,13 Mt.

The maize lift began last week The first ship, with 47 250 t on board, docked in Cape Town on Tuesday and the next one, with 53 000 t, arrived in Durban three days later The shipments continued this week.

An operations office has been set up in Johannesburg to co-ordinate the effort It is staffed by representatives of all the importing countries and their railways Spokesman for the office Jacques Pienaar says Spoornet and Portnet can handle everything that arrives

"If the designated ports cannot handle everything, we will use Saldanha Bay or Richards Bay as a backup" He says the seemingly antiquated hoists being used can each unload ships at a rate of 30 t an hour Up to eight will be used per ship, "and if we need more capacity, we'll bring in pneumatic unloading equipment"

The operations office plans to haul two 40-wagon trains across Zimbabwe's border at Beit Bridge every day As the operation unfolds, the office will decide how much maize will be carried by train and how much by truck

The biggest obstacle in this sprawling relief scheme — aside from the bottleneck at Beit Bridge that has delayed road hauliers carrying regular maize shipments for up to a day — is the Zimbabwean government. It insisted that all the maize crossing Beit Bridge by road be carried by Zimbabwean hauliers

But officials of the SA Ministry of Transport balked and finally reached a compromise that reserves one-third of the traffic into Zimbabwe for SA trucks.

That is only one example of Zimbabwe's bloody-mindedness. It is also insisting that its locomotives haul all trains once they cross Beit Bridge Spoornet is opposing this vigorously and has logic on its side. Changing locomotives takes time and increases the turnaround time of trains — and with 78 Spoornet locomotives hired out north of the Limpopo, chances are one Spoornet locomotive would be switched for another

Meanwhile, Namibia will import the maize it needs through Walvis Bay Portnet, which runs the port, will provide the equipment and staff needed to handle maize in bulk Walvis Bay has never had to import maize in bulk before When Namibia had a drought, SA always had maize to spare and so it was railed there ■

Spoornet lets firm run up R50m debt

S/Times 19/4/92 (269)

By PETER MALHERBE

RAILWAY officials have allowed an embattled coal export company to run up a staggering R50-million debt — exceeding its credit limit by R48-million.

Minesa Energy (Pty) Ltd, headed by Spanish-born businessman Jose Holgado, owes Spoornet R50 166 620 on a 30-day credit line with a R2-million limit.

The account, which has been operating over-limit for a number of years, was suspended in April last year, but Spoornet is still transporting coal for the company on a cash-only basis.

A Spoornet spokesman said yesterday that a strategic decision had been taken not to put the company into liquidation as Spoornet was still hoping to recover its money.

Meanwhile, Minesa Energy faces a Supreme Court court application on Tuesday for summary judgment in a $1,8-million claim from a German company, Thyssen.

Minesa also owes Allied Bank R1,5-million, but Mr Holgado said yesterday that his company would contest the Thyssen claim and was "making arrangements with all creditors, including the Allied"

Mr Holgado, who is due to leave on an overseas trip on Tuesday, said the huge debt with Spoornet had arisen as a result of the collapse of Bordex Mining, a joint venture between Minesa and Boland Bank

Spoornet's financial manager for Southern Transvaal, Mr Pieter Opperman, yesterday confirmed that Minesa had accumulated debts over a lengthy period.

He could not explain how authorities had allowed the credit limit to be exceeded, but said problems with the railway line to Maputo harbour and the collapse of Bordex had contributed to this

Mr Opperman said a decision had been taken in April last year to allow the company to continue doing cash-only business with Spoornet while the debt accumulated interest at 22 percent a year

He said Spoornet had decided not to apply for the liquidation of Minesa Energy as an operational company would still generate funds for Spoornet.

"They have promised to pay us back when they get back on track," he said.

Mr Opperman said the bulk of the debt had been

□ To Page 2

□ From Page 1

accumulated in the days of Sats (South African Transport Services) and before the rail transport division was relaunched as Spoornet.

He said certain coal stocks at Maputo harbour were seen as security for the debt, but Mr Holgado would not discuss this issue yesterday

Sources in the coal mining industry were stag-

Spoornet debt

S/Times 19/4/92 (269)

gered by the extent of the debt run up by Minesa. They said that Spoornet would, under ordinary circumstances, refuse further service if an account was overdrawn.

This was confirmed by Mr Opperman, who said that creditors were "made to pay up when they go over the limit"

This did not happen in the case of Minesa because of special circumstances, he said

Mr Holgado said he had met Spoornet officials a number of times to discuss the debt problem. "They had a very positive attitude," he said.

He acknowledged that Minesa Energy was under financial pressure and that business had slowed down considerably as a result of the cash-only restriction. From a high of R5-million a month, business with Spoornet was now worth "a few hundred thousand" a month

He said an independent consultant, Mr Faan Geyser, was used by Minesa to monitor Spoornet accounts and represent the company

Mr Holgado claimed that other companies were involved in a campaign to discredit him and his companies.

He acknowledged that two companies in which he had been involved, Bordex Mining and Minesa Mining, had been liquidated and that investors had suffered financially.

However, he said his companies had also suffered as a result of the failed ventures.

Problems at Maputo harbour and the collapse of Bordex Mining in 1990 had been blows which few companies would have been able to survive, he said.

Boland Bank is claiming at least R22-million against Bordex as a result of the failed mining venture, while Mr Holgado's companies are claiming R9-million.

The companies, most of which are based at Kyalami outside Johannesburg, are also involved in a number of legal disputes

At present a tussle is raging with Thyssen over the ownership of coal near Vryheid in Natal and a legal battle is being fought with a Belgian-based company, Jackson Shipping and Coal

Govt 'out of touch with transport sector'

B/Day 21/4/92 (269)

THEO RAWANA

GOVERNMENT was out of touch with the transport industry and should work with black organisations in the formulation of a national transport policy.

This was said by National Transport Policy Forum co-ordinator George Negota at the third annual conference of the National African Federation of Transport Organisations (Nafto) in Johannesburg last week.

Negota said Transport Minister Piet Welgemoed had headed the Welgemoed commission several years ago before becoming the minister who "sought to destroy the taxi industry" and he could not be trusted to develop the sector.

"In its report the commission said taxis should be nullified in favour of buses and (metered) taxis. So how can we expect its chairman to champion the cause of the taxi industry without input from the people?" Negota said.

He said the taxi wars were a direct result of government policy.

"There are inadequate parking facilities for taxis because no room was provided for that mode of transport."

Negota blamed government for the Japanese designing minibus taxis without input from the local taxi industry.

"This shows the unilateral nature in which government worked."

Negota said transport subisidies should include black taxis, which also carried schoolchildren.

He said government should see the transport problem as part of a southern African problem which should be addressed in co-operation with neighbouring states

tions] I shall have to determine if that is the case As indicated on the Question Paper, that question has not been put to me, therefore I do not have the reply to hand [Interjections]

†Mr T LANGLEY Mr Chairman, further arising out of the hon the Minister's reply, what is the total number of persons who—as far as the Boputhatswana part of the reply is concerned—have been deseconded during the past three months?

†The MINISTER Mr Chairman, if you will just give me a minute, I shall count them quickly [Interjections] I count round about 14 [Interjections]

Customs post: Beit Bridge

*4 Adv T LANGLEY asked the Minister of Public Works †

(1) What is the condition of the buildings and facilities of the customs post at Beit Bridge,

(2) whether his Department intends attending to these buildings and facilities, if not, why not, if so, (a) what is envisaged in this regard and (b) when is it expected that the work will be (i) commenced and (ii) completed?

B482E

†The MINISTER OF PUBLIC WORKS

(1) In a fair condition but inadequate

(2) Yes

(a) The extension and upgrading of the existing buildings and facilities *Longer term planning of additional facilities is also being attended to*

(b) (i) Planning is already in progress and if the funds are available it is anticipated that the execution of the work will begin early in 1993 *It will only be possible to determine commencement of the additional facilities stated in (a) once planning has been completed*

(ii) *It is anticipated that the extension and upgrading of the existing buildings and facilities will be completed during the second half of 1994*

†Mr T LANGLEY Mr Chairman, arising out of the reply of the hon the Minister, I want to put it to him that his department was either caught unawares as a result of the traffic between South Africa and Zimbabwe or else there was for a very long time absolute carelessness about the customs facilities at that customs point [Interjections]

†The MINISTER Mr Chairman, the person who put the question made a point and a statement He did not put a question to which I wish to reply, other than to say I believe the hon member made representations about this on previous occasions and I assume that the department has definitely reacted to that

Business interrupted in accordance with Rule 180C(3) of the Standing Rules of Parliament

Beit Bridge customs post: facilities

*5 Adv T LANGLEY asked the Minister of Home Affairs †

(1) Whether he recently took or intends taking any action with regard to the facilities available to officials of his Department at the customs post at Beit Bridge, if not, why not, if so, (a) what action, (b) when and (c) for what reasons,

(2) whether he will make a statement on the matter?

B483E

The MINISTER OF HOME AFFAIRS

(1) and (2)

The provision, expansion and improvement of official accommodation and facilities for office and housing purposes rest with the Department of Public Works Official accommodation and facilities are however provided, expanded or improved in consultation with the Government Departments which have to utilize which accommodation and facilities

Since August 1990 an extensive investigation by my Department, in conjunction with the Department of Public Works, has been launched into all official accommodation and facilities at Beit Bridge, as far as the utilization thereof by officials of my Department is concerned, as the existing accommodation and facilities are inadequate

The planning for the expansion and upgrading

of the existing accommodation and facilities will be ready this year for the invitation of tenders

In the light of the every-growing border traffic the situation at Beit Bridge is being monitored on a continuous basis in order to counter disruption of the public and officials as far as possible However, the crux of the problem lies in the expansion of the physical facilities which is already being addressed interdepartmentally

Grand Prix motor race contribution to sponsorship

*6 Mr A A B BRUWER asked the Minister of National Education †

Whether the Government contributed directly or indirectly to the sponsorship of the recent Grand Prix motor race, if not, why not, if so, (a) for what reasons and (b) what was the (i) nature and (ii) extent of the Government's contribution?

B484E

The MINISTER OF NATIONAL EDUCATION

Yes The Government contributed indirectly to the 1992 Grand Prix motor race

(a) Section 18B of the Income Tax Act was introduced on 1986-06-01 with the purpose of encouraging private sponsors to financially support international cultural, sporting and educational events that are held in South Africa This incentive measure, which was made available in terms of section 18B, is known as a sponsorship allowance and contains specific tax benefits In the mean time it has been recommended that the provisions of section 18B of the Income Tax Act should be withdrawn

(b) (i) The Government made an indirect contribution to the project through revenue forgone to the benefit of the sponsor company

(ii) The audited statement of the event is still being awaited in order to enable the Commissioner of Inland Revenue to calculate the total revenue forgone

SADF employed to build road: Sekhukhuneland area

*7 Mr P G SOAL asked the Minister of Defence

Whether any members of the South African Defence Force were employed to build a road and erect tents in the Sekhukhuneland area towards the end of 1991 for the wedding of a certain person, whose name has been furnished to the Defence Force for the purpose of the Minister's reply, if so, (a) what is the name of this person, (b)(i) how many members of the Defence Force were involved and (ii) for what reasons were they employed in this manner and (c) what was the total cost involved?

B487E

The MINISTER OF DEFENCE

Yes, to erect six tents only

(a) The name supplied by the hon member

(b) (i) 8

(ii) As a gesture of goodwill

(c) None

Black town councillors' resignations

*8 Mr J CHIOLÉ asked the Minister of Local Government and National Housing †

(1) How many Black town councillors resigned in the (a) Transvaal and (b) Orange Free State from 1 February 1991 up to 31 January 1992,

(2) whether any elections took place in (a) the wards concerned and (b) all the other vacant wards during this period, if not, why not,

(3) whether he will make a statement on the matter?

B488E

The MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING

(1) (a) 11

(b) 42

(2) (a) Transvaal—No

Orange Free State—Yes, in three wards

cont - 15

the hon member for Losberg, was there with his approval

*Mr J H VAN DER MERWE They sent him!

*Mr H D K VAN DER MERWE To say that they sent him so as to be there, is a plain and simple untruth [Interjections]

The hon the Minister either does not know what is going on in his department, or he does not know what went on during the referendum To now implicate the officials and then also my colleague, who cannot be here today, in this manner, is simply not only in bad taste, but what it in fact is, you would not allow me to say, Mr Chairman

I want to tell the hon the Minister that we have grave doubts about the manner in which this referendum was conducted

*The MINISTER OF HOME AFFAIRS Mr Chairman, it is surely not a problem There were guidelines from the chief referendum officer which were very clear about people studying there, working there temporarily and whose passports were subject to alien control On the computer one can see what such a person applied for and when he left the country [Interjections] There are numerous examples, and after so many years the hon member ought to know how to deal with the matter It is surely no problem

As regards the hon leader of the CP and the hon member for Losberg [Interjections] My information is that the hon leader of the CP wanted to cancel the hon member for Losberg's trip because he felt that the costs were too high Furthermore, controversy arose in that party about that trip Surely that cannot be denied Now he is as quiet as a mouse The hon member's trip was even delayed by 24 hours When he returned from his joyride to London, he of course had to try to prove, with a series of insinuations and suspicion-mongering and now also with this interpellation, that his visit had been justified What nonsense is he proclaiming? He issues sensation-seeking press statements, like the one in *The Citizen* of 16 March 1992

> To my mind about 1 000 if not more people voted in London while being domiciled in London

What extreme sensation-seeking rubbish! He says here that many people who had emigrated, voted There has not been a single piece of evidence to prove it He says

All in all, I would like to say the NP thought it fit to use foreign voters to influence the referendum

That is the kind of argument he wants to use because he cannot face the fact that he lost by 1 048 567 votes Just look at what a sensation-seeking impression he tries to create in the public's mind

> There were so many irregularities I don't know where to start.

That is what he proclaims in the press What absolute nonsense it is! [Time expired]

Debate concluded.

Passports issued at SA Embassy in London

2 Mr A J LEON asked the Minister of Transport. (269)

(1) Whether he will comment on the application by a certain airline, the name of which has been furnished to the Minister's Department for the purpose of his reply, to inaugurate direct, discounted flights between Britain and South Africa, if not, why not, if so, what steps does he intend taking to facilitate the introduction of such an air service in particular and the introduction of an open-skies policy in general,

(2) whether he will make a statement on the matter?

B522E INT

The MINISTER OF TRANSPORT Mr Chairman, firstly I should like to discuss the factual position pertaining to the rendering of scheduled air services between countries

Scheduled air services between countries are usually introduced after the signing of a bilateral agreement between two countries All aspects relating to rendering the particular service are defined in such an agreement Such an agreement also contains particulars of the frequency of flights that each designated airline and/or airlines of the signatory countries will be allowed to undertake The number of frequencies is negotiated between the countries on the basis of the need that is determined by the aviation authorities of the two countries through market analysis

Therefore the following steps have to be followed The number of frequencies to be operated by each of the respective countries have to be negotiated in terms of the agreement and in the light of the market demands The total number of frequencies to be operated by each country is allocated to a country and not to a specific airline The airline and/or airlines have to be designated by each of the countries to operate the required services Such designation is done by each individual country. (269)

In the case where a country designates a single airline to operate the required service, the airline would then be entitled to operate the total number of frequencies allocated to that country

However, in the case where a country opts for the designation of more than one airline to operate the allocated frequencies, it stands to reason that it is the responsibility of that other country to allocate to each of its designated airlines the number of frequencies to be operated by each one of the airlines

I must stress that the opposite country has no say in this process of dividing the allocated number of frequencies between the airlines of the other country The only responsibility of the opposite country is to grant as a mere formality, after having been informed of the designation or designations, landing rights to the airline and/or airlines concerned, and to approve of its and/or their timetables and tariffs

Regarding the specific case under discussion I should like to point out that such an agreement between South Africa and Britain has been in existence since 1945, in terms of which initially only one airline per country was designated to render the particular service

However, South Africa's international aviation policy is currently under revision As a matter of fact, the study has just been completed, and as an interim measure I, in conjunction with the Cabinet, determined as our policy that other countries may designate more than one airline to render this service to South Africa on behalf of those countries

This concession has been discussed in each of the 20 bilateral negotiations undertaken since November 1991 During the talks held with Britain on 28 February 1992 this concession also came under discussion Britain accordingly obtained the rights to appoint more than one airline to undertake the allowed number of frequencies

At present, this frequency amounts to 10 flights per country per week [Time expired]

Mr A J LEON Mr Chairman, I would like to congratulate the hon the Minister on his announcement today that in future more than one airline will be able to render a service between the two countries in a bilateral arrangement I very much hope that this is something that will be followed because after the very exciting visit to South Africa by Mr Richard Branson, chief executive of Virgin Atlantic, there seems to be confusion in the hon the Minister's own department as to whether or not an agreement had been struck with Virgin Atlantic The response given by the Ministry of Transport was that there was no agreement between the airline and the South African Government, because South Africa was not in a position to influence the British leg

The South African government can, and with respect should, start making an impact by ensuring that the service is now opened up to all competitors who comply with certain basic safety and economically viable criteria Historically the problem with the bilateral agreement—which has been in existence for 46 years—the very one which the hon the Minister is currently renegotiating with the British government is, that such agreements have been deeply interventionist and protectionist We had a situation in which the South African Government has overly protected South African Airways at the cost of the South African consumer It has been a very cosy relationship, but one which resulted in high airfares, high capacity and very low competition

It is properly what one could call a duopoly

Between 1983 and 1991 air fares between London and Johannesburg rose by an average of 24% per annum, the increase since 1985 being cumulatively 160% That has grounded South Africans and prevented them from travelling abroad At the same time, however, on the other major air route in the world—the North Atlantic route between London and New York—air fares have fallen by 22% There is a very simple explanation for those two sets of figures On the one route there has been a very rigid protectionist attitude of very strict bilaterals, on the other, between America and Britain, one has had a relaxation on the bilaterals on those routes and one has accordingly had a drop in fares, to the

cont - - D

benefit of the consumer and the mass-travelling public

It is not surprising that, thus far, our route between London and Johannesburg has been the most profitable in the world, with the highest ratios between actual and break-even weight-load factors SAA, I am afraid, can—or should—no longer rely on the protection of this Government Last year, when Air Supply applied for a charter flight to Mombasa, SAA's attorney said

> SAA is entitled to absolute protection from competition

(269)

For a government which prides itself on becoming a government of competition and of enterprise that is quite unacceptable [Interjections] That is indicative of a certain attitude [Time expired]

*Mr J CHIOLÉ Mr Chairman, the CP took note of the fact that more than 20 applications from international airlines to introduce flights to South Africa are now being considered and for that reason the CP would like to reiterate its standpoint in this regard

A government airline such as the SAA must be retained as a strategic national asset and it is the duty of a responsible government to ensure that such an airline carries out its main functions in a satisfactory manner, namely rendering an efficient service to the public with a maximum degree of safety on a break-even profit motive whilst taking into account the higher replacement cost of equipment That is why the CP in the strongest terms rejects the allegations that a cheaper and better service will be the long-term result if the private entrepreneur renders this service because the moneyed interests are only interested in strategic profiteering and not in efficient service in the long term

It is no problem to reduce the cost of flying in the short and medium term and to keep maintenance cost to the minimum, especially on the most lucrative routes and at the most lucrative times However, as was the case in America, a drastic increase in costs is unavoidable just before aircraft have to be replaced, for example, and this has disastrous consequences for such a company

Competition with SAA will initially only concentrate on the highly profitable routes—such as the one between London and Johannesburg—and times, just as Virgin Airways are now doing with British Airways If the Government allows free competition without taking into account the protection of SAA's long-term strategic value, it will force SAA in the short and medium term to scale down flights on less profitable routes to the detriment of the consumer and this will have serious consequences for its long-term survival

Bilateral policy agreements must in the first instance provide for the protection of the strategic value of our asset and secondly, also ensure that it is to the benefit of South Africa [Time expired]

*The MINISTER OF TRANSPORT This has become a very interesting debate Two opposition parties have completely different standpoints [Interjections]

*The CHAIRMAN OF THE HOUSE Order!

*The MINISTER That is the reason why I instructed a working group to specifically spell out the international aviation policy for South Africa I received that policy approximately 10 days ago Here is the document It is a unanimous report compiled by approximately 15 important participants, in some or other form, in aviation, which includes SAA and other interested parties I mentioned this yesterday in the other House They compiled this report and submitted it to us

This report is going to the Cabinet and will make further provision for more open competition By that I do not mean totally open competition, but more open competition in that there will be a greater measure of competition

I should like to get back to the hon member for Pretoria West We cannot protect the SAA in the way he wants to The reason why we cannot do that is very simple, namely that up to approximately 15 months ago, only 21 airlines have flown to South Africa Since the success of the hon the State President, his visits abroad and the crumbling of sanctions, nine additional international airlines have been landing at Jan Smuts Airport and at other airports [Interjections]

At this moment direct and indirect discussions are being held between the Department of Transport and 25 other airlines who want to fly to South Africa [Time expired]

*Mr W U NEL Mr Chairman, the hon member for Pretoria West mentioned that the SAA is a strategic service In the new South Africa a passenger airline is surely not a strategic service We do not oppose a national airline but we cannot subsidise it at all costs It therefore pleases me that the hon the Minister said that we could not continue to subsidise it in that way

(269)

†However, we are also suffering from a severe recession, not only because we live in a world that is suffering from a recession, but particularly because we have for so long suffered from political folly which has isolated, which has resulted in sanctions and which has finally even led to tourists staying away from our shores Whilst we now desperately need an injection in our economy, there is nothing which has the potential and which can as quickly be effective as this very tourism I would like to make an appeal to the hon the Minister to do everything in his power to facilitate this In order to do that, we will need cheap airfares and the convenient availability of flights We can have that by not protecting our airline artificially in restrictive bilateral agreements, but rather opening up as far as possible, and if the price that we have to pay in the end is a more modest airline, then so be it

We would like to see our airline survive, but let it be something which we can afford Let the tourists roll in and let us stimulate this country We also need it because through that we can start a public relations exercise, not only from tourists who come in, but also from our tourist who go out We can quickly become part of that world again which we have not been part of for so long

Mr A J LEON Mr Chairman, I have to thank the hon the Minister for saying that we are going to have an open-skies policy in South Africa It is very important, and we very much hope that the Cabinet will speedily approve the document, because that is what everything seems to hinge on

Mr Richard Branson, who came to South Africa last month, offers considerable riches and opportunities to this country If the hon member for Pretoria West is honest, he will go back to his constituency and tell them that if his failed protectionist policy is applied it will simply mean that tourists who travel overseas from South Africa will continue to pay such high fares as R2 750 instead of what Mr Branson offers, namely a discount fare of R1 600 [Interjections] That will be the cost if CP policy is applied Like all their other policies, it has failed It is very expensive and does not work [Interjections]

Mr Branson offers discount fares of between 25% and 60% off the scheduled current fares between London and Johannesburg We should encourage it He has also offered investment worth R122 million

*The MINISTER OF TRANSPORT Mr Chairman, the case of Virgin Airlines elicited a considerable amount of commentary

In conclusion I wish to state that I am in favour of a more open airspace policy I conveyed that to Mr Branson and I wished him all of the best with his negotiations with the British Government and British Airways, because they have to grant him permission I again want to emphasise that it is not South Africa's responsibility to grant him permission If the British Government allocates flights to Mr Branson's Virgin Airlines, he is more than welcome in South Africa On this side I will see to it that he gets landing rights at Jan Smuts Airport if he flies there and at D F Malan Airport if he flies here In terms of the bilateral agreement we in South Africa cannot allocate those flights to him

†I would also like to refer to what the hon members for Mooi River and Houghton said Yes since we opened up the skies in November 1991 in conjunction with my colleague the hon the Minister responsible for SAA, we have already seen a dramatic decrease in fares to Europe They dropped by about R1 000 from about November 1991 to April or May this year I think that with the opening up of the skies we can foresee a further drop in the fares, but we must also remember that there is a possibility of about 55 new airlines flying to South Africa

*I think that those airlines are definitely going to hurt one another in the long term It is, however, not our duty to protect the airlines The airlines must protect themselves

Debate concluded

HOUSE OF REPRESENTATIVES

QUESTIONS

†Indicates translated version

For written reply

Own Affairs

Grants made by Department: maladministration

6 Mr T R GEORGE asked the Minister of Health Services and Welfare.

(1) Whether any instances of maladministration were reported to him in 1991 in regard to grants made by his Department, if so, (a)(i) how many individuals were and (ii) what total amount was involved and (b) what was the nature of the instances so reported;

(2) whether he will furnish the names of the persons involved in these instances of maladministration, if not, why not, if so, (a) what are their names and (b) what action has been taken against them,

(3) whether his Department has taken any steps to eliminate this problem, if so, what steps,

(4) whether he will make a statement on the matter?

C20E

The MINISTER OF HEALTH SERVICES AND WELFARE

(1) No, no cases of maladministration in regard to grants made by the Department of Health Services and Welfare were reported in 1991

(2) Falls away

(3) Falls away

(4) Falls away

HOUSE OF DELEGATES

INTERPELLATION

The sign * indicates a translation The sign †, used subsequently in the same interpellation, indicates the original language

General Affairs

Toll roads: reviewing of policy

1 Mr M RAJAB asked the Minister of Transport·

(269)

(1) Whether it is the intention of his Department to review its policy concerning toll roads, if not, why not, if so, what is contemplated in this regard,

(2) whether he will make a statement on the matter?

D115E INT

The MINISTER OF TRANSPORT· Mr Chairman, the hon member for Springfield has asked me whether it is the intention of my department to review its policy on toll roads Policy, as the hon member will realise, is dynamic in nature, and is always subject to review depending on the external environment in which it operates However, this does not mean that in the event of reviewing our policy I intend throwing overboard all that is good and still relevant from the past

The first point I wish to make is that toll roads have provided a very successful mechanism for the construction of certain roads through loan financing which could not otherwise have been provided through the Exchequer For this reason the policy of building toll roads is here to stay In fact, almost the only new roads that are currently being built are toll roads However, only toll roads which are economically viable will be built, and all proposed projects will be subject to thorough economic analysis to determine their viability

An important aspect regarding the future of toll roads is the institutional body in which they should be housed At its meeting from 2 to 4 December 1991, the Cabinet laid down certain guidelines regarding toll roads, one of which was that the administration of all toll roads in South Africa should be vested in a statutory authority, the precise form of which would be the subject of an investigation The Department of Transport has commenced this study, and will consult all parties who have legitimate interests in this matter Various functional forms of this authority have been, and will be, further analysed within the Cabinet's guidelines that the State will retain full ownership of all toll roads, and that this body should be under full State control Examples such as Alexcor, Transnet and Telkom already exist These will provide valuable inputs for the study which will be carried out in close consultation with the Department of Public Enterprises

The main function of the authority, which may be a company subject to the provisions of the Companies Act, will be to finance, construct and administer all toll roads in South Africa The financing could be achieved through loans placed on the capital market, and all design parameters, planning, construction and operations would be carried out through private-sector agents on an open-tender basis Every year the authority would be required to submit to the responsible Minister a five-year business and financial plan which must be updated annually

Because of the need to protect the public interest, and to ensure that the road user will derive the maximum benefit, a monitoring system had to be instituted to review the business plan annually In this respect the setting of tariffs, which will be aimed at commercially viable levels, will be of prime interest Therefore the Minister will, as in the past, determine the tariffs to be levied on all toll roads from time to time

I have instituted this monitoring committee, comprising representatives of the Departments of Justice, Finance, State Expenditure, Transport as well as that of Public Enterprises, to assist me in evaluating the results of the current negotiations with Tolcon and Toll Highway Development Company to enable them to construct and operate certain major toll roads on an agency basis for the Government These negotiations have been approved by the Cabinet in recognition of the fundamental economic importance of an effective national road infrastructure, and also urgently to relieve certain dangerous bottlenecks on parts of our road system which will contribute to road safety

In the light of the present financial climate in the country, it might be desirable for the responsibil-

cont →

ity for the provision of certain primary sections of our road network to be taken out of direct government administration, and placed in the financial and private arena where the means for the provision of the mobility so necessary for promoting trade and economic development are more readily available (269)

In answer to part 2 of the question, yes, I do intend making a statement in due course, but that will have to wait until I have received the final report on this matter, and the Cabinet has had the opportunity to study it

Mr M RAJAB Mr Chairman, I appreciate and welcome the rather comprehensive statement by the hon the Minister this afternoon.

I want to say that we are pleased that the Government has accepted a recommendation from an independent advisory committee that an open-tender system be applied in the administration and control of toll roads We believe this will generate competition, and that is at the heart of our subscription to the so-called free enterprise economic system We are also pleased that this new approach would mean a move away from granting Tolcon and the Toll Highway Development Company sole control over toll roads in the country and that the State would retain ownership of the roads while the private sector would be responsible for their administration

However, we are disappointed that the basic rationale behind the introduction of toll roads in this country has not yet been addressed That is that by the involvement of the private sector, the resultant release of funds from the Exchequer could be better utilised in the upkeep and maintenance of roads under the control of the various provincial authorities

We are aware that, despite a deterioration of roads generally, the Government has slashed this year's budget to R2,269 billion when in fact according to the transport department's own estimate, R4,5 billion is needed to repair and maintain our road network According to the executive director of the SA Bitumen and Tar Association, the backlog in road spending exceeds R15 billion

What is important is that South Africa has now entered a period of socio-economic and political rehabilitation and that economic recovery, so vital to the success of this recovery, depends on the economy's capital core which is its R100 billion road network With respect, it would appear that the Government has overlooked this vital point

It would also appear that the Government has overlooked the fact that one of South Africa's trump cards among developing nations attempting to attract foreign investors has always been our outstanding transport and communications infrastructure It has also been a foundation stone of our country's hopes of becoming a world-class tourist destination This asset, which the Government has overlooked, seems now to be in jeopardy.

Local chambers of commerce and industry throughout the country are crying out for more money for the maintenance and improvement of our provincial roads So, too, the Automobile Association of SA has called for drastic action to be taken to stem the tide of deteriorating road surfaces

Against this background I believe it is important to call upon the Government to reintroduce the road-fund levy There appears to be overwhelming support for the reinstatement of this levy, because it upholds freemarket principles and was based on the "user pays" principle As I understood the hon the Minister this afternoon, he also indicated that in so far as the maintenance of roads is concerned, the Government was in fact looking at privatising this particular aspect We would welcome that We believe that once we accept the principle that the user pays, the maintenance of roads, if privatised, could well be passed on to the road user and could be subsidised by the levy that I indicated [Time expired]

The LEADER OF THE OFFICIAL OPPOSITION Mr Chairman, we note with appreciation the news given by the hon the Minister of Transport that a tender system will be introduced in respect of the administration of the various toll roads in this country

There are, of course, arguments for and against the introduction of toll roads, and, as the hon the Minister indicated, the main reasons are economic and financial factors When one examines the various provincial budgets for the 1992-93 financial year, it is clear that despite the fact that revenue is derived from toll roads and the State's finances were saved as a result of the construction of these toll roads, the State's finances

cannot manage the maintenance of all important roads in our country (269)

Of course, when we take into consideration the location of toll roads in this country, the ones near Lenasia and Mooi River have become a political hot potato There are definitely political implications when one examines the user pays dictum A broad mass of people in this country are being elevated as the result of the improvement of working conditions and salaries in this country, and they can now afford motor vehicles Now, at a time when the broad mass of the people are becoming car owners and road users, the Government is introducing a principle of "user pays". Therefore there are various areas where there can be political implications

I want to suggest to the hon the Minister in respect of the siting of the toll road, that one must ensure that the worker population is not forced to use these roads and thus is forced into a situation in which they will have to pay unnecessary amounts, whether these amounts are small or large, to travel to and from work. [Time expired]

The MINISTER OF TRANSPORT Mr Chairman, I should like to refer to two hon members, the hon member for Springfield and the hon the Leader of the Official Opposition

With due respect to the hon member for Springfield, to maintain our roads in 1992 we shall need a minimum of approximately R2,8 billion, not R4 billion If we want to extend our roads, then the figure he mentioned is correct I think he confused the two figures

I agree that we need more money for roads That is why we are trying our best to involve as many people and organisations as possible to help us to finance the roads Funds for roads are allocated on a priority basis and we have to compete with education, housing, the provision of water, medical services and every other service needed for the people of South Africa

I should like to say that we have approximately R2 billion this year for the provinces and the National Road Fund Unfortunately, that is not enough This is most apparent not so much on our major roads between cities, the longer distance routes, but in our cities We need more money, specifically to help the bigger cities to accommodate their traffic problems

I should also like to refer to the figures mentioned by the hon member for Springfield He mentioned different organisations talking about R15 billion, R20 billion and R28 billion I should like to query some of these figures, because they are dished up by people and organisations with vested interests I am not blaming them for doing this, because this is the best policy and I do the same when I have a vested interest when I am speaking on behalf of the NP, as the hon member for Springfield does when he speaks on behalf of his party These organisations are therefore doing the same The only thing I should like to say is that when we carry out a survey we have to conduct a thorough analysis of what we need in terms of roads in South Africa We did this, and that is why I can tell the hon member that we need R2,8 billion this year to maintain our roads at First World standards

I should also like to come to the hon the Leader of the Official Opposition [Time expired]

Mr T PALAN Mr Chairman, it is a pleasure to follow on the hon the Minister of Transport, who is quite a fundi on transport affairs

In 1983 the principle of toll roads was entrenched in legislation with the objective of promoting the national road-building programme This was done in view of the fact that there were always inadequate funds for improvements in our road building programme in South Africa The road-building programme in South Africa is way behind schedule

According to statistics as at 31 March 1989 South Africa had 2 109 dual carriageways, 50 238 single-carriage surfaced roads and 128 794 gravel and earth roads Of this total of 181 141, only 28,9% are paved These roads carry approximately 7 million motor vehicles and there is also a considerable flow of traffic to and from our neighbouring states It is therefore necessary to improve our road-building schedule

The control of toll roads becomes necessary in order to ensure the participation of private entrepreneurs, thus alleviating the heavy burden on the State, which is ultimately passed on to the taxpayer While we are appreciative of the "user pays" policy when it comes to roads, I am somewhat concerned about the onerous burden on the road user when it comes to the amounts levied in toll This is largely because of the

cont →

enthusiasm of some of the private entrepreneurs who wish to flourish [Time expired]

Mr M RAJAB Mr Chairman, I stand corrected by the hon the Minister of Transport who said that we require R2,8 billion instead of R2,269 billion to keep our roads in a proper state of maintenance Quite obviously I bow to the hon the Minister's expertise in this regard After all, he is the Minister, not I

I appreciate the admission made here by the hon the Minister this afternoon that we do require more money for the maintenance of our road system It is interesting that just two weeks ago, in the debate on provincial affairs, his colleague, the hon MEC in charge of roads in Natal, was decrying the fact that not enough had been allocated to Natal per se for the maintenance of roads in that province I was wondering whether, in the provincial allocation of the budget for the maintenance of roads, Natal was not in fact short-changed

The CHAIRMAN OF THE HOUSE Order! I regret that I have to short-change the hon member His time has expired

The MINISTER OF TRANSPORT Mr Chairman, I agree that everyone is short of money If that is valid for Natal, it is valid also for all the other provinces as well as the SA Roads Board

I should like to say that there is an alternative There is always an alternative It is part and parcel of the practice of toll roads I think the hon the Leader of the Official Opposition is correct in saying we must not push people onto new toll roads We must have another look at the matter, however We cannot keep two roads right next to each other in a superb condition We shall have to address this again It will be a political debate, however, and therefore I do not think it would be appropriate to discuss it now

I should like to say that according to the Budget, the SA Roads Board will get about 52% from the Exchequer in 1992-93 The rest, 48%, will be financed by toll roads Toll roads, therefore, are a major roleplayer in providing roads in South Africa Unfortunately it will not be possible to build roads without toll roads

I should also like to say that because of the shortage of money, we introduced a new policy on roads at the end of last year I should like to summarise it, as the hon member for Bayview asked me to do In terms of the new policy for roads, we shall maintain the existing road network If there is money left in the kitty, we shall upgrade the roads If there is money left after that, we shall build new roads That is our policy We should like to ask the four provinces as well as the independent and self-governing states to help us in implementing this policy

Our national road assets are valued at about R90 billion We have to keep those assets intact for future usage That is why maintenance is our first priority [Time expired]

Debate concluded

QUESTIONS

†Indicates translated version

For oral reply

General Affairs

Second-hand clothing: permits

*1 Mr M RAJAB asked the Minister of Trade and Industry

(1) Whether his Department has issued any permits to churches and welfare bodies to import second-hand clothing duty-free, if so, (a) why and (b) how many such permits were issued,

(2) whether he will make a statement on the matter?

D102E

The DEPUTY MINISTER OF JUSTICE (for the Minister of Trade and Industry)

(1) The provision in rebate item 405 04/63 09/01 00 in Annexure 4 to the Customs and Excise Act allows churches and welfare organizations to import second-hand clothing duty-free, provided the churches and organizations distribute the clothing free of charge To qualify for the duty rebate, these organizations are required to submit a written statement to Customs and Excise in which they undertake to distribute the clothing free of charge Under normal conditions, the import of second-hand clothing is subject to import control in terms of the Import and Export Control Act, 1963

After it came to light that the provision concerned had allegedly been misused to a great extent, and that some of the clothing imported in terms of the provision had become available in ordinary business, the matter was investigated by the Board of Trade and Industry who will soon submit proposals to Government for the amendment of the provision in order to restrict the misuse thereof The alleged misuses are specifically connected with a *concession* granted a few years ago which allowed the organizations concerned to sell a part of their second-hand clothing in order to cover import and distribution costs It will, inter alia, be recommended that the abovementioned *concession* be cancelled

(a) The goods in question are supplied free of charge by churches and welfare organizations abroad to similar organizations in South Africa which in turn, distribute them free of charge to needy people Import permits are therefore issued for humanitarian reasons

(b) During 1991, 121 "no-value" import permits with a value of R639 939 for Customs purposes were issued to churches and welfare organizations

(2) No

Mr M RAJAB Mr Chairman, arising out of the hon the Deputy Minister's reply, I wish to state that I have a list of supplementary questions with which I will not burden the hon the Deputy Minister of Justice and of the National Intelligence Service I have had a communication from his colleague the hon the Deputy Minister of Trade and Industry and I appreciate the fact that he is not here because he is in Johannesburg I will ask these supplementary questions by means of direct communication with him

Voluntary euthanasia

*2 Mr M RAJAB asked the Minister of Justice

(1) Whether he has set up or intends to set up a body to investigate voluntary euthanasia, if not, why not, if so, what are the relevant details,

(2) whether he will make a statement on the matter?

D103E

The DEPUTY MINISTER OF JUSTICE

(1) and (2) The South African Law Commission, at its meeting held on 3 February 1992, recommended that the question of "Euthanasia and the artificial preservation of life" be included in an investigation in its programme On 2 March 1992 I formally approved that the matter be included in the programme of the Law Commission under the title "Living Will" At present the project is receiving the Law Commission's attention and interested parties are welcome to submit proposals in this regard to the Secretariat of the Law Commission

INTERPELLATION

The sign * indicates a translation The sign †, used subsequently in the same interpellation, indicates the original language

Own Affairs

Springfield College of Education: facilities

1 Mr M RAJAB asked the Minister of Education and Culture

(1) Whether it is the intention of his Department to restructure the facilities at the Springfield College of Education in view of its in-service programme, if not, why not, if so, what are the relevant details,

(2) whether he will make a statement on the matter?

D116E INT

The MINISTER OF EDUCATION AND CULTURE The answer to the first part of the interpellation is no The intention of the Department to restructure facilities at the college is not due to the implementation of the in-service education and training programme

The facilities and infrastructure at the college are being refurbished by way of renovations and repairs to the tune of R2 169 796 for the pre-service programmes on offer at the college The enrolment in these programmes has increased to approximately 577 The projections for the next two years are an intake of approximately 650 for 1993 and an intake of about 700 students in 1994 These renovations and repairs include offices for the rectorate, updating administration offices, updating the cafeteria, a new staff room a new

Plea for the upgrading of Beit Bridge

Sowetan 22/4/92

By MATHATHA TSEDU

THE chaos at the Beit Bridge border gate has led fourteen government departments to recommend to the Cabinet that funds be made available for immediate upgrading.

Faced with a traffic volume of over 250 trucks, 600 cars and 4 000 pedestrians a day, Beit Bridge has been snowed under for the last three years as trade between South Africa and Zimbabwe grows.

With the heaviest drought in living memory having brought Zimbabwe to the brink of mass starvation, an additional 200 trucks a day are expected to start streaming through the gate as maize imports roll through.

This extra volume, and the lack of mechanical implements to check vehicles, led to a meeting of the 14 departments on Thursday last week in Messina, where the problem was discussed.

Convened by the department of Regional Development and Land Affairs, the meeting decided on short-term measures that include longer operating hours by custom officials which would ease the bottleneck. A parking lot for trucks, which are presently lining up the road on both sides creating a traffic hazard, is also to be cleared

Ablution blocks

Convener of the meeting and Deputy Director-General of the department Mr Meyer du Toit said more ablution blocks and cleaning of the area would take place immediately.

"On a long-term basis, we realise that facilities at the gate were not built to cope with the volume that has since developed. We are asking the Cabinet as a matter of urgency to approve funding to upgrade the area so that we can deal with the problem.

"If the Government says it has no money, we expect them to give the go ahead for private sector involvement as the situation at the gate is becoming critical by the day," Du Toit said

When *Sowetan* visited the border gate, we found long queues of trucks that still had to be cleared. While some of the truck drivers said they only spent up to two hours before clearing, others said they had been there for two days waiting for custom clearance.

The drivers complained of lack of facilities such as sleeping accommodation as the gate is far from the town. Du Toit said the maize trucks, which are expected to reach the gate this week, are not going to be affected by the bottleneck

"The maize trucks have all their papers ready and are clearly marked. They just drive through," he said.

The maize, which is imported from overseas, is eagerly awaited in Zimbabwe, where this basic and staple commodity is scarce. Zimbabwean truck drivers blamed the shortage on "over exporting" of maize to other countries without giving due regard to home conditions.

Airline protection 'out'

B/Day 23/4/92

BILLY PADDOCK

CAPE TOWN — Government was in favour of deregulating the skies, and airfares had dropped substantially since it began a limited open-skies policy in November, Transport Minister Piet Welgemoed said yesterday.

He was responding during a mini-debate in Parliament to a call from Tony Leon (DP MP Houghton) for government to approve an open-skies policy and allow Virgin Airlines to fly to SA.

Such a policy was good, but "it is not SA's responsibility to give Virgin Airlines chairman Richard Branson the go-ahead to fly here", Welgemoed said.

He said it was up to the British government and British Airways to grant Virgin Airlines the necessary permission.

He agreed with Leon that it was not up to government to protect the airlines, adding that there were up to 55 which wanted to fly to SA.

"They are going to hurt each other and themselves but we cannot protect them. They must protect themselves," he said.

Leon said government had protected SAA for 46 years

This had led to high airfares, high capacity and low competition

The London-SA route was the most lucrative in the world because of this, and fares had in fact increased by 160% since 1985, effectively grounding SA passengers.

However, the increased competition on the London-New York route had led to drastic cuts in airfares, Leon said.

269

Welcomed

Government intervention in international air travel should be limited to ensuring that services were opened to all competitors and that they complied with safety requirements.

Leon welcomed the Minister's acceptance of an open-skies policy, saying he hoped government would formally approve a report that recommended such a policy.

SAA showing signs of a 'strong recovery'

B/Day 24/4/92 (269)

LINDEN BIRNS

SAA was expecting to record its first profit in two years at the end of the current financial year, although it would report a loss of about R60m for 1991/92, CE Gert van der Veer said in Soweto yesterday

In an interview he said SAA was showing signs of a strong recovery Since December revenue-generating passenger and cargo loads had risen by about 33%.

Van der Veer was in Soweto officiating at the airline's launch of three new package holiday products aimed at middle class blacks

In 1990/91 SAA reported a loss of about R60m A similar loss was expected for the financial year which ended in March. The airline has attributed the losses to the knock-on effects of the Gulf war on airline traffic and to the world recession.

Van der Veer said SAA would be able to sustain the recent turnaround as long as the economy held up and showed signs of recovery "We're expanding monthly and our loads are up 33% because we are flying more routes What we are witnessing is the recovery from the years of sanctions."

Van der Veer said SAA's performance on the SA-US route had improved to the point where the airline was considering adding a fourth weekly flight between Johannesburg and New York

The new domestic holiday packages are being launched through the informal black business sector with the help of stokvels and various traders' associations.

SAA senior executive manager Nik Vlok said this was a new attempt by the airline to tap into the potentially lucrative black market SAA tried several years ago with Rennies and a couple of years ago with Skybird, but both attempts to penetrate the market failed

One package launched yesterday was the Nambitha Ikapa, a three or five night holiday in Cape Town for R1 061 to R1 296 including air fares, top hotel accomodation, transport and sightseeing tours.

In 1991/92 SAA's total number of passengers carried dropped by 120 000 from the 5,05-million carried the year before. The airline is also burdened with payments for six new aircraft delivered last year and which were financed by foreign loans.

Boycott of trains urged after deaths

STAR 24/4/92

(269)

By Thabo Leshilo and Stan Hlophe

Black political, religious, labour and civic organisations on the Reef have called for a six-day boycott of trains as the death toll from the slaughter of passengers continues to mount.

The boycott call was made jointly by the ANC, Cosatu, Nactu, PAC, SACP, Human Rights Commission (HRC), Civic Associations of the Transvaal, the SACC and Soweto's Sofasonke Party at a press conference held in Johannesburg.

The demands include provision of security for commuters, compensation for victims, and that the killers be jailed

The Azanian People's Organisation endorsed the call.

Consulted

PAC leader Ntsundeni Madzunya, who acted as spokesman for the organisers, said the IFP had been consulted about the idea but could not attend yesterday's meeting to decide about the boycott.

IFP leaders Humphrey Ndlovu and Themba Khoza, with whom the organisers claimed they were in contact, could not be reached for comment.

The organisers urged commuters not to buy train tickets during the boycott.

Employers were asked to "take the initiative" and arrange alternative transport for their workers

The carnage on Reef trains has reached unprecedented levels in spite of the safety measures introduced by police and the railways.

The murder on Wednesday of three passengers on a Johannesburg-Soweto train pushed the death toll this year to 129.

According to the HRC's latest reports, the number of people killed in train attacks during the first three months of the year outstripped the combined figure for the whole of 1990 and 1991, when 97 people died

Nine community leaders sitting-in at the Johannesburg offices of Spoornet in protest against train violence, last night vowed to continue with their action until a decisive plan to halt the carnage was agreed upon.

The nine, who began their sit-in on Wednesday, are general secretary of the Institute for Contextual Theology Father Smangaliso Mkhathswa, Cosatu regional general secretary Amos Masondo, Jessie Duarte and Kgomotso Ramego of the ANC Women's League, CAST deputy president Kgabs Masonkutu, Sarhwu regional secretary Elliot Sogoni, Sarhwu regional vice-chairman Sydney Hlako and Vanguard Mkhosana.

Father Mkhatshwa said discussions with representatives of the SAP, Transnet, Spoornet, and Metro were adjourned until today.

The Ministers of Police and Transport could not attend the meeting as the group demanded. The group hold the two Ministers responsible for the safety of train commuters

● The ANC yesterday claimed one person was killed and two were critically wounded last night in an attack on train commuters in Soweto, Sapa reports

A Soweto police spokesman said police found the body of a man next to the railway line, but he could not confirm that the death was connected to a train attack

The body had stab wounds and was found at about 6 30 pm between the Mzimhlope and Phomolong stations in Orlando West Police were still investigating the cause of his death, the spokesman said.

FM 24/4/92 (269)

SA AIRWAYS

FM 24/4/92 (269)

Flying into the red

After a string of profitable years, SA Airways has dipped into the red for the second year in a row. "SAA will show a loss for this past year," says spokesman Zelda Roux, referring to fiscal 1992, which ended on March 31. She declines to divulge the extent of the loss

This follows an estimated R60m loss in 1991 but, in the two years before that, when sanctions were at their height, SAA turned in big profits — R132,6m in 1989 and R62,7m in 1990.

Roux attributes the two years of losses to "the recession that has affected all airlines throughout the world, increased competition and deregulation"

No-one outside of SAA and its parent, Transnet, knows how big last year's loss was but some of the better informed travel agents presume "it's substantial" Roux explains that "as part of Transnet, SAA is not in a position to reveal any of its figures"

SAA's figures were released each year until its former parent, SA Transport Services (Sats), was commercialised on April 1 1990 and became Transnet Under the new setup, Transnet has not reported individual figures for SAA, Portnet, Spoornet or any of its subsidiaries So the effort to operate more like a business and less like a government agency has resulted in even more secrecy.

DP transport spokesman Wessel Nel says. "It's nonsense. They will have to present that information The country has every right to know how SAA is doing"

He feels strongly that, because Transnet belongs to the taxpayers, they have every right to know what it is doing and how its subsidiaries are faring "But it is withholding information that will enable them to assess whether SAA is being properly run. The State is using the fact that Transnet has been commercialised to persuade taxpayers that it is being properly run, but is denying them the information they need to make informed judgment.

"It's unacceptable that we don't know how SAA is performing, but have to keep protecting it against foreign competition"

After it was commercialised, Transnet was quick to learn that, though fully State-owned, in its new private-sector environment there is no need to detail the performances of its subsidiaries. Group MD Anton Moolman spelled that out towards the end of last year in releasing Transnet's report for fiscal 1991, when he said only the group's bottom line needed be reported

Flitestar, its domestic competitor, is just as cagey about results For the past few weeks MD Jan Blake has avoided answering reporters' calls seeking information on how well the six-month-old airline is doing.

All Joachim Vermooten, MD of Rentmeester Beleggings, which has a 44% stake in Flitestar operator Trek Airways, said in his annual report was that the start-up costs of the airline in the six months to December were written off and Flitestar was "operating above breakeven."

The difference is, Flitestar's shareholders are private investors who can move their money elsewhere if they don't like the volume of information they're getting, while SAA's owners are taxpayers who have almost no say in how the airline is run

SAA's loss is not unexpected. On the domestic scene it is facing competition for the first time on major domestic routes Internationally, it and other major carriers are still suffering from the effects of last year's Gulf War, which reduced passenger loads substantially

Roux says the total number of passengers in fiscal 1992 declined to 4,93m, compared with 5,05m the year before The airline must also pay for new aircraft and it has started flying to several new foreign destinations that, though potentially profitable, have been costly to inaugurate

On the credit side, it is benefiting from an increase in tourists visiting SA, a modest 4,5% to 521 257 last year (Business & Technology April 3), but growing steadily, according to the SA Tourism Board And its aircraft may now fly the shorter route to Europe directly over Africa, which allows for an extra 20 t to be carried on each trip

Nevertheless, added revenue is not offsetting added costs. But it is not a cash-starved airline, and CE Gert van der Veer's boast that SAA has never been subsidised is founded on a very solid base.

According to the last set of year-end figures made public, the Sats report for fiscal 1990, SAA collected R92,8m in interest, compared with R58,6m in fiscal 1989 It seems that SAA has a substantial nest egg tucked away somewhere

David Pincus

New approach to to channel maize

Sowetan 24/4/92

269

SENIOR Foreign Affairs officials and delegations from Botswana, Malawi, Zambia and Zimbabwe aim to take a closely co-ordinated, regional approach to channelling shipments of maize from South African ports to neighbouring states.

A conference held in Pretoria on Wednesday night to co-ordinate the drought relief operation decided representatives from all

Sowetan Correspondent

delegations present would be nominated to serve on the operation group of Transnet to manage future co-ordination and working methods

The group will meet shortly to establish an effective co-ordinating mechanism to realise the objectives set by the conference

Specific issues which were discussed during the conference included the food requirements of the individual countries and logistical aspects of landing and transporting the food to all the countries in the region on an "expeditious and equitable basis"

Zimbabwean delegate Dr SB Marume, Deputy Secretary of the Zimbabwean Ministry of Transport, said he was hopeful the objectives set by the conference would improve the country's situation within the next few weeks

He said substantial shipments of food were expected to arrive in May and June, and their speedy distribution would help alleviate the shortage

"The situation in Zimbabwe at the moment is perhaps not as bad as in other states but it is not good, considering people used to having plenty must now make do with very little," he said

The meeting was chaired by the Deputy Director-general for Africa in the Department of Foreign Affairs, Mr DW Auret.

New date set for train boycott

269

Sowetan 24/4/92

By KENOSI MODISANE and Sapa

A WEEK-LONG train boycott, due to start yesterday to protest against the train killings on the Witwatersrand, has been postponed to May 4.

This was announced at a Press conference by a newly-formed steering committee of major township groups concerned about the carnage

The steering committee represents the African National Congress, Pan Africanist Congress, Congress of SA Trade Unions and National Council of Trade Unions

Other groups are the Civics Association of Southern Transvaal, SA Communist Party, Human Rights Commission, Sofasonke Party and church groups.

The ANC's Mr Tokyo Sexwale, who chaired the Press conference, said the steering committee, which had been set up to deal with the violence on the trains, fully supported the train boycott call.

"The carnage taking place on the trains has compelled us to take action to express our anger at the violence That's why we have targeted train violence."

Representatives also pointed out that the SA Railway Commuter Corporation had admitted it could not guarantee the safety of train travellers.

Meanwhile, representatives of the Ministry of Law and Order were last night scheduled to meet nine community leaders who are staging a sit-in at the Spoornet headquarters in Braamfontein, Johannesburg, to protest the killings.

'92 train deaths exceed entire '90, '91 toll

269

Sowetan 24/4/92

THE number of lives lost in train attacks during the first three months of this year outstripped the combined figure for the whole of 1990 and 1991, according to the Human Rights Commission's latest Area Repression Report.

A total of 97 deaths on the tracks was recorded in 1990 and 1991, while 126 such murders took place in January, February and March this year, the report records

The number of attacks rose even more sharply than the death toll, each recent attack accounting for substantially fewer deaths and injuries than the mass murders which took place in commuter coaches during 1990.

The HRC has attempted to determine the political affiliation of the victims and the perpetrators of violence during the especially bloody month of March when the death toll in political violence shot to 437 - the highest level since August 1990.

Where perpetrators of violence could be identified, ANC supporters and township residents were responsible for 9,5 percent of the killings and 19,7 percent of injuries, while Inkatha supporters and hostel dwellers inflicted 90,5 percent of the deaths and 80,3 percent of the injuries

Only in 30 percent of fatalities was it possible to identify the affiliation or community status of the victim Of this identifiable group, "the victims were ANC supporters and township residents for 76 percent of the dead and 75,4 percent of the injured, including Inkatha supporters and hostel dwellers for 24 percent of the dead and 24,6 percent of the injured," the report states - *Sowetan Correspondent*

Leaders protest against violence

269

Sowetan 24/4/92

NINE community leaders who staged a sit-in at Spoornet's Johannesburg offices yesterday vowed to continue their protest against the parastal's apparent failure to curb the violence on Reef trains.

The protesters, who represent the ANC, Cosatu, the SA Community Party, Sarhwu, Cast and churches, embarked on the sit-in on Wednesday.

Metal detectors

Addressing a Press conference yesterday, church leader Father Smangaliso Mkhatshwa said it was apparent after a meeting with Spoornet and the police that the parastal did not have the capacity to end violence on the trains

Spoornet's senior general manager Mr Gert Britz said his company, in conjunction with the security forces and the train owners, the SA Railways Commuter Corporation, had taken every reasonable step possible to curb violence

Some of the steps were security fencing at stations, an increased police presence, and the installation of metal detectors

But the protesters believe these security measures are not effective

"Police have simply not done enough. There have been no significant arrests, or noteworthy convictions

"Although we believe there are a number of people in the police force who seek to do their job, there are quite a number of policemen who are not committed to doing their job," said Mr Amos Masondo of Cosatu

Support grows for five MPs

By ISMAIL LAGARDIEN

SUPPORT is growing for five MPs who this week resigned from the Democratic Party to join the African National Congress

Sowetan 24/4/92

The support is particularly evident at the areas they represented as members of the Democratic Party

At a meeting in Cape Town yesterday, the Western Cape leadership of the ANC formally welcomed Mr Jan van Eck and Mr Jannie Momberg to the region where they both hold seats.

Van Eck and Momberg were no strangers to the region, the Western Cape leader of the ANC, Dr Allan Boesak, said.

Asked how they could further the ANC's cause, and whether it could be done through Parliament, Van Eck said. "We have always used Parliament and we will continue to use Parliament to further the struggle"

He stressed, however, that five MPs were not ANC spokesmen in Parliament.

"We're independent MPs who happened to be members of the ANC. We don't have a mandate from the ANC membership," he said.

Lifeline operation gets rolling

DURING the next few months, workers in the Transnet operations room in Johannesburg will co-ordinate the shipping by rail of millions of tons of desperately needed imported maize to several southern African countries. BRENDAN TEMPLETON reports.

STAR 24 25/4/92 (269)

TRANSNET operations room co-ordinator Andrew Wilson faces the biggest job of his life — saving the lives of millions of people threatened by famine in drought-stricken southern Africa.

During the next few months Wilson will have to deal with delegates from dozens of countries as they co-ordinate the progress by rail of 8,2 million tons of desperately needed imported maize.

The operations room inside the Paul Kruger Building in Wolmarans Street, Johannesburg, is quiet now, but things are destined to pick up as the big shipments of maize start arriving regularly

In the next few months delegates from Zimbabwe, Zambia, Malawi, Mozambique and Botswana will be paying regular visits to the office

Wilson will also be dealing with countries and organisations donating the much-needed maize for southern Africa's 60 million inhabitants

The tall, gangly man with a friendly smile is quietly confident that Transnet will be able to ensure the maize gets to its destinations

He points out that the size of the maize shipments is not the main problem — 8,2 million tons makes up barely 4 percent of the 200 million tons Transnet handles annually

Trying to co-ordinate all the parties involved in the operation will be the real poser, he says

And, with the prospect of having to handle some of Zaire's maize imports as well, the number of parties could increase

The main adversary to be faced is time.

Already reports are filtering in about food riots and of people eating river silt and tree bark in a frantic search for nourishment

The task is not an easy one The grain is desperately needed and the organisational problems amount to one huge logistical nightmare

The size of the operation means that in the coming months more than 44 000 sacks of maize will have to be bagged every day, loaded on to trains and then moved across thousands of kilometres — without delay

Wilson and his colleagues face the problem of trying to co-ordinate incoming ships and the railway systems of five, possibly six, different countries so that no unnecessary delays take place

Officials have to be ready to sidestep any mishap which could cause bottlenecks — rough seas, a derailment, even war

Tensions surrounding the dispersement of the relief maize are already rising in Zimbabwe, and the battle over scarce resources in Mozambique can only intensify as the drought continues

In Zimbabwe, the government is using riot police to guard maize deliveries after recent outbreaks of violence when hungry people tried to grab food as the precious grain trains arrived

But while the drought may pose a threat to peace, it is bringing old foes together

This was seen at a Pretoria meeting this week when officials from Zambia, Zimbabwe, Malawi, Botswana, Mozambique and South Africa met to decide how best to distribute the incoming maize

Despite initial opposition from Zimbabwe's President Robert Mugabe over South Africa's central role in the operation, the meeting went ahead smoothly, and officials agreed to set up a co-ordinating body to oversee the project

Delegates at the meeting were officials rather than ministers, in deference to Zimbabwe's fears that South Africa would try to make political mileage from the situation

Transnet's liaison officer Jacques Pienaar is confident that the combined expertise of South Africa and its neighbours will ensure that the operation runs smoothly

Zimbabwean officials also believe their country will be able to handle the daily influx of almost 7 500 tons of maize

Of that, 5 000 tons a day will be for its own use Most will be coming from South Africa, but about 2 700 tons will be coming from Mozambique's new R207 million Beira harbour

Because of the deficiencies of the Beira Corridor rail service to Zimbabwe, 1 000 tons will be transported by a fleet of trucks escorted by Zimbabwean soldiers to protect them from raids by "bandits" operating in war-ravaged Mozambique

Pienaar believes the face-to-face co-operation will result in strong relationships

The biggest task will be to try to co-ordinate the incoming shiploads with South Africa's rail system and the rail systems of neighbouring countries

More than 220 ships carrying grain are expected to southern Africa d coming months, and have to be directed t with available dock ties

"What we are tryi to ensure that the tion of maize does the running of routin both on our side of and theirs," Pienaar

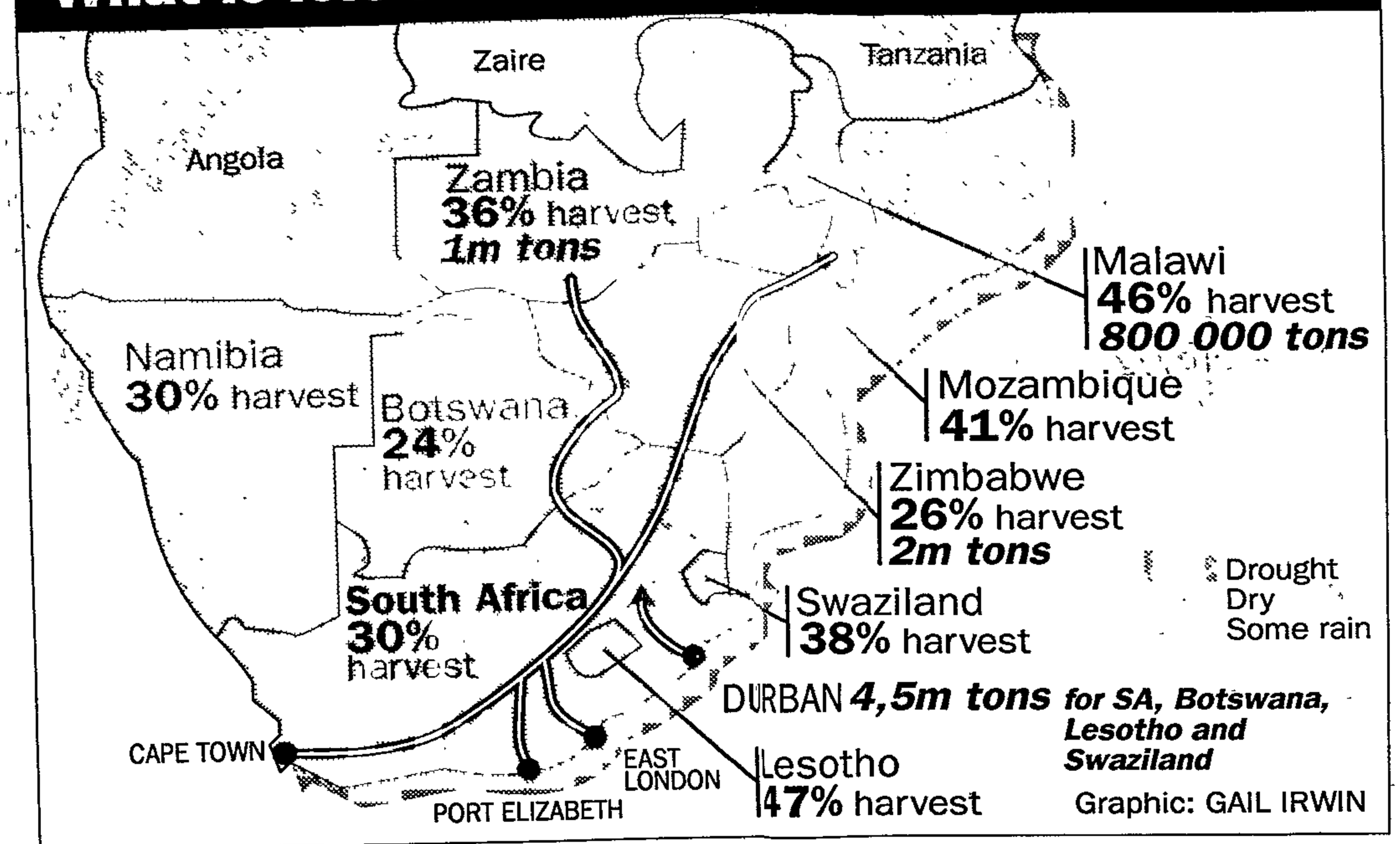
That means gett trains at specific p other trains are not this fails, chaos coul

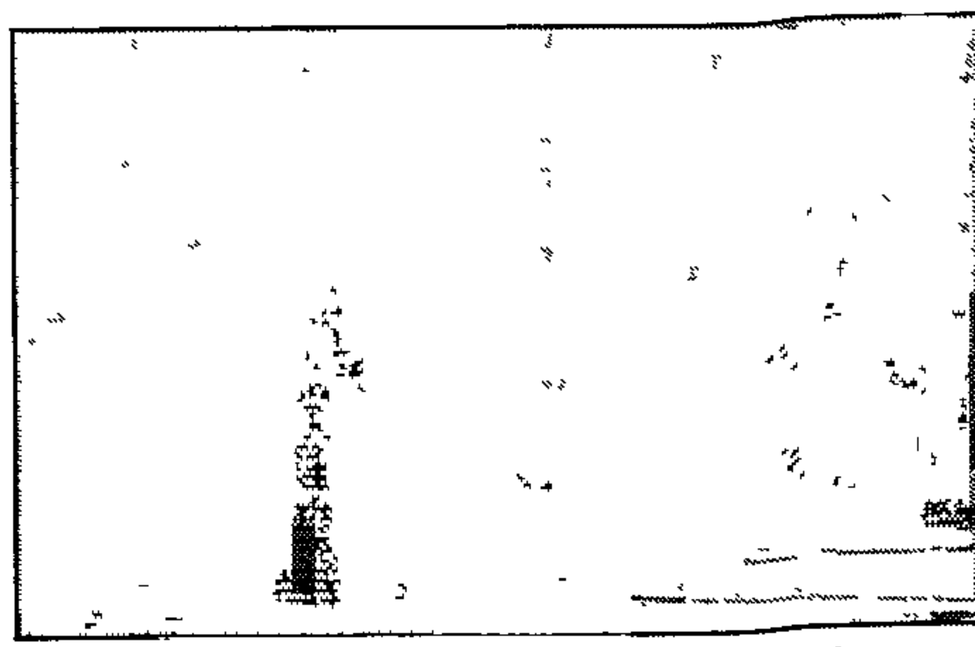
Of the 8,2 million transported by 4,4 million tons are consumption in So Botswana, Lesotho land

Zimbabwe will re lion tons from So through Beit Bridg 800 000 tons and Za lion via Mafikeng a na

Wilson smiles — one South African operation that the states will welcome.

What is left of the harvest and maize imports





STILL QUIET: But in the next few months these w Transnet's operations room will be co-ordinating ma shipments of maize into southern Africa.

SA signs flight pact with Tanzania

(269)

JOHANNESBURG. — South African Airways scored yet another African breakthrough on Tuesday when it signed a commercial agreement with Air Tanzania, allowing flights between South Africa and Tanzania from July 1.

The agreement is regarded as a diplomatic triumph because of Tanzania's hostile attitude towards South Africa.

The agreement allows both parties to fly passengers, cargo and mail between Johannesburg and Dar es Salaam.

Air Tanzania's inaugural flight is scheduled for July 3. It will operate one weekly flight between the two countries. — Sapa-Reuter

Computer-aided cops to help road safety?

CT 25/4/92 (269)

Staff Reporter

THE functions of the National Road Safety Council (NRSC) would eventually be replaced by traffic police with computers in their cars as this would lead to better road safety.

Director of the Department of Transport's directorate of road traffic safety Mr Eric Wise said this week the demise of the 11-member council would help to centralise road safety initiatives.

The development of a R30-million National Transport Information System was a "holistic" approach to road safety which would keep track of the roadworthiness of vehicles and drivers' offences. The system would standardise drivers' licences and enable accident blackspots to be recorded.

As in the United States, law enforcement officers would eventually have details relevant to road safety available on car computers linked by radio to a master database.

Anti-violence demos stand firm

MONTSHIWA MOROKE

CYRIL RAMAPHOSA: Offering support for the nine community leaders.

STAR 25/4/92 (269)

THE nine community leaders who have been occupying the Johannesburg offices of Spoornet since Wednesday in protest against train violence could spend the weekend away from their families.

In a statement read by Father Smangaliso Mkhatshwa on their behalf, the sit-in group repeated its stand not to leave the premises until the ministers of Transport and of Law and Order had acted decisively to halt the carnage

The group, who represent the clergy, the SA Railway and Harbour Workers Union (Sarhwu), CAST, Cosatu and the ANC, hold the two ministers responsible for the safety of commuters

Also attending the press conference at Spoornet yesterday were top-ranking ANC and SACP officials Cyril Ramaphosa, Dr Pallo Jordan, Tokyo Sexwale and Charles Nqakula

Mkhatshwa, who said the country was in the middle of a national disaster, spelt out demands which he said were reasonable to any right-thinking people

Some of the demands were that the Government make available "a minimum of R500 million for the purpose of restructuring safety measures because in the past President de Klerk had committed public funds to various national disasters

"We believe this disaster has claimed more lives in a short space of time than any other and deserves urgent resources to be made available A special fund is required to give effect to the point above, in addition to adequate compensation."

As a matter of extreme urgency, measures had to be taken by the police to reduce death on the trains between now and the Codesa 2 session, Mkhatshwa said

Other demands were:

- The development of well-trained, efficient and adequate security personnel with immediate effect on commuter systems
- Installation of a permanent security system to screen commuters and refuse access to armed commuters
- Confiscate dangerous weapons and so-called cultural weapons and to ensure their destruction or storage
- Erection of security fences alongside the railway lines, especially in close proximity to hostels, as well as erection of adequate gates and permanent metal detectors

"Central to the maintenance of commuter safety is a need for a specially trained task force to enforce effective policing methods.

"The task force should be jointly maintained by Sarhwu, the community and Transnet This will ensure that the recruitment, training and control of the task force is properly managed," Mkhatshwa said

Already, black political, religious, labour and civic organisations on the Reef have called for a six-day boycott of trains from May 4

SUNDAY

PROFILE

Women must shape their own destiny, urges ANC veteran

S/Times 26/4/92

THERE will be no equality for women in a new South Africa if the issue is left up to men, says avowed women's rights campaigner Dr Frene Ginwala, deputy head of the ANC's Women's Emancipation Commission

Dr Ginwala, 60, who returned from the exile to take up the post, says it is imperative for women take on responsibility and speak for themselves

"A year or two from now, the average South African woman must know that the new South Africa has brought something to her as a woman," she avers

Ironically, despite a string of impressive credentials, including a doctorate in political science from Oxford University, Dr Ginwala is only second in command in the women's commission — the head is Oliver Tambo

A lifelong member of the ANC, she is described by one political antagonist as reasonable; by another as a principled pragmatist.

Vociferous on the subject of the cause, she displays all the properties of a Rodin statue on the subject of her personal life She presents a marble impenetrability and simply will not discuss it

About all she will reveal is that she was born in Johannesburg and went into exile in 1960 to help set up the ANC's external mission Her professional background was "as a lawyer and a journalist"

Her homecoming a year ago followed 31 years in "different parts of Southern Africa" and Britain Outsiders regarded her as one of the major Marxist theoreticians in the liberation movement but she reveals nothing on this point.

She seems to consider Frene Ginwala, the person, irrelevant, and constantly diverts attention from herself to her work. But her influence extends far beyond her own political movement. Despite her personal modesty, Frene Ginwala will become a formidable figure in the new South Africa

In addition to her role with the women's commission, she is the ANC's chief researcher As an adviser to Codesa's Working Group 2, which deals with the constitution, she is one of Codesa's "seven percenters" — the women involved in formulating a democratic South Africa

For her, the superficial, cosmetic concept of sex discrimination is not the issue — sex is biological, she explains Of concern is the underlying problem of gender oppression in the roles South African society has imposed on men and women alike

She is undaunted by the ANC's rejection at its national conference last July of a proposal that a 30 percent quota for women be introduced at all levels of the organisation, including the national executive committee, and continues to

uphold the principle of affirmative action

She has firm ideas on what needs to be emphasised in ANC and Cosatu economic policy guidelines.

"Everyone talks about nationalisation as if that were the main issue I am more concerned with developing rural areas for the sake of the 71 percent of South African women who live there, with training opportunities for women and a legal right to know and share their husbands' wages."

Miriam Stein, national president of the Union of Jewish Women, believes Dr Ginwala has been an inspiration to women of different backgrounds "who had ideas, but couldn't translate them into action"

Even political opponents have little but praise for Dr Ginwala

Says Inkatha central committee member Suzanne Vos — another member of the coalition's executive

"She is a cerebral activist, that is her unique gift Not only is Frene determined and courageous, she seems so reasonable"

Dr Ginwala says her most serious problem is that while the women of South Africa are listening and taking note of a society in transition, men, political parties and the media are not.

"We have a unique opportunity to make sure that women's rights are safeguarded in the constitution and the Bill of Rights from the outset, instead of having to tackle issues piecemeal after the event. We are going to take that opportunity."

Rosemary Brown

Probe into R50m debt

By PETER MALHERBE

TRANSNET has ordered an independent investigation into an embattled exporter's R50-million debt with subsidiary Spoornet. S/Times 26/4/92

And Transnet managing director Dr Anton Moolman admitted on Friday that coal held as security for the debt had disappeared

Dr Moolman said the coal stockpiles held in Maputo and Durban — which were ceded to Spoornet by Minesa Energy (Pty) Ltd — were found to have been "transported and exported" when rail authorities tried to claim them

The Transnet head was reacting to disclosures in the Sunday Times last week that Minesa Energy had exceeded its R2-million credit limit with Spoornet by more than R48-million

The Kyalami-based company, headed by Spanish-born Mr José Holgado, owes Spoornet R50 166 620

Dr Moolman said the debt began accumulating several years ago when Bordex Mining (Pty) Ltd dealt with Transnet's predecessor, South African Transport Services.

Bordex was liquidated in 1990 and Minesa Energy took over its assets and liabilities Arrangements were made for Minesa to pay the outstanding debt in monthly instalments

After it was discovered that the stockpiles had gone and Minesa could not fulfil its obligations, Spoornet suspended its credit facilities. (269)

Negotiations for the repayment of the debt were still underway, Dr Moolman added

Mr Holgado could not be contacted for comment, but Minesa Energy's general manager, Mr Glynn Sproat, claimed the company had stockpiles of coal in Maputo with a market value of R2,8 million

● Earlier this week a Supreme Court application brought by German company Thyssen for summary judgment against Minesa Energy was postponed for two weeks.

Train violence talks fail (269)

TALKS deadlocked late on Friday between community leaders staging a sit-in in the Johannesburg offices of Spoornet to protest against train commuter violence, and a delegation from Spoornet and the South African Rail Commuter Corporation. C/Press 26/4/92

Spoornet and the corporation said afterwards: "(We) regret the fact that no progress was made . . . We shall nevertheless continue to pursue every possible avenue."

Spoornet and the corporation said they had tabled proposals for the improved safety of rail commuters.

More demos at Spoornet

(269)

Members of the ANC Women's League and the SA Railways and Harbour Workers' Union (Sarhwu) demonstrated outside the Spoornet offices in Johannesburg yesterday in support of the nine people who began a sit-in last week to protest against Reef train violence.

About 60 women demonstrated outside the building in the afternoon before meeting in the auditorium for an hour. They repeated their demand for greater security on trains in the PWV region.

Later, about 100 Sarhwu members marched to the offices and pledged their union's support to the protesting group.

ANC PWV regional executive committee member Jessie Duarte said "We see the violence on the trains as a crisis, and unless it is treated as such by Spoornet management and the Government ... the violence will not stop."

STAR 27/4/92

SOWETAN Monday

Threat to 'take over' railways

269

Sowetan 27/4/92.

THE ANC PWV region on Saturday threatened to "call on people to occupy all railway stations and railway lines" if Spoornet did not withdraw its request to community leaders staging a sit-in to vacate the premises

The leaders from the African National Congress, Cosatu, SA Communist Party, churches and SA Railways and Harbours Workers' Union (Sarhwu) have been staging the sit-in since last Thursday to protest against what they perceive to be ineffective and inadequate measures to counter the wave of attacks on trains in the Witwatersrand

Spoornet, in an earlier statement, said its attempts to engage the protesting leaders, "to put positive steps in motion," were rejected and ignored.

"The delegation's main concern centres around who they want to talk to and not what they want to talk about, which we believed was the safety of the commuters on Metro trains

"We therefore kindly requested them to vacate our premises voluntarily "

The ANC called on all organisations to support the sit-in by holding night vigils, candlelight demonstrations and mass rallies on Spoornet premises - *Sapa*

Demo to go on despite order to leave

269

STAR 28/4/92

By Charmeela Bhagowat

Community leaders staging a sit-in at the Spoornet offices in Johannesburg said yesterday they had received a letter at the weekend demanding that they leave the premises within 15 minutes

However, Spoornet communications adviser Jacques Pienaar said the nine community leaders were not threatened but "requested in a friendly manner to vacate the premises".

ANC PWV regional executive member Jessie Duarte said they received the letter from Spoornet's human resources assistant general manager Jan Bredenkamp on Friday night but refused to leave as their demands had not been met.

Mr Pienaar said the group had been requested to leave because "they rejected and ignored the proposals we put to them and we felt there was nowhere to go".

But Ms Duarte said the group did not reject or ignore the proposals — they refused to discuss them until the Minister of Law and Order or someone from his office became involved in the discussions

"Spoornet has not been able to produce the Minister of Law and Order and we will be here until they do," she said.

Father Smangaliso Mkhatshwa, one of the protesters who have been in the building for the past six days, said: "We insist that we meet Government decision-makers because there is a time factor involved

"More lives can be saved if this crisis is resolved quickly — and people are dying while we sit here"

Mr Pienaar said Spoornet officials were doing their best to get the Minister of Law and Order to meet the protesters as they were "just as concerned about the violence".

ANC leader Walter Sisulu was due to meet the protesters late yesterday afternoon.

AA: SA roads may become 'irreparable'

CT 28/4/92

(269)

Staff Reporter

THE Automobile Association (AA) has warned that roads in South Africa could deteriorate to such an extent that they would become irreparable if the government did not reintroduce the dedicated road fund levy

The organisation said it was estimated that since 1975, the level of funding had decreased by about 45% in real terms

General manager, public affairs, Mr Robin Scholtz said some tar roads were reverting to gravel and others were badly pot-holed.

"Roads play a major role in achieving the government's overall social, economic, security and development goal and as such should not be placed at the bottom of the list of priorities."

The Cape Provincial Administration yesterday agreed with the AA.

"It is estimated that if the present trend in funding of the maintenance continue unaltered, the general condition of the surfaced roads will decline from the present average 'good to very good' to 'fair to good' by mid-1996," said a spokesman

BA objects to Virgin application

(269)

LINDEN BIRNS

BRITISH Airways (BA) is to lodge an objection with the UK's Civil Aviation Authority (CAA) against a move by Richard Branson's Virgin Atlantic airline to have BA's London-Johannesburg flights curtailed B/Day

BA operates 10 flights a week between the UK and SA. It intends to lay on two nonstop flights a day in both directions on the route. 29/4/92

Branson, who recently announced his commitment to inaugurating a Virgin Atlantic service to Johannesburg, applied to the CAA to restrict BA's expansion on the route and to allow Virgin Atlantic to take over half of BA's 10 weekly flights

BA, Virgin Atlantic, SAA, and the UK and SA governments are negotiating a new bilateral air services agreement

At the last round of talks in February, participants suggested allocating four flights a week to Virgin Atlantic Branson said he would settle for five

BA government affairs head Bob Ebdon said his airline did not object to Virgin's designation as the second UK airline to operate on routes to SA, but was not "in the business of transferring revenue ... to competitors".

☐ The EC commission yesterday approved Thorn EMI Plc's proposed purchase of Branson's Virgin Music Group Ltd for £560m in cash and shares, Sapa-Reuter reports. Branson will invest the proceeds in expansion of Virgin Atlantic.

Bid to improve safety on trains

(269) STAR 29/4/92

By Carina le Grange

Railways authorities and the Ministry of Law and Order have undertaken to implement increased security measures to ensure the safety of train commuters, it was announced last night.

The undertaking marked the end of a seven-day sit-in by nine community leaders led by Father Smangaliso Mkhatshwa The aim of the protesters was to highlight and effect a change to the lack of security on trains.

In a joint statement by the SA Rail Commuter Corporation (SARCC), Spoornet, representatives of political and community organisations and the Ministry of Law and Order, SARCC undertook not to allow armed commuters entry to stations and trains.

Witwatersrand police commissioner Major-General Gerrit Erasmus, as the representative of the Ministry of Law and Order, also gave a commitment that security personnel would urgently be redeployed in affected areas in an attempt to prevent attacks on trains.

Father Mkhatshwa said the speedy implementation of these measures were of the utmost urgency in view of the fact that Codesa 2 takes place next month — and experience had shown that important political events often triggered such attacks. He said he believed some steps had already been taken.

Only two areas of agreement were made public last night, but it was also announced that five working groups with representatives from all the parties involved had been established to moniter their implementation.

Father Mkhatshwa said: "The agreement is a step forward but I don't want to exaggerate the advance made."

He added that the train boycott planned for next week announced earlier by community organisations would still go ahead.

Father Mkhatshwa said the protesters represented the Church, the ANC, Cosatu, the SA Railway and Harbour Workers Union and the Civic Association of the Southern Transvaal.

strategic national stocks When those stocks are depleted, with what will he in future finance the services he provides which he is now financing from the proceeds of these sales? It would seem that a deficit before borrowing of more than 3% has been structurally established and is on the way to looking like the deficit of a Third World country It is a pity that this is the monument which the hon the Minister of Finance bequeaths to us

Dr Stals said that we would run into problems with this kind of deficit Other economists say that we shall have to live with it If the hon the Minister of Finance finds a new job, I hope that they will not put him in charge of the Sahara Desert, because then within three years there will be a shortage of sand. [Time expired.]

*The DEPUTY MINISTER OF FINANCE (Dr T G Alant) Mr Speaker, the hon member for Rustenburg has not yet said what his norm is for a deficit before borrowing There is no norm It depends on the circumstances and the times in the country concerned.

What we lack in the whole Budget debate are proposals from the hon member for Rustenburg and his colleagues They must bring their list of proposals in regard to reductions and ask us to spend less on health, education, defence, law and order, and so forth They must bring their list of proposals in regard to increased state revenue [Interjections] The proposals thus far have not been worth the paper they are written on.

The hon member for Pretoria West speaks of large-scale mineral beneficiation Last year we piloted section 37E of the Income Tax Act through Parliament The hon member did not even understand it [Interjections]

The expected economic growth for this year is 1%, and that is due to restructuring Many economists come forward with different figures, and today we read in the newspaper that an economist from Sanlam forecasts a growth rate of 4% for next year. Then the hon member will probably be sorry and whine about it [Interjections]

Hon members referred to the dismissal of staff We regret that, but the economy is in a phase of restructuring [Interjections] It is no different from the state of the British economy in 1946, after the war, when times were hard. The economy must be restructured with a view to sustained long-term growth. Basically we are doing the right things

Debate concluded

SA Rail Commuter Corporation: investment

2 Mr R V CARLISLE asked the Minister of Transport

Whether any investigation has been carried out into the investment of certain amounts by the South African Rail Commuter Corporation Limited with a certain bank, the name of which has been furnished to the Minister's Department for the purpose of his reply, if not, why not, if so, (a) what did the investigation reveal and (b) what action has been taken as a result?

B566E.INT

The MINISTER OF TRANSPORT Mr Speaker, I want to start off by informing the hon member for Wynberg that in April 1991 I ordered an independent investigation by Messrs Faure and Mouton, experts in the financial and banking field, into the overall financial management and other strategic decision-making actions of the SA Rail Commuter Corporation Limited. I also asked for an evaluation in terms of the guidelines and stipulations laid down by law as well as by both the Minister of Transport and the Minister of Finance This was done after I had assumed office and after information had come through from the corporation about its financial needs and requirements, as well as rumours of possible overexposure to certain banking institutions.

From this investigation, as well as the one requested by the Auditor-General which followed afterwards, a few important facts came to light, the first being that the top management of the corporation attached a somewhat wider interpretation to the authority provided to them by law to secure bridging finance for the purpose of financing the cash-flow requirements of a rather heavy loss-making concern This mainly led to a heavier involvement by the corporation in money and capital market activities than would otherwise have been expected

From this one may deduce that such a magnitude of financial activities would require at least a minimum level of expertise in proper financial management systems and control Unfortunately

this was lacking, which led to the unfortunate incident when an investment was made without proper pre-evaluation of the risk and a confirmation of securities, which ultimately resulted in an expected substantial loss to the corporation

This was also confirmed by the Auditor-General in his report, which was tabled recently The size of the investment in the CIB was disproportionate to the size of the bank The amount involved was approximately R270 million It is not yet clear what part of this money will eventually be recovered

I want to give the assurance to the House that no stone has been left unturned to prevent a recurrence of such an incident in future As the hon member will remember, in a recent amendment to the Legal Succession to the South African Transport Services Act, Act 9 of 1989, the overall control of the financial and other activities of the corporation was brought much closer to the Minister of Transport and his department

It will now be expected from the corporation, amongst others, to present a proper business plan anually which must contain a clear financial plan and strategy, including, of course, its intention to make use of money and capital market instruments to finance its cash-flow shortfalls

Furthermore, with the help of private sector advisers and the Policy Unit for Public Enterprises and Privatisation the investigation . [Time expired]

Mr R V CARLISLE Mr Speaker, the amount in question is somewhere between R249 million and R270 million It is taxpayers' money and an amount still to be decided has been lost to the Rail Commuter Corporation

The chairman of the corporation, Dr Bart Grové, and the managing director, Dr Kobus Nel, have both been demoted and effectively sidelined as a result of the inquiry to which the hon the Minister referred Mr Grové was also the subject of an inquiry into a loss of R3,2 billion in forex deals some years ago

Problem number one is that when the money was deposited with the Cape Investment Bank, the quantum of the deposits and their authorisation were in conflict with Cabinet instructions The CIB, whose chief executive was then Jan Pickard Junior, was acquired by Prima Bank, whose directors included J A Bellingan, Clive Ferreira and Prof W Mouton.

Problem number two is that the Deposit-taking Institutions Act provides that no single deposit with a bank may exceed 10% of total deposits without Reserve Bank permission The RCC's deposits exceeded 80% of the total deposits of the CIB

The third problem is that the CIB was placed in provisional liquidation on 11 April 1991 Previous to this the Reserve Bank had advised the Commuter Corporation not to withdraw their deposits, even though the Reserve Bank itself had removed its deposits from the CIB

On 13 September 1991 the *Financial Mail* reported:

> . . this underlines the tension which has resulted between Finance Minister Du Plessis and Welgemoed

Those are their words. I would have said "Minister Welgemoed"

> Rabie's findings may also have an important political influence on some careers

Within four weeks of the release of the report to the Cabinet, the hon the Minister of Finance resigned as Minister of Finance and as member of Parliament

All transactions were classified secret in terms of section 33 of the Reserve Bank Act However, the following emerges, and I quote again from the *Financial Mail*, 5 July 1991·

> Allegations have been made of collusion between the CIB Board, controlled by Prima Bank, and the central bank Further this has been linked to accusations that CIB assets were stripped by Prima, before it was placed in provisional liquidation, an act which caused it's insolvency

Whilst there is more, time does not permit me to deal with that However, there are concerns that the Reserve Bank may also have pumped money into other banks in ways that need investigation

One has to ask who the villains are, and there are very serious villains here. I do not know who the villains are, but we need to find out. What is clear is that suspect activity has occurred, and it is probable that criminal activity has occurred in certain areas

Cont – 0

The Government owes the public of South Africa answers to all the questions raised, and most particularly to the following: Did Mr Barend du Plessis resign as Minister of Finance as a result of these matters? I hope he did not. Why does the Reserve Bank still insist that this matter remain secret?

269

Mr J P I BLANCHÉ: You are a rumour-monger!

Mr R V CARLISLE If he says I am a rumour-monger, then let me say this . . . [Time expired.]

*Adv J J S PRINSLOO Mr Speaker, a couple of years ago when the Legal Succession of the SA Transport Services Bill was before the House, the CP warned and said parliamentary control of the old SA Transport Services was thereby relinquished

This debate that is now taking place once again proves the correctness of our argument at that time [Interjections.]

Hon members will remember something that is particularly disturbing Dr Bart Grové was a few years ago—we then debated unauthorized foreign exchange transactions which caused a loss of R3 000 million to the taxpayers and the State—the Chief Manager of the SA Transport Services What happened there was that a substantial part of that loss occurred as a result of speculation on the foreign exchange market Then the excuses offered during the debates were more or less the same as the ones repeated here today by the hon Minister, namely that the people concerned attached a somewhat different interpretation to the provisions regulating there actions This is the same argument put forward by the Minister here today

It is unbelievable, but the same former Chief Manager under whose control these losses occurred, was a few years later appointed as Chairman of the newly established SA Commuter Corporation And where do we stand today? Again a loss of several hundred millions of rands and once again the excuse is that the officials concerned, including this particular chairman, Dr Bart Grové, attached a little wider interpretation to their rights of speculating with the money [Interjections] Where is this going to end? [Time expired]

The MINISTER OF TRANSPORT Mr Speaker, regarding the action taken following the investigations mentioned, the chairman of the corporation, Dr Bart Grové, and the Chief Executive, Mr Kobus Nel, were requested to relinquish their positions as members of the board. I want to emphasise that the action taken was in relation to the seriousness of the error of judgement in dealing with taxpayers' money.

I must, however, stress that it was clear, from the very extensive investigations, that there was no evidence of self-enrichment of anybody whatsoever I believe that the recent restructuring of the top management of the corporation will further strengthen management control. Also, very specific directives have been given in regard to management's adherence to laid-down levels of delegation of authority and decision-making responsibilities in regard to financial transactions and the board will be required to exercise stricter control. I have also requested monthly reporting on the corporation's cash-flow requirements and its financing proposals

*It is a pity that the hon member for Wynberg involves the hon the Minister of Finance in this The hon the Minister of Finance is essentially the person who, as far as Parliament is concerned, has to see to and is responsible for the Reserve Bank The hon the member for Wynberg made a number of insinuations in connection with the Reserve Bank, and other banks and people who were their managing directors

I think the hon member should rather put the questions to those people personally and ask them how they were involved. [Interjections] What Mr Pickard was doing at the bank, is a matter between Mr Pickard and the hon member for Wynberg and not the Department of Transport [Time expired]

Mr W U NEL Mr Speaker, this is not only a scandal, it is a tragedy After a whole year we still await the details of the investigation We must, however, immediately mention that we appreciate the fact that action has already been taken by the hon the Minister, but much more has to follow.

The SA Rail Commuter Corporation Ltd fulfills a vital role in our community. It takes our underprivileged to work and we need to support it as much as we can It is short of finances, railway lines, infrastructure and security at its stations So much more, therefore, is it a tragedy that this corporation should lose up to R250 million of its already direly needed funds

Further, seen against the background of the continuing bizarre slaughter of people on the commuter lines and the need to spend a lot of money to improve this situation, it is doubly serious Only today we had an announcement that a large amount of money has now to be set aside to attend to this matter. This amount of R249 million could have gone a long way towards addressing those problems

269

The taxpayers have indeed got a right to hear what happened in this case

We hear strange stories of the Reserve Bank lodging claims of R22,5 million against Cape Investment Bank, and of these being turned down for technical reasons. We find it amazing that a bank such as the Reserve Bank can lodge claims that are turned down What is going on?

We need to know, and we need to know as a matter of urgency There are all sorts of allegations in this case. As my colleague has said, there are villains, and the public now has the right to hear answers in this case

Mr R V CARLISLE. Mr Speaker, the hon member for Boksburg refers to me as a rumour-monger Is it a rumour that the hon the Minister has got rid of two senior people in the Rail Commuter Corporation? [Interjections.] No, he says [Interjections] Is it a rumour that the hon the Minister has had to change the regulations in respect of investments? No! Is it a rumour that the money is gone, to the best of our knowledge? Yes, it has gone!

Mr J P I BLANCHÉ You have a political history of rumour-mongering!

Mr R V CARLISLE I have made no accusations here I have quoted from the *Financial Mail*, which I think the hon the Minister would be the first to accept as a reputable journal, and I am quoting from nine to 12 months ago I am not quoting something new

I do not want to bring anyone's name into disrepute, but there is no way this Parliament can walk away from this matter. There is no way it can walk away from this matter The affair has the potential to be the most serious financial scandal in our history, and this is the last thing we need, but we have to clean these things up The DP, therefore, calls for a full public inquiry in which rumours will be scotched, a public inquiry of the whole affair [Time expired]

*The MINISTER OF TRANSPORT Mr Speaker, to reply to the hon member for Mooi River, I should like to say that the SA Rail Commuters Corporation had ignored the direct instructions of the hon the Minister of Finance Very clear instructions had been given that they would only be allowed to borrow, with the necessary help from outside, for that which is necessary to stimulate the cash flow

These people went and speculated with the money on the capital market on short term They went to play on the market. They paid the price for it Both the gentlemen responsible for it paid the price I think it is sufficient to say that those two gentlemen were both moved out of the management of the SA Rail Commuter Corporation They now are in a position where they no longer can participate in any managing activities I think that when somebody paid that price, he had his punishment [Interjections]

If the hon member knows about rumours and scandals involving the Reserve Bank, he has to ask the new Minister of Finance who will know exactly what happened there The Minister of Transport has nothing to do with die function of the Minister of Finance at the Reserve Bank I do not have any information on the Reserve Bank, and if the hon member has any information, he must please communicate it and ask the Reserve Bank what they have done It falls outside my field

I was responsible for the commuter corporation and in consultation with my hon colleagues in the Cabinet I acted in accordance with information I had received

Debate concluded

QUESTIONS

†Indicates translated version

For oral reply

General Affairs

Discussion document: Education Renewal Strategy

*1 Mr A GERBER asked the Minister of National Education †

(1) Whether the Government has taken any decisions on the discussion document en-

cont →

Aviation boom a boon for lawyers

(269)

B/Day 29/4/92

DEREGULATION of SA's aircraft industry promises to provide legal practitioners with another new area of opportunity, says attorney David Lancaster.

Lancaster, a partner at Webber Wentzel, says the firm established its aircraft financing, leasing and acquisition division two years.

"We realised there would be enormous opportunities for manufacturers and new airlines as a result of deregulation."

"Because new aircraft are expensive, manufacturers and purchasers of aircraft would need to structure the transaction in a tax efficient way," he says.

"Since the last quarter of 1990 there has been a flood of work from manufacturers and local companies which have purchased company jets.

Improved

"Oppurtunities will be further improved with the lifting of sanctions and increased tourism to and from southern Africa."

Lancaster sees developments in aviation following the same pattern as Europe, with regional airlines servicing internal routes with smaller aircraft

"Foreign manufacturers, sellers or lessors of aircraft have represented a substantial proportion of Webber Wentzel's legal work in this area."

Lancaster says British, European, American and Russian manufacturers are showing an interest in SA.

This is because the world aircraft industry is depressed at the moment and although the southern African market is small by world standards, foreign manufacturers see it as an opportunity for sales.

Once manufacturers have sold aircraft in Africa it is logical for them to move into SA because this country can offer sophisticated servicing and logistical support, he says.

Train deaths: protesters want action

Sowetan 29/4/92 269

HUMAN and material resources should be made available to combat violence on Reef trains, community leaders engaged in a sit-in at the Spoornet headquarters in Johannesburg demanded yesterday.

In addition, the protesters said, security systems such as fences and metal detectors should be installed, a special task force jointly maintained by Spoornet, the SA Railway and Harbour Workers Union (Sarhwu) and the community should be trained, and R500-million made available to upgrade security.

Compensation should be paid to victims of train attacks, they said at a Press briefing on the sixth day of their protest

They said they had presented their demands to representatives of the Ministry of Law and Order and Spoornet at a meeting lasting about five hours on Monday night and early yesterday

Saying the meeting had almost ended in another deadlock, the protesters added that another would be held later yesterday

Father Smangaliso Mkhatshwa, spokesman for the group, said "There is a crisis regarding train safety and this facility (trains) needs to be secured

"We have chosen unorthodox action but we wanted to draw attention to the train killings"

Mkhatshwa said the killing rate seemed to increase before important political happenings. The group feared another rise before Codesa 2 and it was this that had prompted the sit-in.

He said there was no co-ordination between Spoornet and the SAP to try to end the violence

"The fact that there have been hardly any convictions is cause for concern."

Witwatersrand Commissioner of Police General Gerrit Erasmus, representing the Ministry of Law and Order, had been "evasive and unwilling to participate intelligently", the group said - *Sapa*.

NEWS IN BRIEF

B/Day 29/4/92 (269)

Charter gets go-ahead

KENYA's government has authorised Johannesburg-based charter company Air Supply for a one-year licence to operate inclusive holiday package charters between Lanseria and Mombasa

The operating licence is valid from July 1 Air Supply will have the right to carry passengers whose journeys started in SA to and from Mombasa It is believed the Kenyan approval is subject to SA granting reciprocal rights to a Kenyan charter operator

'Better deal needed to attract aviation chief'

B/Day 30/4/92 (269)

LINDEN BIRNS

AVIATION industry leaders and the DP have criticised the Transport Department for the "inadequate package" it is advertising in an attempt to attract a private sector successor to take over as chief director in charge of the Directorate of Civil Aviation (DCA)

They have also slammed the department for not requiring a successor to have an aviation background or any aviation industry or related experience.

Incumbent Japie Smit, who has been promoted to Transport deputy director-general, confirmed in a recent interview that the private sector would be canvassed for successors.

In terms of civil service regulations the post, which carries a set salary of R110 172 a year, must also be advertised within the Transport Department.

Several industry sources, who asked not to be named, criticised the salary package as not attractive enough to attract a suitable person from the private sector

DP transport spokesman Wessel Nel said the package appeared to indicate a downgrading of the job "This is a vital job and to downgrade it is exactly what we don't need. What we need in SA is a heavyweight who will take civil aviation by the scruff of its neck and get it into shape."

Nel said the DP was disappointed the vacancy had not been given more publicity He said whoever took over the post should have some aviation experience.

According to the newspaper advert for the post, applicants need have only an engineering degree or qualification in financial management and at least 13 years' experience in a field related to those qualifications.

Industry leaders agreed that as a civil servant Smit had served as a strong administrator, but they said the post should be awarded to a person from the private sector who would not succumb to petty politics and who would not become a puppet to the major airlines and top aerospace industry companies

Smit said he would retain the duties of commissioner and chairman of the national transport committee until a new DCA chief director was found

This is the first time that government has advertised in the private sector for a senior DCA position

DCA aviation safety director Rennie van Zyl and airport systems director Stuart Huckwell have been tipped as possible inside successors to Smit.

The DCA is the government body which negotiates bilateral air services agreements with other countries, certifies as safe all civil aircraft to be placed on the SA register, and issues operating licences to airlines and charter firms

It is also responsible for co-ordinating search and rescue operations, crash investigations, and inspects all aircraft maintenance facilities to ensure they adhere to standards. DCA also administers and manages SA's nine state-owned airports.

Fares open to competition

Govt outlines new policy to free the skies

B/Day 30/4/92 (269)

LINDEN BIRNS

A NEW liberal international civil aviation policy was announced yesterday, deregulating tariff controls and providing for more than one airline per country to start flights to and from SA

In terms of the new policy SA airlines other than SAA will be allowed to compete on new and existing scheduled international flights.

Previously SAA was protected from competition as all fares for flights to and from SA were pegged at levels determined by SAA's operating costs. SAA's position as, in most cases, the only SA carrier allowed to fly on international routes to and from SA, was also protected

Another major departure from the old regulations is that tourist charter flights to SA will now be allowed in a bid to stimulate trade and tourism.

Transport Minister Piet Welgemoed and Public Enterprise Minister Dawie de Villiers announced the new policy in a statement after Welgemoed's budget speech in Parliament yesterday.

The Ministers said SA would also ratify certain international conventions, which they did not name, but which they said would make it easier for SA airlines to obtain foreign financing for equipment.

Welgemoed said in his speech that Cabinet had approved the new aviation policy. The policy follows a report submitted by a ministerially appointed industry committee which investigated the requirements for a deregulated international code

According to the statement, the new policy will also promote Durban and Cape Town as alternative gateways for foreign airlines wishing to offer flights to SA.

From today each country which concludes air services agreements with SA will be allowed to designate more than one airline on the route. This means that, for example, when the new UK-SA bilateral agreement has been signed, Virgin Atlantic can be appointed as a second UK carrier on the London-Johannesburg route

Minor changes have been made to regulations on charter flights for the transport of cargo and passengers to and from countries where no scheduled service exists.

Welgemoed said the normalisation of SA's foreign relations had made it imperative that the old policy be revised.

Last year's deregulation of SA's domestic policy had also necessitated the international policy review as the old regulations which prohibited international competition were "clearly at odds with this domestic policy"

SAA's transformation from a state organisation to a division of a profit-seeking company called for a clearer distinction to be drawn between what was in SA's best interests and what was in SAA's, the

☐ To Page 2

Aviation policy

B/Day 30/4/92 (269)

☐ From Page 1

Ministers added

SA was also compelled to keep in step with aviation developments abroad, especially the liberalisation of Europe's airline industry and the increasing airline deregulation, privatisation, formation of alliances and mergers into "mega carriers" and greater emphasis on market forces worldwide

Flitestar MD Jan Blake said yesterday the policy would enable the airline to alter its strategy and confirmed that Flitestar would start competing against SAA on international routes as soon as it secured the necessary government approval

He said Flitestar already had its sights set on pioneering scheduled services to India and the United Arab Emirates, but would soon also seek permission to start flights to Europe "We'd like to become the second designated SA airline on routes to the UK and Germany"

He said it was disappointing that the policy had retained the constraints on SA charter companies wanting to provide package tour flights to other countries

SAA spokesman Leon Els said the airline supported the policy which would form an acceptable framework for the negotiation of future bilateral agreements with other countries

Lufthansa spokesman Karin Lambson welcomed the policy revision, which she said the airline regarded as the first step to full liberalisation

According to the Ministers' statement, legislation on the policy will be prepared for submission to Parliament for approval during the 1993 session

NEWS IN BRIEF

Cut-rate air fares

(269)

RETURN air fares between Johannesburg and London — currently at a base of R2 750 — would be slashed by between 20% and 60%, Virgin Airlines head Richard Branson said in an interview in the latest issue of Leadership, released yesterday.

This would mean that Virgin's fares could be as low as R1 100 and no higher than R2 200.

Branson said Virgin competed on quality of service and price. He outlined features of his airline like stand-up bars and lounges for business class travellers.

B/Day 30/4/92

Cheaper fares loom in wake of open skies

STAR 30/4/92

Political Staff

269

CAPE TOWN — Cheaper flights and more passenger and cargo services to world and African destinations are expected in the slipstream of the Government's fresh "open skies" policy.

Charter flights — for passengers and cargo — get a thumbs-up in the new policy, which sweeps aside outdated regulations

Stimulating trade and tourism — and competition within the industry — are the chief goals of the new policy.

Minister of Transport Dr Piet Welgemoed told Parliament that the new policy "boils down to an opening up of our skies and a very liberated, modern approach aimed at fulfilling our national economic objectives"

In a joint statement, Dr Welgemoed and Minister of Public Enterprises Dr Dawie de Villiers unveiled the new package shortly after it was approved by the Cabinet yesterday

Some elements of the new policy will be implemented immediately, where existing legislation allows

The entire policy will come into effect once new legislation has been passed by Parliament next year

The chief element of the policy will be negotiating "liberal aviation agreements" with other countries to

- Deregulate tariff control.
- Allow each country to designate more than one airline to serve on a specific route between the two countries.
- Allow airlines to expand or cut back services according to demand, within certain limits.
- Promote Johannesburg, Cape Town and Durban as gateways to South Africa

Furthermore, the policy opens the skies to non-scheduled charter flights in various categories, including tourists, within the "broad upper limit", cargo and passengers to and from countries where there are no scheduled air services, and services to export South African perishable goods

The policy will also deregulate the movement of small aircraft — up to 5 700 kg — to and from countries in Africa

Dr Welgemoed and Dr de Villiers said that in due course South Africa would ratify international aviation conventions to bring its aviation industry into line with practices throughout the world.

The policy sought to be a "trade-off" between the interests of the State, the public, consumers and the airlines.

Privatised roadworthy tests set for city soon

(269) ARG 30/5/92

ANTHONY DOMAN
Motoring Editor

PRIVATISED roadworthy tests, with one big operator offering advance booking, could be commonplace in Cape Town by mid-year

But don't expect privatisation to bring about bargain rates

Previously, only provincial and local traffic authorities were allowed to conduct roadworthy tests Privatisation is now permitted by amendments to the Road Traffic Act

The Automobile Association already had roadworthy test stations up and running in Johannesburg and Durban and hoped to start in Cape Town within three months, said marketing manager Mr Rob Clark. Bloemfontein and Pretoria are also in line for test centres

Mr Clark said the opportunity to make bookings for tests would be a major benefit, especially for businesses

Long delays can occur at municipal testing stations

"It's first come, first served," confirmed a spokesman for the Cape Town traffic department

Mr Clark said "We believe provincial and local testing stations simply cannot cope with the volume of work"

But costs could be a bone of contention

The AA roadworthy test package costs R99 excluding VAT This covers the initial test, two retests and certificate plus a steam cleaning for engine and chassis, which should be "reasonably clean" according to the traffic department spokesman.

If obtained outside the AA these services would cost about R170, Mr Clark said

This compared favourably with what the Transvaal traffic departments charged (R45 for the initial test and R25 for retests), he said.

In view of the high first-time failure rate, an estimated 45 percent, the two free retests were worthwhile, he said

But a little shopping around could cut roadworthy costs.

The Cape Town traffic department charges R45 — R35 for the inspection, R10 for the certificate and a retest free within two weeks Car valet companies' quotes for steam cleaning range from R28 to R38,50.

Thus outsiders could provide the AA-style package in Cape Town for as little as R73 (test/certificate R45 and steam clean R28) plus a little extra for the driving around involved.

In response Mr Clark said "geographic pricing" might be necessary so that his organisation could offer competitive prices in different regions

Private sector test centres have to conform to various legislated quality and administrative standards The examiners themselves have to complete an eight-week certificate course

SA 'open skies' policy offers cheaper flights, better services

(269)

ARG 30/4/92

MICHAEL MORRIS, Political Correspondent

CHEAPER flights and more passenger and cargo services to world and African destinations are expected in the slipstream of the government's fresh "open skies" aviation policy.

Charter flights — for passengers and cargo — get a thumbs-up in the new policy, which sweeps aside outdated and restrictive regulations.

Stimulating trade and tourism, and competition within the industry, are the chief goals of the new policy.

Minister of Transport Dr Piet Welgemoed told parliament that it "boils down to an opening up of our skies and a very liberated, modern approach aimed at fulfilling our national economic objectives".

"I foresee that this new policy will have a profound effect on the influx of foreign tourists into South Africa, especially with a new and open approach on charter flights."

In a joint statement, Dr Welgemoed and Minister of Public Enterprises Dr Dawie de Villiers unveiled the new package soon after it was approved by the Cabinet yesterday.

Some elements of the new policy will be implemented immediately, where existing legislation allows.

The whole package will come into effect once new legislation has been passed by parliament next year.

The chief element will be negotiating "liberal aviation agreements" with other countries to:

- Deregulate tariff control;
- Allow each country to designate more than one airline to serve on a specific route between the two countries;
- Allow airlines to expand or cut back services according to demand, within certain limits; and
- Promote Johannesburg, Cape Town and Durban as gateways to South Africa.

In addition the policy opens the skies to non-scheduled charter flights in various categories, including:

- Tourists within the "broad upper limit";
- Cargo and passengers to and from countries where there are no scheduled air services; and
- Services to export South African perishable goods.

The policy will also deregulate the movement of small aircraft — up to 5 700 kg — to and from countries in Africa.

Dr Welgemoed and Dr De Villiers said the urgency of the policy review was "enhanced by the normalisation of South Africa's political and economic relations with the world".

HOUSE OF ASSEMBLY

QUESTIONS

†Indicates translated version

For written reply

General Affairs

South African Roads Board: two companies

269

118. Mr J CHIOLÉ asked the Minister of Transport †

(1) Whether it was decided recently that two companies, whose names have been furnished to the Minister's Department for the purpose of his reply, were the most economical appointments for the State regarding various projects; if so, (a) what are the names of the companies concerned, (b) on what grounds was this decision taken, (c) what is the present position of the two companies concerned and (d) what is their connection with the South African Roads Board;

(2) (a) (i) what amounts have been paid to each of these two companies annually since their inception and (ii) what have these amounts been used for and (b) how does this expenditure compare with the management costs in respect of the toll roads operated by the State?

B308E

The MINISTER OF TRANSPORT

(1) At the time of answering the questions no agreement has yet been reached with the two companies concerned. The South African Roads Board (SARB), which is currently negotiating with the two companies, will attempt to conclude the financially most favourable appointments for the State. The contemplated agreements will allow for project management of the N3 toll road between Heidelberg and Cedra, the N1 toll road between Johannesburg and Kroonstad and the N17 toll road between Springs and Krugersdorp

(a) The names of the two companies concerned are Toll Road Concessionaries (Pty) Ltd (Tolcon) and Toll Highway Development Company (Pty) Ltd (THDC) Tolcon currently operates the N1 and N3 toll roads while THDC operates the N17 toll road, both as agents for the State.

(b) Toll roads have been in operation in South Africa since 1984 The original toll roads were State toll roads. During the same year an offer was made by a private sector consortium to privatize certain toll roads. Since that date Government has been attempting to involve private sector financing, on a risk basis, in the effective provision of urgently needed road links in the primary road network These roads are highly capital intensive and require major risks to be taken. Private sector entrepreneurs, however, are generally unwilling to assure this risk Furthermore toll roads involve payments by the public, and consequently require delicate perceptive management. It is against this background, and taking into account Government policies of open tenders and the need to ensure the provision of services to the best benefit of the State, that attempts have been made to solve the problem of the privatization of toll roads In order to make progress with this matter and to attempt to resolve the various conflicting viewpoints which had been developing since 1984, the Minister appointed a two man mediation Committee comprising Dr J de Loor and Mr P H van Huyssteen to evaluate the situation and to recommend a solution acceptable to all parties involved The Committee's report has been accepted by the Cabinet This report proposes a negotiating process with the two parties involved, under the guidance of the SA Roads Board In addition to this the Minister has constituted a monitoring committee under the chairmanship of the Director-General Transport to evaluate any agreement which might be reached This evaluation will be based on the principles of fairness, justifiability and legality and must be in the general public interest before ministerial approval for any agreement will be given

(c) The present position of the two companies concerned is that they continue to operate the N1, N3 and N17 toll roads as agents of the State in accordance with a budget which is approved by the SARB every four months Tolcon and THDC are being reimbursed for their monthly costs with no profit accruing to them

(d) The SARB is currently negotiating with Tolcon and THDC Apart from this and their current roles as agents of the State (refer to (a) above) there is no other connection with the Board.

(2) (a) (i) The direct amounts paid to Tolcon and THDC in each financial year are as follows

Financial Year	Tolcon	THDC
1988/89*	R 41 384 000,00	Nil
1989/90*	R 64 144 000,00	R2 893 630,00
1990/91*	R121 344 210,00	R9 694 387,00
1991/92**	R 16 243 473,00	R7 822 916,07

*These amounts were primarily used by the two toll companies for the payment of a portion of the interest on loans taken out by the two companies on behalf of the State, but also, inter alia, for routine maintenance of roads and equipment, toll plaza and route operation costs and head office costs The State took over all the above-mentioned loans on 31 March 1991.

**Year to date figures and are in respect of the same expenditure as for previous years, excluding interest which is being paid directly by the State since 31 March 1991

(a) (ii) The amounts paid in the 1988/89, 1989/90 and 1990/91 financial years were primarily utilized by the two toll companies for the payment of a portion of the interest on loans taken out by the two companies as agents of the State but also, for routine maintenance of roads and equipment, toll plaza and route operation costs and head office costs In the 1991/92 financial year Tolcon and THDC were reimbursed for their

(ii) direct expenses These direct expenses are head office costs, road and equipment maintenance costs, toll plaza operation costs and route management costs related to the management of SOS telephone systems and patrol vehicles

(b) The average operating expenditure, before interest and depreciation, per toll road for the financial year ended 31 March 1991, for the toll roads operated by the State, Tolcon and THDC respectively is as follows

	Average per Toll Road
State — with Huguenot Tunnel included	R2 827 583
— without Huguenot Tunnel	R1 970 386
Tolcon	R3 779 653
THDC	R3 545 852*

*This amount is the operating expenditure on this toll road for the two mainline toll plazas on this toll road whereas the other toll roads all have only one mainline plaza each.

cont →

Only the average figures in respect of the 1990/91 financial year are reflected here because a number of toll roads only opened in the 1989/90 financial year A full year's operating expenditure for these toll roads was therefore, only incurred in the 1990/91 financial year The figures for the 1990/91 financial year therefore provide a more accurate average figure per toll road and also represent the most recent audited results in respect of toll roads.

The expenditure per toll road for the State, Tolcon and THDC is not directly comparable for the following reasons:

— Tolcon and THDC operate their toll roads on the basis of complete route with services such as SOS telephones and patrol vehicles. These services are not offered on State toll roads

— In the case of the Huguenot Toll Tunnel, which is a State toll road, there are substantial tunnel operating costs present which are not applicable to other toll roads If the Huguenot Tunnel is excluded, the average annual operating expenditure per toll road would be R1 970 836 for State toll roads

— The traffic volumes on a toll road have an impact on the operating costs of a toll plaza

— In general, the toll roads operated by the State are older than those operated by Tolcon and THDC and therefore require more maintenance in respect of equipment and buildings

Persons released on parole

200 Mr D J DALLING asked the Minister of Correctional Services

How many persons who were serving sentences in excess of three years were released on parole in 1985, 1986, 1987, 1988, 1989, 1990 and 1991, respectively?

B457E

The MINISTER OF CORRECTIONAL SERVICES

The number of prisoners who were serving sentences of imprisonment of longer than three years who were released on parole during the following calendar years (1 January-31 December) are as follows·

1989 — 4 785
1990 — 5 308
1991 — 4 656

The statistics for 1985, 1986, 1987 and 1988 are unfortunately not available centrally in the format as requested. However, the following information may be of value to the hon member.

The number of prisoners who were serving sentences of imprisonment of two years and longer who were released on parole during the following statistical years (1 July-30 June) are as follows

1984/85 — 6 766
1985/86 — 7 746
1986/87 — 7 601
1987/88 — 8 900
1988/89 — 8 262
1989/90 — 9 168
1990/91 — 11 777

The number of prisoners who were serving sentences of imprisonment of longer than three years who were released on parole during the following statistical years (1 July-30 June) are as follows

1989/90 — 4 728
1990/91 — 6 062

Correctional Services: amount spent on sport

203 Mr J H MOMBERG asked the Minister of Correctional Services

What total amount was spent on sport by his Department in the 1989-90, 1990-91 and 1991-92 financial years, respectively

B460E

The MINISTER OF CORRECTIONAL SERVICES

1989-90. R442 057,00
1990-91· R403 944,00
1991-92 R465 400,00

The current financial year (1991-92) has not yet been closed and the amount for this year is not a final amount, but an estimated amount

The aforementioned amounts which were spent on sport in the Department of Correctional Services, were utilized exclusively for sustenance, travel and transportation expenditure for personnel who participated in Departmental Sports Championships. The Department presents championships to its personnel annually in various types of sport

In order to operate sport in national interest, expenditure for sport is also financed by the Correctional Services' Sports Fund

This fund is a private fund which is financially maintained by monthly contributions of its members In addition to the above-mentioned amounts, the following amounts were also expended by the Sports Fund in the various financial years

1989-90 R61 177,00
1990-91· R60 633,00
1991-92 R87 021,00

The operation of sport at club level is financed exclusively by sub-club funds (also private funds) which is administrated by the various sub-club managements.

Organized sport forms an integral part of the total preparedness programme of the Department of Correctional Services and the following are some of its most important aims

— To enhance the preparedness of members of the Department with specific reference to the physical fitness of persons forming part of the security contingent,

— to promote orderly co-operation and liaison between staff members, in an official as well as a social context,

— to contribute towards the general physical health of members of the Department of Correctional Services and indirectly to decreasing expenditure on medical costs;

— to increase the productivity of members, and

— to serve as an outlet for stress

Black local authorities/townships: population figures

211 Mr P G SOAL asked the Minister of Local Government and National Housing

What was the (a) adult (i) male and (ii) female and (b) child population of each of the Black local authorities and townships in the Republic as at the latest specified date for which figures are available?

B468E

The MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING

In reply to an enquiry the Head of the Central Statistical Services replied that on the occasion of the census held on 7 March 1991, provision was made to record the number of inhabitants in the areas of jurisdiction of local authorities established in terms of the Act on Black Local Authorites, 1982 At this stage the information is being processed and will be available approximately by September 1992 It is, therefore, recommended that the required information be obtained directly from The Head Central Statistical Service, Private Bag X44, Pretoria 0001, Fax (012) 310-8500/1

Blacks: old age/war veterans pensions

219 Mr P G SOAL asked the Minister of Local Government and National Housing

(1) How many (a) old-age and (b) war veterans pensions paid to Black persons residing outside the self-governing territories were cancelled in each province in the 1991-92 financial year,

(2) how many of these cancellations took place during the period 1 October 1991 to 29 February 1992?

B498E

The MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING

(1) Transvaal

(a) 22 385

(b) 120

Cape Province

(a) 4 342

(b) 23

Orange Free State

(a) 2 834

(b) 31

Natal

(a) 4 602

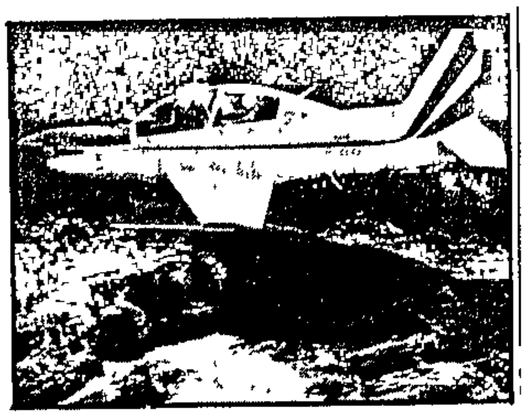
(b) 40

Information is supplied for the period 1 June 1991 to 31 March 1992

cont →

Atlas seeks R220m order

S/Times [BUSS] 3/5/92 (269)



CONTENDER FOR SAAF DEAL: Atlas Aircraft's Ovid on test flight

SOUTH AFRICA'S infant aircraft industry is locked in a battle with foreign competitors to supply upwards of R220-million worth of fighter trainers to the SA Air Force.

Government-owned Atlas Aviation wants the SAAF to buy 40 of its new-generation Ovid aircraft to replace 100 ageing Harvards But foreign competitors, anticipating the end of the arms boycott, are jostling for the contract They include Swiss company Pilatus, Embraer of Brazil, Aerospatial of France and PZL of Poland

At stake is the fledgling indigenous SA aircraft industry which could be jeopardised should the SAAF pick a foreign supplier

In addition to Atlas Aviation's new generation trainer, is CSIR's high tech prototype spotter aircraft, the Hummingbird, which was unveiled this year

Production of the aircraft would boost the SA industry and lead to bigger and more sophisticated machines with export possibilities

Delivery

The two aircraft, one military and the other for civilian and parastatal uses, were designed and built by CSIR aeronautical systems technology department Aerotek Revolutionary composite materials were used instead of conventional aluminium airframes.

Ovid is competing against four foreign-built aircraft

SA aviation sources claim the rivals are either more expensive than Ovid, or cannot match its performance, or have higher operating costs, or incorporate old technology

Kobus Eksteen, general manager of Simera — the commercial aircraft division of Atlas — says "Counting against us is the fact that the foreign companies can deliver the 40-odd aircraft immediately

"However, we could start tooling up immediately, and would produce the 40 aircraft the SAAF requires by 1995"

Atlas has put together several SA companies that will make parts for Ovid — each aircraft will cost about R5,3 million The aircraft would be assembled by Atlas, in much the same way as the Airbus airliners are built in France

KOBUS EKSTEEN We can do it

Mr Eksteen says Atlas would be able to make about two aircraft a month for roughly 20% less than the price of the main contenders

"Our Impala, Kudu and Bosbok contracts have expired and Ovid is the ideal product to take their place An order from the SAAF would establish a starting point for an indigenous aircraft industry

"Ovid is the first composite material trainer to be designed, built and flight tested in this country We have both the expertise and infrastructure to produce a uniquely South African aircraft.

"We are not merely selling an aircraft, but a complete system which includes simulators and maintenance infrastructure"

Zach de Beer, managing director of Aerodyne Technology, one of the five companies involved in the production of Ovid, says "There is more at stake than national pride We are talking about creating an industry and the jobs that go with it."

Packages

He believes there is a 50-50 chance that the SAAF will order an aircraft other than Ovid

"There is enough evidence that this type of deal often comes with packages that include finance and offset work, all of which make it difficult for SA to compete It is not simply a question of selecting an aircraft A multi dimensional decision must be taken"

But Gerry Wyss, consultant for Intertechnic, the SA agent for Pilatus, is 80% confident that his product will be chosen

"The competition is strong and I have no doubt that Ovid is a good aircraft. But there are problems in a new design, not the least of which are the cost of tooling and obtaining airworthiness certification They are time consuming and expensive.

Profit

"I am sure the SAAF does not want to be the guinea pig with a largely untested aircraft Pilatus PC-7 is in service with 22 air forces and we have an established simulation and maintenance package to go with it"

Mr Wyss says Pilatus offers Atlas the opportunity of sharing in the construction of the PC-7, which will lower the cost to about R200 000 more than Ovid

"Break-even point on a new aircraft is about 33 units, leaving a small margin for profit"

A SAAF spokesman says "We are still evaluating the aircraft Whatever the choice, the SAAF will consider the interests of SA industry"

By ROGER MAKINGS

Motor job security in danger

By DON ROBERTSON

S/Times (BUSS)

TRADE union [illegible] that the moratorium on retrenchment in the motor industry be extended for another 12 months could lead to crippling strikes. 3/5/92

Motor manufacturers and the National Union of Metal workers of SA (Numsa), representing about 37 000 workers, agreed last year that no hourly paid workers would be laid off for a year

The moratorium was linked to production targets set by manufacturers

Vehicles sales continue to fall and motor makers say they cannot afford to extend the moratorium after it expires in June. Several are working a short week and Samcor, assemblers of Mazda, Mitsubishi and Ford, closed its operations for two weeks last month

Child

Many manufacturers say they are overstaffed in terms of expected sales

Apart from job security, Numsa has asked for a 25%, or R2 an hour, pay increase, 15 days' leave a year for "child care", additional compassionate leave, six months' maternity leave, 10 hours a month for union meetings, 20 days' leave a year for shop steward training and the elimination of discrimination in employment.

SA set to get stake in $31bn project

By ZILLA EFRAT (267)

SOUTH Africa is well placed to become a major supplier for a $31,2-billion project to improve telecommunications in Africa.

So says African Development Bank department of infrastructure and industry director Kouassi Apetey, who attended a conference in Johannesburg this week on regional development S/Times (BUSS) 3/5/92

Part of the project to boost Africa's telecommunications, a prerequisite for development, includes a regional African satellite communications system (Rascom)

Mr Apetey says feasibility studies on Rascom were completed last year However, the final decision to set up a Rascom organisation will be taken in May at a meeting of African telecommunications ministers in Yamoussokro, Ivory Coast

It is envisaged that Rascom will be a joint venture among African governments and private companies.

Mr Apetey says SA, once it has sorted out its political problems and become an Organisation for African Unity member, will be able to become part of Rascom

SA is well advanced to make much of the equipment needed for the project.

Africa, exluding SA, has about 5,7-million direct exchange lines (DELs) This compares unfavourably with other continents For example, South America has 21,5-million, North America 133,6 million and Europe 186-million

The average penetration of DELs in Africa is 0,77 for 100 inhabitants compared with 60 in Europe and North America

Mr Apetey says the objectives set by each African country in the Rascom feasibility study indicate that telephone density for Africa should reach about 2,5 by the year 2005

This would require 19,8 million more phone lines at a cost of about $30-billion to African countries Satellite connections could raise the bill by another $1,2 billion

The rich richer, the poor poorer

S/Times (BUSS) 3/5/92

By JOHN CAVILL: London

THE United Nations Development Programme says that the income gap between the world's poorest billion people and the richest billion has widened from 45 1 to 59 1

Since 1960 the disparity has almost doubled. The world's upper fifth enjoys 83% of gross national product and 81% of trade The bottom slice accounted for 1,4% of GNP and 1% of trade.

A parallel and more emphatic finding came from the US Federal Reserve's three-yearly Survey of Consumer Finances, which calculates the distribution of wealth, defined as assets minus debt.

It shows that the top 1% of US households — 834 000 — increased their share of private net worth from 31% to 37% in the six years to the end of 1989 This added up to $5 700 billion, or an average of $6,8 million each.

By contrast 90%, or 84-million households, could claim $4 800-billion, which pans out at $57 000 each

That put the US rich rest ratio in 1989 at 119 1

Farmers face huge loss

S/Times (BUS) 3/5/92

By DON ROBERTSON

MEALIE farmers expect to lose more than R1 billion this year in spite of large price increases granted by the Maize Board

Millers' prices were raised by 14,2% to R530 a ton for white maize and by 13,4% to R475 for yellow this week

Because of the drought, mealie yields are expected to be lower than the average for the past 15 years A crop of only 2,4-million tons is forecast.

Fanie Brink, senior economist at the National Association of Maize Producers (Nampo), says yields could fall to about a ton a hectare and as low as 600kg in some areas The usual average is about two tons

Farmers' costs are about R765 a hectare for fertiliser, labour and fixed overheads. This leaves a shortfall of more than R300 a hectare based on a price paid to farmers of R445 a ton for white and yellow maize

The Maize Board says the prices have been structured to encourage farmers to deliver their crops to it and not keep it for their own use, mainly for stockfeed

But it is feared they will deliver only 1,1-million tons to the board — 400 000 tons of white maize and 700 000 of yellow

To meet consumption of about 6,7-million tons, the board will import about 4,6-million tons of maize in the next year, mainly for stockfeed It will charge a premium of R30 a ton on imports

Users have attacked the surcharge Premier Group chief executive Peter Wrighton says it will have "a horrendous effect on the price of meat, poultry, milk, butter and eggs and will exacerbate the alarmingly high reported food inflation rate"

The SA Sugar Association (Sasa) has announced a price increase of 14,5% from June 1 It will add about 24c to the cost of a kilogram of sugar

As in previous years, the price rise has been announced in advance to allow consumers to stock up

Sasa has bought an undisclosed amount of sugar abroad to meet its export contracts.

New air policy set to boost the Cape

S/Times (Cape metro) 3/5/92.

(269)

Tourists, money as skies 'open'

By GLENDA NEVILL

THE new "open skies" policy announced by the government this week could have a resounding effect on the travel and tourism industry in the Cape.

Three major international airlines are considering introducing new routes to South Africa with the Mother City as the point of destination or departure, which would mean increased volumes of foreign tourists

A Lufthansa spokesman said the airline was "seriously considering" a Cape Town route, which could be in place by November.

"If the market is there, from a European point of view, we will start a flight to Cape Town We are conducting a market study," the spokesman said

Trend

A reliable air industry source said Air France (UTA) was planning a Paris-Johannesburg-Cape Town flight "by September"

And the Dutch airline KLM is said to be also looking at Cape Town as a destination, suggesting an important new trend

Over the past 15 months the number of airlines flying to South Africa has risen from 21 to 30 and the civil aviation authorities have confirmed that they are talking to 25 more wishing to fly to SA

With Cape Town's growing status as an international tourist destination, many of these airlines may opt to operate flights to Cape Town.

The internal flights of South African Airways and Flitestar will be protected because international airlines which fly to Johannesburg and then on to Cape Town will not be allowed to pick up passengers for the domestic leg of the flight.

About 49 percent of all foreign tourists to SA include the Cape on their itinerary Captour has launched an international marketing campaign to increase this to 60 percent by 1993.

The Chief Executive Officer of Captour Mr Gordon Oliver said the Minister of Transport Dr Piet Welgemoed's announcement should be "welcomed with great enthusiasm".

Cape Town is expected to draw more than one million visitors by the year 2000 and tourism currently contributes about R700-million to the Cape's economy

"Cape Town should be regarded as one of the gateways to South Africa but because it is on the tip on the continent, in the past it couldn't be offered as a transit point," said Mr Hylton Ross, a tour operator and Western Cape chairman of the Association of South African Travel Agents (Asata)

Mr Oliver said the policy would have a "multiplying" effect on the air industry.

New air routes and more planes would require expansion and upgrading of airports around the country, and Cape Town in particular, as it had up to now only served domestic flights, three international South African Airways flights and two from British Airways.

During a recent transport budget debate, Dr Welgemoed said an announcement on the privatisation of South Africa's nine state-owned airports could be expected soon.

His statement comes in the wake of widespread criticisms of South Africa's airports and warnings by experts that they would not be able to cope with the expected influx of foreign tourists

Improve

If private enterprise is allowed in — as in the United Kingdom where the non-governmental British Airports Authority operates the country's airports — the quality of SA airports could be improved without additional cost to the taxpayer, industry sources said

Dr Welgemoed confirmed that the Cabinet was studying a report compiled by his office and British consultants

Now that tariff control has been scrapped, air fares are expected to drop, allowing more South Africans to travel abroad

CSIR building low-cost light aircraft

B/Day 4/5/92

LINDEN BIRNS

SA is poised to establish a light aircraft manufacturing industry.

The Council for Scientific and Industrial Research (CSIR) is building a prototype aeroplane which, if successful, could be the first in a range of SA aircraft to be built and marketed internationally.

The plane, codenamed Operation Hummingbird, is scheduled to fly for the first time either late this year or early next year.

At a briefing last week, the CSIR's aeronautics division Aerotek showed off the semi-built airframe, wings and tailplane of the prototype. The two-seater, single-engine trainer and patrol aircraft was designed by Aerotek's engineers with an emphasis on keeping costs low.

Once the prototype was thoroughly flight tested and certified, a production consortium of local "sub-manufacturers" would be set up, an Aerotek spokesman said.

Companies earmarked as possible consortium partners included former Armscor subsidiary Somchem, Fibretron and Field Aviation.

"Our aim is to utilise existing local facilities and to spread the risks locally as widely as possible," said a CSIR spokesman. The CSIR would retain the design authority over the aircraft and probably collect royalties on each unit sold, but would not participate in the plane's full-scale mass production.

The spokesman said Aerotek would start marketing the plane locally and abroad in the near future. Potential markets had been identified in Africa and the Pacific Rim.

"We're going to market it as an alternative to the helicopter. In fact Hummingbird will be able to do 80% of the things a helicopter does although it won't be able to hover."

While the plane would not be able to take off or land vertically, the designers predicted the aircraft would be able to get airborne or land on a 100m strip.

Aerotek predicted a selling price of between R220 000 and R250 000 — about a tenth of the price of a five-seater helicopter — depending on the type of avionics (radar, radio and navigation equipment) fitted.

Initial production versions of the aircraft would have between 24% and 28% local content — mainly related to labour input. However, once the aircraft achieved a commercial track record, local content would be increased. (269)

Aerotek imported a new UK-built Norton piston engine to power the aircraft which would be able to fly for four-and-a-half hours on one tank of fuel and have a top speed of about 180km/h. The pilot would be able to slow the plane to about 80-90km/h, making the Hummingbird ideal for traffic patrol work and pilot training.

The spokesman said if Hummingbird was a success further developments, including a four-seater and possibly a twin-engined version, would be considered.

Major US manufacturers including Beechcraft had been approached for preliminary talks on possible manufacturing licences should demand for the plane arise in the US.

Trains boycott begins

STAR 4/5/92

269

Staff Reporters

Soweto's trains were only 20 percent full early today as commuters heeded the call for a six-day train boycott to protest against the slaughter of Reef rail passengers.

The boycott call came from the ANC, SACP, PAC, Cosatu, Nactu, the Human Rights Commission, Civic Associations of the Transvaal and the SACC.

The Inkatha Freedom Party and the IFP-aligned United Workers' Union of SA urged their members to defy the boycott, saying they had not been consulted in its planning.

According to Spoornet figures, trains from Soweto carried only 20 percent of the usual passenger load early today. In Tembisa and Katlehong on the East Rand trains were less than half full.

The Tembisa, Limindlela and Leralla stations on the East Rand were virtually empty. Commuters jostled for buses and taxis.

Trains from Daveyton and the West Rand were apparently unaffected.

The boycott comes days after the Soweto Transport Services taxi association increased fares by as much as 10c for a trip from Soweto to Johannesburg.

Employers asked for leniency on train boycotters

B/Day 4/5/92 GAVIN DU VENAGE (269)

ORGANISERS of a week-long boycott of commuter trains on the Reef have urged employers not to penalise workers who arrive late for work today

The boycott is a protest against continuing violence on trains and has been backed by the ANC, PAC and the Civics Association of Southern Transvaal (Cast).

Spokesman for the steering committee on train violence Ronnie Mamoepa said at the weekend talks had been held with Putco and Sabta to arrange additional transport for people boycotting the trains He said Sabta had agreed not to implement a planned fare hike today

An SAP spokesman said yesterday special security measures would be taken from today to prevent intimidation of commuters wanting to use the trains

The boycott starts two days before police implement upgraded train security measures in Reef unrest areas

Mamoepa said the boycott was to emphasise demands for adequate security, the arrest of killers and redirection of government's R5m spending on covert security operations to pay for commuter safety measures

The boycott will go ahead despite agreements between community leaders and the SA Rail Commuter Corporation last week after a week-long sit-in at Spoornet's offices in Johannesburg The corporation agreed that it would not allow armed people to board trains, and police promised to provide extra manpower at Reef stations

Sapa reports Inkatha has called on commuters to continue to use trains

Inkatha central committee member Themba Khoza said. 'We are calling on all members of the community to use trains freely . until the campaign for a boycott is rescheduled."

Spoornet also urged all groups advocating the train boycott to suspend the action

Police last week unveiled a new combined security force strategy to stamp out violence on Reef trains

SAP spokesman Col Frans Malherbe said more than 1 200 men would be deployed on trains, at stations and along railway lines in violence-torn areas during peak hours from Wednesday

In terms of the new plan, dangerous weapons will be banned from trains and stations Some policemen will operate in civilian clothes.

Malherbe said the new strategy had been undertaken in agreement with senior police officials from the Witwatersrand, including regional commissioner Maj-Gen Gerrit Erasmus, Spoornet officials and community leaders representing commuters

ARG 4/5/92 (269)

Compulsory licences 'will cut down on road deaths'

The Argus Correspondent

JOHANNESBURG. — A major spin-off of the compulsory carrying of driving licences from October 1 will be the elimination of tens of thousands of illegal licences now being used on South African roads.

So says chairman of the Traffic Legislation Committee of the Southern African Road Federation Mr John Smith. He was commenting on moves announced by Minister of Transport Dr Piet Welgemoed in the House of Assembly last week.

"The steps will vastly improve law enforcement and road safety, ultimately cutting down on the 12 000 people being killed annually on the roads," he said.

"It will eliminate many of the problems faced by traffic officers who are fed false names and addresses by drivers who are stopped on the roads.

"In future they will be able to properly identify the person from the credit card-type licence, and check if he has a valid driver's licence because all illegal licences can now be eliminated."

He called for the introduction of further steps such as the compulsory carrying of car registration papers to eliminate vehicle theft.

Drive Alive chief Moira Winslow said the effects of keeping unlicensed drivers off the road was huge and, combined with the demerit system which was in the pipeline, road safety would be the winner.

"It was significant that the new licence would be impossible to forge and old licences would have to be returned in order to obtain the new credit-card type disc"

Mr Welgemoed said during the debate on the Transport Budget Vote that the new system would be phased in in a "user-friendly manner".

The implementation of this measure should include an educational programme without motorists being summarily fined, but a cut-off date would also have to be set.

Dr Welgemoed said he envisaged that drivers' licences would be separated from identity documents. Negotiations were taking place with the Department of Home Affairs.

London for under R500 Virgin's aim

STAR 4/5/92

By Garner Thomson
Star Bureau

(269)

LONDON — Flamboyant Virgin Atlantic chief Richard Branson is planning to fire the first shot in South Africa's forthcoming "open-skies" air ticket war with promotional fares from Johannesburg to London of less than R500

And the move — just one with which Virgin hopes to net people who don't normally fly — is bound to renew the clash between Virgin Atlantic and British Airways, both of which are now involved in legal action over claims of "dirty tricks".

Mr Branson is enthusiastic about cost-cutting charter companies rushing into the South African market, and his senior staff ensure inquirers that he has no intention of poaching existing passengers from established airlines, but would find about 160 000 new passengers every year

However, R495 — the magic figure which captured a huge slice of the UK-US route — compared with BA's cheapest return ticket of about R3 600 is destined to make competition from the major carriers pretty slight

Outside of Virgin promotions, fares to and from London are expected to be up to 40 percent less than the norm — and Mr Branson is predicting that new competition should not only serve passengers better, but "increase the size of the market two or threefold".

Although final discussions still have to take place between the British and South African governments on the deal, Mr Branson is proceeding as if everything is already in the flight bag.

A senior executive confirmed at the weekend that airliners had been bought and other arrangements were going ahead on the understanding that the message in a week or two will be a final official thumbs-up.

The mood inside the Virgin Atlantic empire is excited. "It has been a tremendous challenge trying to break the monopoly and we've been keeping our fingers and toes crossed," Mr Branson said.

Virgin Atlantic is confident that a five-times-a-week service will be in operation between London and Johannesburg before the end of the year.

● Transport and aviation officials from Malaysia and South Africa will meet in Kuala Lumpur from May 18 to 22 to discuss a bilateral air services agreement, Transport Minister Ling Liong Sik said at the weekend

The meeting had been set during talks with Transport Minister Dr Piet Welgemoed in Cape Town last week.

Mr Ling said agreement had been reached in principle to grant Malaysia Airlines the right to fly to South Africa and carry passengers and cargo to other destinations

The South African national airline would be granted Malaysian landing rights and be allowed to take passengers from Malaysia to other points.

● Europe's 'snowbirds' key to boom — Page 9

Winnie re-elected Women's League head

Staff Reporter STAR 4/5/92

Winnie Mandela was yesterday re-elected as chairman of the ANC's PWV Women's League, the region's publicity secretary Ronnie Mamoepa said last night.

It is believed that Mrs Mandela, recently estranged from ANC president Nelson Mandela, was unanimously proposed by delegates from most — if not all — branches of the league in the PWV

Other members of the region's executive elected yesterday are Gwendoline Mahlangu as deputy chairman, Lindiwe Maseko as general-secretary, Maria Mojapelo as assistant general-secretary and Marjorie Nkomo as treasurer

Sapa reports that Mrs Mandela was not available for comment, but other executive committee members said her re-election was unopposed because of the unselfish efforts she had made on behalf of women who needed her for direction

Two other nominees for chairman, Amina Cachalia and Mavivi Manzini, chose not to stand for the position

The elections were run by the Independent Mediation Services of SA.

Mrs Mandela quit her post as head of the ANC's welfare department shortly after her husband announced their official separation at an emotionally charged press conference in Johannesburg last month.

She came under the media spotlight again recently when new allegations emerged linking her to the murder of Azanian People's Organisation health secretary Dr Abu Baker Asvat, as well as the murder of young activist Stompie Seipei.

Mrs Mandela is currently out on bail pending her appeal against her conviction for kidnapping and as an accessory to the assault of five youths in Soweto in 1989.

In the comp

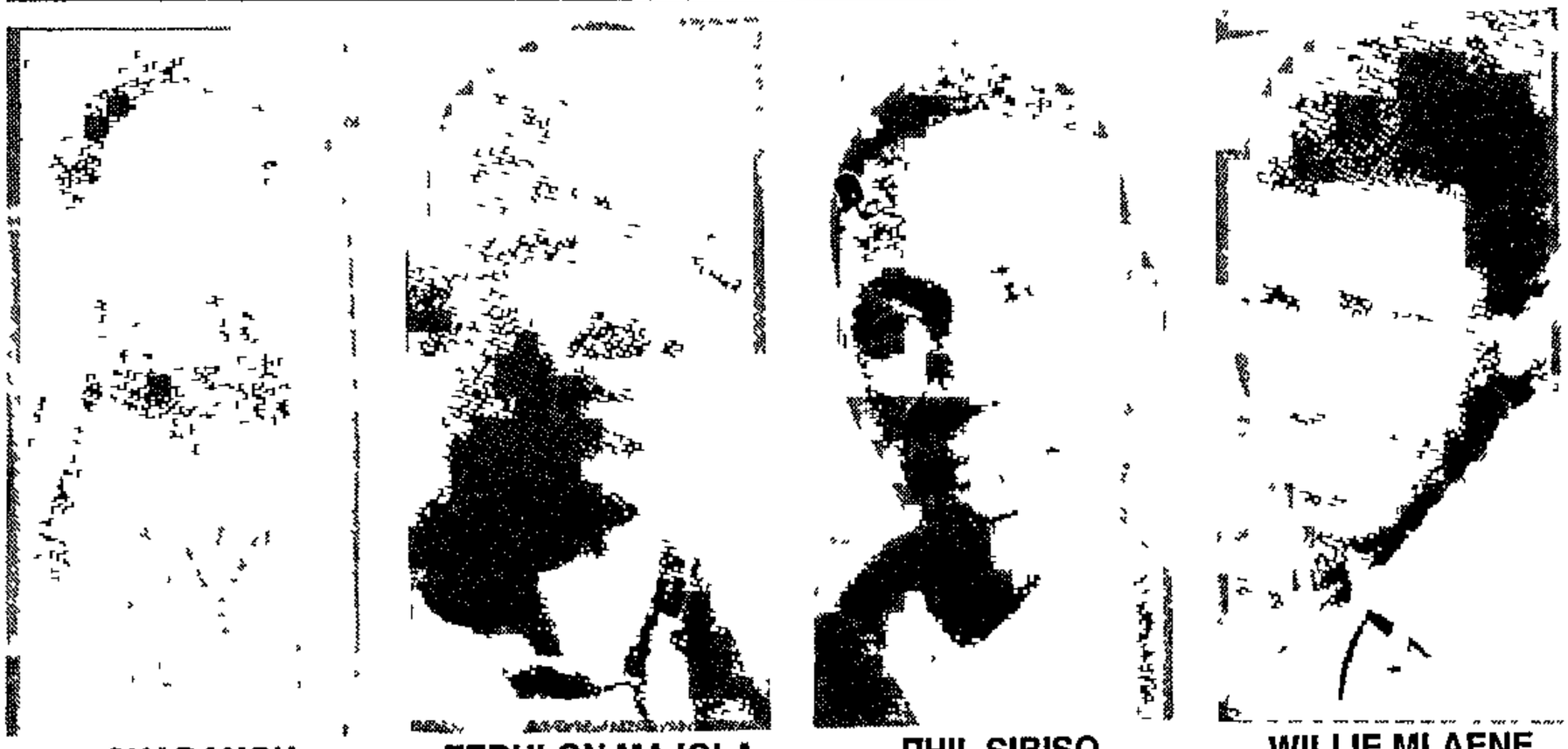
'dangerous' former attorney

mber of fraud cases, caped from Pretoria ntral police station Captain Louw de-ribed the suspect as

was rearrested in Johannesburg but managed to escape

He was again arrested on Wednesday in Pre

police appointment certificate in the name of a Sergeant Venter as well as identity and credit



SHABANGU ZEBULON MAJOLA PHIL SIBISO WILLIE MLAENE

Commuters split on train boycott

Sowetan 4/5/92

269

By ABBEY MAKOE

COMMUTERS were yesterday divided on the boycott of trains which starts this morning.

Some commuters interviewed at Soweto stations were not aware of the boycott called by the African National Congress, the Pan Africanist Congress, the Azanian Peoples Organisation and other groupings

Most of those opposed to the boycott were not influenced by politics but felt trains were a cheaper mode of transport Many of them were hostel dwellers

One commuter, Mr Zebulon Majola (26), said he could not afford a taxi.

He said he would continue to travel by train to work, not because he wanted to disappoint those who called for the boycott, but because he did not have enough money

He was supported by Mr Phil Sibiso (35), also a hostel dweller

Sibiso said he spent R9 on a weekly train ticket to Jeppe Station He felt he would spend twice as much, even more, when travelling by taxi

Besides, said Sibiso, no one had informed hostel dwellers about the boycott

"We heard about it in the streets," he said

Mr Absolom Miya said he spent R7,40 on a weekly train ticket to Johannesburg He estimated that he would have to pay the same amount for two taxi trips

Mr Willie Mlaene of Mapetla was concerned that the boycott would cause division among commuters

Mr Jabulani Shabangu, an Apostolic Faith Mission Church member, was not aware of the boycott but said he would join the protest action anyway

Miss Makie Mokoena said there was "no way" she could ignore the boycott, "particularly when the call is in the interest of the black nation"

Also to join the protest is Miss Annah Maboa, whose only reason was her fear of confrontation

"I don't want to be caught in the crossfire," she said

train use tensions

Sowetan 4/5/92

(269)

TENSION was rising yesterday on the eve of the week-long boycott of trains which starts today, with most major black organisations supporting the action and the Inkatha Freedom Party urging commuters to defy the call.

By IKE MOTSAPI

Most people spoken to yesterday said they feared many would be killed or injured and that commuters would have to

● To page 2

● From page 1

Tensions rise as train boycott starts

(269)

Sowetan 4/5/92

dig deeper into their pockets to use taxis following the increase in taxi fares which came into effect in Soweto at the weekend.

The call for a boycott of trains was endorsed by leaders of the African National Congress, Pan Africanist Congress, the Azanian People's Organisation, Congress of SA Trade Unions and the National Council of Trade Unions during May Day celebrations on Friday.

However, the Inkatha Freedom Party has called on commuters to freely use trains in defiance of the boycott call

IFP central committee member Mr Themba Khoza said at the weekend "We are calling on all members of the community to freely use trains today until the campaign for a boycott is rescheduled"

Khoza criticised the ANC and PAC for deciding to start the train boycott without allowing for "sufficient consultation" between organisations and the community, saying alternative, affordable transport should have been arranged to facilitate the boycott.

The IFP's labour wing, the United Workers' Union of South Africa, also urged people at a May Day rally in Johannesburg to defy the boycott.

Ironic

ANC spokesman Miss Gill Marcus said yesterday it was ironic that Inkatha, blamed for the killings on trains which have claimed hundreds of lives, had suddenly called on people to use trains "freely".

"The trains' boycott was called to bring attention to the authorities that many innocent people are being killed unnecessarily.

"It is for this reason that the boycott was called," Marcus said

Soweto taxis increased their fares by between 21 and 60 percent from Saturday

People travelling from Protea North in Soweto to the city will now pay R3,30, an increase of 60c from the previous R2,70.

Efforts by various civic associations to have the taxi fare increases postponed have failed

Meanwhile, Spoornet has appealed to all organisations advocating a boycott of trains to suspend the action because it said the company and the police were doing their best to normalise the situation

The call for a boycott of trains follows shortly after the end of a week-long sit-in by seven leaders of various political organisations at the headquarters of Spoornet in Braamfontein.

● See page 5

Airport jack-up on way

(269)

STAR 5/5/92.

CAPE TOWN — Jan Smuts Airport handled 13,5 percent more visitors in 1991 than in the previous year and 11 more airlines were operating, Minister of Home Affairs Gene Louw said in Parliament yesterday.

Introducing debate on his vote, he said alterations to Jan Smuts would improve passenger handling, but immigration facilities needed stepping up as soon as possible.

It was possible that returning South Africans might not have to fill in arrival forms, and their passport numbers could be linked to their identity numbers to speed up procedures.

At present, the Immigration Department was geared to handle about 1,012 arrivals an hour or the equivalent of three planeloads of passengers from Jumbo jets.

Alterations to the international arrivals hall were scheduled only for next year.

However, the number of booths and operating space for immigration officers needed to be increased now — Sapa.

Trains boycott escalates

STAR 5/5/92

By Peter Davies
and Thabo Leshilo

(269)

The train boycott in protest against continuing carnage on Reef trains appeared to be gathering strength today, with some morning peak coaches only 10 percent occupied.

With taxis doing a roaring trade, many commuters accused taxi owners of cashing in on the train boycott.

Taxi fares rose as much as 70 percent just three days before the protest began.

An elderly man at one station said although he was "100 percent" behind the boycott, he could not afford to join it. His weekly train ticket to Inhlazane Station cost only R8,20, while the bus cost R20 and the taxi R6 daily.

According to Spoornet statistics, trains running from Soweto — the area which has borne the brunt of the slaughters — were 10 percent full today, compared with 20 percent occupancy yesterday morning.

The Tembisa-Leralle line on the East Rand was also down to 10 percent of capacity.

Trains from Daveyton, which yesterday were largely unaffected by the boycott, this morning carried 70 percent of their usual passenger load.

The boycott, scheduled to last until Saturday, was called for by the ANC, SACP, PAC, Cosatu, Nactu, the Human Rights Commission, Civic Associations of the Transvaal and the SACC.

Boycott organisers have asked commuters to "take the initiative" and arrange alternative transport. Putco has been asked for more buses.

According to the Human Rights Commission's latest reports, the number of people killed in train attacks in the first three months of the year outstrips the combined figure for the whole of 1990 and 1991 when 97 people died. More than 130 people have been murdered on Reef trains this year.

Mixed views

Sowetan 5/5/92

SOWETAN
Building the Nation

RADIO METRO TALKBACK

(269)

CALLERS to the *Sowetan*/Radio Metro Talkback Show last night had mixed views on the five-day train boycott which started yesterday.

Some complained that they had not been consulted or informed of the boycott by the organisers

Most of the callers agreed, however, that the boycott alone would not stop train killings.

Zakhele supported the action but said he was against the way the boycott was organised.

He said the violence could be addressed only if people came together and discussed the issue.

Peter of Tembisa said the boycott would not end the killings

Goodwill said the boycott was justified

"People are dying while Transnet is making money Police should be on the trains," he said.

Sammy of Jabavu said taxi owners were involved in train violence and called for a 24-hour police patrol

Kgalekgethelwi of Tokoza said the boycott would not end the violence

She blamed the ANC and said toyi-toying on the trains was the main cause of the violence

Huge support for boycott

(269)

Sowetan 5/5/92.

Most trains on the Reef ran virtually empty on the first day of a train boycott called to protest against violence on trains.

Pic. MBUZENI ZULU

THE first day of the train boycott appeared to be successful yesterday as thousands of commuters on the Reef supported the action in protest against ongoing attacks on trains.

By ABBEY MAKOE and Sapa

Soweto trains carried between zero and 15 percent of their normal load of passengers.

A Spoornet spokesman said the number of passengers in other areas varied between 40 and 50 percent of the normal load.

Soweto commuters have been the most affected by the train violence, in which more than 130 people have been murdered this year.

The number of passengers dropped to 50 percent on the Germiston/Katlehong route and to 40 percent on the Tembisa line, a Spoornet spokesman said.

However, coaches were full on the Daveyton line on the East Rand.

The Spoornet spokesman said the West Rand was largely unaffected by the boycott.

A spokesman for the South African Black Taxi Association said there was an increase in taxi passengers from Soweto and from other areas and most taxis could not cope

With the "avalanche of passengers", some drivers ignored regulations in an effort to "kill the rush", the Sabta spokesman said.

Turn to page 2

P.T.O

Train boycott

(269)

Sowetan 5/5/92

● From page 1

Sabta had, however, warned its members "not to be euphoric about the train boycott", because a boycott against taxi operators could be just as successful.

Putco said there had been about a five percent increase in passengers.

The company had laid on 20 extra buses, but only nine had been used.

Soweto police spokesman Captain Joseph Ngobeni said police were deployed at stations from about 6am. A helicopter was also used in the morning to monitor the situation

At Merafe, Inhlazane and Dube stations, commuters who used trains were mainly hostel dwellers living near the stations Other stations were virtually empty.

Most of the commuters who used trains told *Sowetan* that they could not afford the high taxi fares

In train number 9917 from Naledi to Faraday stations, there were fewer than five people in each coach.

Mr John Mvimba sat alone and said he was going to the city to look for a job and could not afford the taxi fare

Mr Abram Kgutlang said he spent R12 a week on train fare

"It is just inconceivable that I can suddenly turn to the taxis or buses," he said

Transnet's property arm announces new projects

B/Day 6/5/92

PETER GALL and JONO WATERS

TRANSNET's property arm, Propnet, has announced plans for two development projects, one in the southern Cape aimed at tourism and one near Mamelodi involving mainly commercial sites.

Propnet, involved in the commercial development of Transnet's land holdings, has dubbed its southern Cape project The Golden Thread and plans to develop the tourist potential of land at railway stations along the Garden Route.

The project involves a series of joint ventures between it, developers, financiers and community interest groups over the next eight to 10 years.

"The proposal is still in its broad planning stages but the aim is to utilise fully the land for developments that serve the community at large and preserve the environment, history and culture," Propnet CE Fuzz Loubser says

About 70ha of property in and around the 38 stations linking Mossel Bay, Oudtshoorn and Knysna has been targeted in the proposal.

Shopping

In the project near Mamelodi, Propnet is coordinating a R12m commercial development at the SA Rail Commuter Corporation's (SARCC's) Denneboom station, which is expected to be completed in August.

Known as Metropolitan Life Gateway, the development comprises 7 000m² of retail shopping, banks, the station ticket office and facilities for the SAP.

Anchor tenants include Standard Bank, Diskom, Pep Stores and Score Supermarkets.

Leased to Metropolitan Life on a 50-year contract, the development is expected to generate market-related returns for the developers while improving the use of and return on SARCC land.

SA and Zimbabwe agree on transport of relief food

B/Day 6/5/92

(269)

GERALD REILLY

PRETORIA — An agreement has been reached between the SA and Zimbabwe governments on the transportation by road from SA ports of some of the 1,8-million tons of food needed to feed Zimbabweans

This follows discussions last week between SA Transport Minister Piet Welgemoed and his Zimbabwe counterpart Denis Norman

The talks centred on how much of the multimillion-rand operation would be undertaken by SA hauliers and how much by Zimbabwean operators

SA hauliers feared they would be frozen out of the lucrative operation, Road Freight Association spokesman Herman Lemmer said yesterday.

He said the association had objected to Zimbabwean hauliers receiving an "excessive" number of permits

It was agreed in the discussion between the two governments that the SA operators would get a third — about 100 000 tons — of the total to be carried by road and the Zimbaweans the remaining two-thirds.

Lemmer said the total to be transported to Zimbabwe, Malawi, Botswana and Zambia was expected to amount to about 5-million tons

A large percentage of the 3,5-million tons destined for the other southern African countries would be contracted out to SA operators.

Lemmer said that at least some of the 4,5-million tons of maize needed for SA's domestic market would also have to be transported by road.

Meanwhile a meeting of all parties involved in the massive food distribution effort will be held in Pretoria on May 12 to finalise the logistics of the operation.

Parties will include Transnet, the SA government, government officials from the receiving and donor countries and the road transport industry

Daisy de Melker; Douglas Bailer and Jack the Ripper and Winston Churchill and Rudolf Hess. [Interjections]

†The MINISTER· Mr Chairman, with respect, I think the joke which the hon member tried to make about a very serious matter, does not belong here at all [Interjections] I did not try to link together these people with other prisoners who were regarded as political prisoners These people committed crimes In terms of the provisions of the Corrective Services Act the Minister of Correctional Services is, however, empowered to take action. He exercised his powers with the necessary responsibility.

There were also political prisoners who qualified in terms of rules which were laid down and which were agreed upon with the ANC. Those people were released [Interjections]

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament

Release of person from Zambian prison

*5 Mr L FUCHS asked the Minister of Foreign Affairs

(1) Whether he has taken any steps to secure the release from a Zambian prison of a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, to give evidence in a criminal case involving Mrs Winnie Mandela, if not, why not, if so, what are the relevant particulars,

(2) what is the name of the person in question,

(3) whether he will make a statement on the matter?

B569E

The MINISTER OF FOREIGN AFFAIRS

(1) No, not for the purpose mentioned by the hon member in his question As in the case of any South African citizen who is detained in a foreign country, my Department has made enquiries into the well-being of the person.

(2) Mr Katize Cebekhulu

(3) No, not at the present time

Reopening of criminal case against Winnie Mandela

*6 Mr L FUCHS asked the Minister of Justice.

(1) Whether, with reference to recent statements in the media by two persons whose names have been furnished to the Minister's Department for the purpose of his reply, he intends to invoke the provisions of the Criminal Procedure Act, No 51 of 1977, to reopen the criminal case against Mrs Winnie Mandela; if not, why not, if so, what are the relevant details,

(2) whether, with reference to the trial of Mrs Winnie Mandela, attempts have been made to take statements from certain persons whose names have also been furnished to the Minister's Department, if not, why not, if so, what are the relevant details,

(3) whether he will furnish the names of the persons referred to in paragraphs (1) and (2) of this question, if not, why not, if so, what are their names? B570E

The MINISTER OF JUSTICE:

(1) and (2) In view of the pending appeal, the matter is *sub judice* The requested information can therefore not be furnished In addition the South African Police is investigating certain allegations and the required information may affect the outcome of the investigation

(3) A list of the names of the persons who may be involved or may become involved has not been finally established and the furnishing of such a comprehensive list may in any event infringe upon the *sub judice* rule

Number of applications for SA citizenship

*7 Mr R R HULLEY asked the Minister of Home Affairs

How many persons (a) applied for and (b) obtained South African citizenship during the period 20 February to 17 March 1992?

B572E

The MINISTER OF HOME AFFAIRS.

(a) and (b)

Altogether 24 487 naturalizations were approved It has however not been possible to verify to date whether all applications lodged within the relevant period were finalized timeously. It is quite likely that applications submitted during the two or three days prior to 17 March 1992 were not finalized timeously Presently only accurate statistics of approvals are readily available If the hon member, however, insists on statistics of the number of applications submitted during the period in question, a survey will have to be made at all the offices of the Department I can merely add that no applications that complied with requirements were turned down

Constitutional future of Doornkop

*8 Adv J J S PRINSLOO asked the Minister of Local Government and National Housing †

(1) Whether the Government intends taking any steps in respect of the constitutional future of Doornkop, in the district of Roodepoort, if not, why not; if so, (a) what steps and (b) when,

(2) whether he will make a statement on the matter?

B573E

The MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING

(1) (a) and (b)

Yes The Cabinet has already granted permission for the purchase of Doornkop agricultural holdings No 239 IQ A decision on the constitutional future and use of the land will be determined in due course.

(2) No

South African Rail Commuter Corporation: personnel transfers

*9 Adv J J S PRINSLOO asked the Minister of Transport †

(1) Whether a former chairman and managing director of the South African Rail Commuter Corporation Limited were recently transferred from these posts; if not, what are the relevant details; if so, why,

(2) whether he will make a statement on the matter?

B574E

The MINISTER OF TRANSPORT:

(1) Yes It was done in the light of investigations into events surrounding investments done with the Cape Investment Bank which has since been liquidated and important changes in the field of urban transport I suffice with the media statement issued on 7 April 1992, my contribution to the interpellation which took place in the House of Assembly on 29 April in which case this matter was debated, and the discussion on the Transport vote on the same date

(2) No

Black schools· amount needed to replace textbooks

*10 Mr J CHIOLÉ asked the Minister of Education and Training †

(1) What total amount is needed to replace textbooks that were not returned in Black schools at the end of 1991 and 1990, respectively,

(2) whether there are any Black schools where in 1991 fewer than 25% of the textbooks that had to be returned were in fact returned, if so, (a) which schools and (b) what steps are envisaged in this regard?

B575E

The MINISTER OF EDUCATION AND TRAINING

(1) The information is not available

The Department supplied textbooks and prescribed books to the value of R60 140 094,00 and R66 731 270,00 for the school years 1991 and 1992, respectively The books were supplied to provide for the increase in the number of pupils and the replacement of worn-out and lost books

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

cont →

industry in the Southern Cape region? Were these not two of the primary reasons?

The MINISTER I want to ask the hon member to please table that question

Credit limit with Spoornet Limited exceeded

*2 Mr W U NEL asked the Minister for Public Enterprises (269)

(1) Whether it is his intention to initiate an investigation into the circumstances under which Spoornet Limited allegedly allowed a certain company, the name of which has been furnished to the Minister's Department for the purpose of his reply, to exceed its credit limit with Spoornet Limited, if not, why not, if so, (a) what steps will be taken in this regard, (b) what is the name of the company concerned and (c) by how much did this company exceed its credit limit,

(2) whether he will make a statement on the matter?

B558E

†The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of TRANSNET LIMITED replied as follows to the hon member's question

(1) Yes

(a) An independent investigation by outside experts has been commissioned

(b) Minesa Energy (Pty) Ltd

(c) R28 million which includes interest

(2) No, the Managing Director of TRANSNET LIMITED has already issued a news release

Houses offered for sale to SAP members

*3 Mr W U NEL asked the Minister of Law and Order †

(1) Whether the South African Police intends offering houses of the Department of Public Works that are occupied by Police personnel at present, for sale to such personnel, if not, why not; if so, (a) when is it envisaged to make the houses available and (b) what criteria will be applied,

(2) whether he will make a statement on the matter?

B559E

The MINISTER OF LAW AND ORDER

(1) (a) and (b)

As the South African Police is merely a consumer department and the right of ownership of accommodation falls under the auspices of the Department of Public Works, only the Department of Public Works, in co-operation with and on conditions determined by the Department of Finance, can decide whether the houses can be sold and which criteria and conditions will apply

(2) Yes

At present there is no arrangement in terms of which official houses can be offered for sale

Mr R M BURROWS Mr Chairman, arising out of the reply of the hon the Minister, can he give an indication as to whether he would support the sale of the houses?

The MINISTER Mr Chairman, no, I cannot give such an indication, for the simple reason that it is not only members of the SA Police who are occupying State houses, but also other employees of the State If we make such a decision, we have to take all the implications of such a step into consideration Therefore I cannot tell the hon member whether I can support it [Interjections]

Mr W U NEL Mr Chairman, is the hon the Minister implying that he is not prepared to make such a recommendation?

The MINISTER Mr Chairman, I never said that I said—I want to repeat that—that it will have to be a policy decision not only in respect of the SA Police, but in respect of all State employees who are occupying State houses

Certain person still in prison

*4 Mr P H P GASTROW asked the Minister of Correctional Services

(1) Whether a certain person, whose name and other particulars have been furnished to the Minister's Department for the purpose of his reply, is still in prison, if not, (a) (i) when and (ii) subject to what

conditions was he released from prison and (b) who authorized his release,

(2) whether this person's release is in line with his Department's policy regarding the release of convicted prisoners,

(3) whether he will disclose the identity and sentence particulars of the person concerned, if not, why not, if so, what are they?

B561E

†The MINISTER OF CORRECTIONAL SERVICES

(Reply laid upon Table with leave of House)

(1) No

(a) (i) He was released conditionally, that is, on parole, on 14 February 1992. The Commissioner of Correctional Services may suspend his parole at any time should he be satisfied that the parolee has, before the expiration of the period of release on parole, failed to observe one or more of the conditions of his release A warrant for his arrest is then issued whereupon he shall be subject to be detained in prison until lawfully discharged or released therefrom and if at large, he shall be deemed to be unlawfully at large

(ii) The following conditions were laid down and are applicable to the person mentioned by the hon member, namely that he

— would be on parole from 14 February 1992 to 28 May 2003

— would be under the control of the Head of the Durban Medium B Prison for the duration of his parole

— would be required to report to the South African Police Kwa Mashu in person not later than 21 February 1992

— would be required to report for duty to his employer as arranged in conjunction with the Head of the Durban Medium B Prison

— may not change to another employer and/or work address without explicit prior approval by the Head of the Durban Medium B Prison

— must reside at the residential address as agreed upon for the duration of his parole

— may not change his residential address without explicit prior approval by the Head of the Durban Medium B Prison

— would be required to report to NICRO

— must give his wholehearted co-operation to NICRO

— may not commit any offence or render himself guilty of any form of misconduct whatsoever for the duration of his parole period

— would be required to report in person on 21 February 1992 to the Head of the Durban Medium B Prison and thereafter on a monthly basis on predetermined dates

— is not allowed to leave the Magisterial District of Umlazi or immediate surrounding area without permission of the Head of the Durban Medium B Prison

— concede to visits or telephonic contact at least twice a week by members of the Department of Correctional Services to his

Cont →

Despite the protests of the residents and the NP, the CP town council gave permission for that march and flag-raising ceremony to be held The CP chairman of the management committee took a photograph of the AWB flag without having it removed After a resident had complained to me, I immediately called in the help of the police as we were under the impression that the national flag had been stolen [Interjections] Five minutes after the AWB had been questioned, the CP's chief whip arrived at the town council Only after I had threatened to lay a charge did he give instructions for that flag to be removed and for the national flag to be hoisted on the flag-pole [Interjections]

The hon members for Overvaal and Wonderboom regularly unburden their hearts and tell everyone as far and wide as possible what they were tired of in the CP [Interjections] We in this Parliament have for a long time now had enough of falsely pious interpellations and speeches, especially when they come from a party whose members [Time expired]

*Mr H D K VAN DER MERWE Mr Chairman, the hon member talks about being tired, but we know of a Cabinet that is tired One after the other they are now falling by the wayside, because Codesa and the ANC are finishing them off [Interjections] It is a tired party with a bunch of tired Ministers [Interjections]

That hon Minister does not know what his portfolio is every day [Interjections] He does not answer the question [Interjections] He runs from one portfolio to the other He is tired of running from one portfolio to the other [Interjections]

The symbols of a country identify the country and its people [Interjections] They are the symbol of the country's freedom, sovereignty and independence [Interjections]

As you know, the NP has for the past 10 years shown itself to be a party which cares nothing about the history of this country and its peoples [Interjections] The NP has become a party that wants to destroy the past and the peoples of Southern Africa [Interjections] That is why I say that I can understand that the hon Minister and the Government do not care about the country's symbols, because they do not care about the country's freedom [Interjections] I want to tell the hon the Minister that he is dancing to the ANC's tune, and when they come back from Codesa, if there is still going to be a Codesa, the flag and the symbols of the ANC and the SACP will be the only result of Codesa [Interjections]

I want to tell the hon the Minister that the CP, who stands for the continued existence of the Afrikaner people and those who want to associate with us, will not allow a foreign flag and foreign symbols to wave above the freedom of the Afrikaner people and the history of our people [Interjections]

That hon Minister must know [Time expired.]

*Mr J H HOON. Mr Chairman, when my time expired just now, I said that the hon the Minister who was present in Dakar, had said that Elana Meyer's performance brought a lump to his throat, but that he could not say the same about South Africa's flag and the Springbok emblem The humiliation of his fatherland did not bring a lump to his throat [Interjections] He and his Government did nothing about it.

I want to give more examples Recently Dr Ali Bacher, manager of South Africa's Cricket Board, went so far as to request the public in public not to display the National flag when the South African cricket team played in foreign countries Mr Danie Malan, the organiser of the Africa athletics meeting in Germiston, went so far as to instruct that the South African flag had to be removed from the flag-pole in the stadium

The time has come for the Government to take steps which will prevent the RSA and its symbols from being humiliated any further [Time expired]

*The MINISTER OF NATIONAL EDUCATION Mr Chairman, hon members are accusing the NP of disloyalty to the flag On many occasions we have time and again expressed our loyalty and said that the sports administrators will have to get their house in order as far as that was concerned Not only I as the responsible Minister, but also the hon the State President have on occasion said that the Flag must also be respected as a symbol at sports meetings [Interjections] We said they must keep politics out of it, because it is politics that is spoiling this whole matter

*Mr J H HOON These are realities

*The MINISTER Mention is now being made of the sensitivity of certain members in the sports administration, but what about the millions of South Africans to whom the Flag is a very important and cherished object and symbol? [Interjections] That is why we did not hesitate to criticise the sports administrators in this regard on occasion, when it was necessary [Interjections]

†I want to say in conclusion that governments and ideologies come and go, but in a self-respecting society symbols remain The Flag was first hoisted in 1928, long before the era of so-called apartheid

Let us compare its position to that of the Union Jack of the UK Did that flag become the flag of abhorrent slavery over three centuries? [Interjections] Did it become the flag of oppressive colonialism over three centuries? Was it necessary to change that flag just because it was associated with a particular ideology at a particular moment? [Interjections] I say no, it is not necessary to change our Flag at this stage for that reason [Interjections.]

The CHAIRMAN OF THE HOUSE Order! Before proceeding to the next interpellation [Interjections] Order!

*Hon members apparently have the attitude that the rules of debate do not apply during interpellations Nowhere in the Rules of Parliament do I find such a rule I urge hon members to keep to the rules of debating otherwise they will compel the Chair to take severe steps against them We cannot go on like this This is not the weekly shouting-match in Parliament

Debate concluded

Commercial steam traction: North Cape System

2 Mr R V CARLISLE asked the Minister for Public Enterprises

(269)

(1) Whether he intends to restore commercial steam traction on the North Cape System, if not, why not, if so, what is envisaged in this regard,

(2) whether he will make a statement on the matter?

B605E INT

The MINISTER FOR PUBLIC ENTERPRISES Mr Chairman, I thank the hon member for Wynberg for the opportunity to put this matter in perspective It is therefore necessary briefly to recap the history of steam traction in South Africa

An HON MEMBER In 3 minutes?

The MINISTER Yes, I am going to do that very quickly

(269)

The SA Railways realised, as far back as 1937, that the day would inevitably come when the use of the steam locomotive as a means of traction in South Africa would come to an end In this House, on 8 March 1972, the Minister of Transport, the late Mr Ben Schoeman, announced the final demise of steam, because it was becoming more and more outdated and uneconomical This was the trend in railway traction worldwide

The last major countries to operate steam, namely India and China, are now also in the process of phasing out their steam locomotives Since 1972 steam has systematically been withdrawn from the major lines in South Africa

It should be realised that in its heyday steam traction commanded a colossal infrastructure As a result of the phasing out of steam, this vast infrastructure has now all but disappeared

Regarding the Kimberley-De Aar line, Transnet gave the undertaking that steam on this line would be maintained until the next major cash flow requirement for maintenance became due This was expected during this year

Although Transnet had every intention of honouring its undertaking to continue running steam on this line till after the present winter, the unexpected drought and resultant fire hazard forced Transnet to rethink the whole issue For the information of the hon member and the House, the total number of veld fires on this line during 1991 was 68, with compensation paid on this line alone amounting to R122 360 In 1991 the total amount for the compensation for veld fires in the country amounted to R2 385 783 In the three months from January to March this year, no fewer than 53 fires have already occurred on the Kimberley-De Aar line

It is obvious that Transnet could not ignore the destruction of grazing land for animals at a time when farmers are facing serious problems caused by the drought and when vast numbers of people are facing hunger It was therefore decided to withdraw steam locomotives from service on

cont p

6 April 1992 and to have special arrangements made for tour operators

Apart from the fire hazard, the steam infrastructure on this line has deteriorated to such an extent that it would require roughly R2 million for refurbishment In addition, the normal maintenance costs of one of these 25-class steam engines amount to almost R200 000 per year It should be borne in mind that most of these steam locomotives would require major overhaul when their boiler certificates expire during the next four years The cost of such a major overhaul is approximately R1 million in contemporary monetary values

269

Bearing these facts in mind, I regret to say that Spoornet will no longer use steam engines on the Kimberley-De Aar line for normal operations. [Time expired]

Mr W U NEL Mr Chairman, let me begin by tendering the apologies of the hon member for Wynberg, who unfortunately could not be here today because of commitments at Codesa If he were here, and not letting off steam at Codesa, as I am sure he is, he would have loved to be huffing and puffing about this subject, which is very close to his heart, because steam locomotives seemed to have had a raw deal in recent times

Much as we love steam locomotives, I wish to make the point that this interpellation only landed on the Question Paper by default, because, in fact, the DP wanted to discuss the Trust Feed case and matters related to it as a matter of urgency However, this was ruled out of order in this House, being *sub judice*, pending an appeal. In practical terms this means that the whole world, and in particular the South African media, will be discussing various issues related to this serious matter and the wider implications of the Judge's findings, while we here observe an eerie silence [Interjections]

But let me get back to steam I must preface my approach today with a clear statement that we are not blindly sentimental about this issue, but rather that we feel that much more could have been made of the case for steam, and in particular on the Northern Cape line.

We further acknowledge that Spoornet cannot willy-nilly support substantial loss-making operations, but we are not yet convinced by this, in spite of the long row of figures rattled off by the hon the Minister here this afternoon, with which my calculator could not keep up

By the 1980s, South Africa had become a world leader in steam development, with the engineer Wardale developing the Class 26 engines and the one commonly known as the Red Devil, the world's most modern and strongest steam locomotive, I am told Furthermore, I am told that SAR traction surveys of 1983 and 1985 all proved steam to be the most economical power option on the Kimberley-De Aar route, measured against diesel and even electrical units Out of all the routes in the country, certainly that one, the Kimberley-De Aar route, was most suited to all types of steam operation While there may of course be disagreement about the economics of this, there surely cannot be that much in it.

By 1992, as the hon the Minister pointed out, only South Africa, India and China—perhaps one could add Zimbabwe—were operating commercial steam in any quantity that would justify repeated visits by steam fans Of these, South Africa is far better placed than anybody else, having First World tourist facilities and infrastructure We should grasp this opportunity

Steam enthusiasm is reported to be one of the fastest growing leisure activities in the UK Certainly there is also a vast untapped market in Japan and Germany Without a mainline, commercial steam operation in daily use, these enthusiasts will not come to South Africa, and perhaps China and India will be favoured with their patronage [Time expired]

*Adv J J S PRINSLOO Mr Chairman, this is a classic case where interests have to be weighed up against one another, because on the one hand one has the interests of South Africa in the tourist attraction of steam locomotives, and on the other hand, as the Minister has said, the interests of the farmers of the region

When I had a quick look at the value of this tourism, I was told that last year an estimated 1 000 tourists came to the Kimberley region with the sole purpose of seeing these steam locomotives in action The estimate of the city council of Kimberley is that each of those tourists spent about R250 per day In other words, when one looks at one day only, one is speaking of about R250 000 that can be earned solely as a result of that tourist attraction

The predecessor of the hon the Minister spoke here in Parliament on 3 March 1989, Hansard, column 2037, and made certain promises in this regard He said

> Steam safaris as well as short-distance steam excursions will be offered regularly The maintenance of the national steam locomotive collection will be divided among the Transport Services Museum and conservation groups and organizations Locomotives will be made available on a loan basis to local authorities, municipalities and other bodies for static display

He continued

269

> A railway line will be identified along which steam trains will in future be operated Along this railway line one will be able to see original station buildings, technical maintenance facilities, water tanks and so on.

He then spoke about a mechanism, a co-ordinating body and a group conservation advice council for this specific purpose [Time expired]

*The MINISTER FOR PUBLIC ENTERPRISES Mr Chairman, the hon member for Mooi River pointed out that this matter was not really raised by the DP because they disagree with the policy of Transnet To a large extent that also seems to me to be the case with the hon member for Roodepoort In other words we are on the same wavelength

I should therefore like to inform the House about the most excellent way in which Transnet is conducting various programmes to maintain steam transport in South Africa, also with a view to tourism and preserving a beautiful tradition

The fact that steam transport is no longer part of ordinary or normal transport does not mean that Transnet is not putting its hand deep into its pocket each year to promote the preservation of steam transport The latest calculations point to the fact that Transnet spends more than R5 million annually on the preservation of steam transport and other historic commodities

†Let me mention a few of Transnet's very commendable programmes in this field

Transnet has committed itself to preserving a number of steam locomotives, live and static, which we call the National Heritage Collection This collection consists of 85 historic engines, representing as far as possible our significant classes of engines In addition, 67 workhorses have been set aside to haul Transnet's prestigious steam safari trains which are run particularly for tourists This preservation programme alone is costing Transnet more than R2 million per year

To my mind Transnet is the only transport company in the world which spends so much money on steam preservation Transnet also operates the scenic George-Knysna line in order to preserve a museum line where tourists can come and view the trains in action

That is the project to which the hon member for Roodepoort also referred

Then there are the very important steam train safaris conducted by Transnet annually [Time expired]

Lt-Gen R H D ROGERS Mr Chairman, the hon the Minister has taken a lot of the wind out of my sails, but I shall go on nevertheless [Interjections] We all agree that Spoornet has now been commercialised and cannot keep steam engines going merely for sentimental reasons There is, however, a demand throughout the world, from tourists and visitors to South Africa, for the maintenance of steam, and we have a steady flow of visitors to this country, as has been said by previous speakers

A great deal is said about the promotion of tourism in this country, but not enough is being done to create facilities which can be enjoyed by visitors A greater use of our steam locomotives could be one solution to this problem Obviously this calls for co-ordination between various government departments and between the Government and private enterprise Spoornet could then provide the service on repayment from various other organisations

It is suggested that a small number of attractive and interesting routes should be selected—and this has already been mentioned by the hon the Minister—on which the necessary logistic support and infrastructure can be maintained and on which steam trains can be kept running Obviously, however, attractions other than the trains themselves must be provided *en route* in these areas The figures mentioned by the hon the Minister to keep this facility going are not so great that they cannot be recouped from our tourist industry

Cont

I should also like to mention that a great deal has been done to prevent the hazard of fires occurring from our steam trains. [Time expired] (269)

Mr W U NEL· Mr Chairman, the hon the Minister referred to Transnet being the only company in the world that spends so much money on its steam engines and steam lines The reason for that is obvious We are the only company in the whole world that has such a tremendous asset. We dare not burn our bridges in this regard If tourism is to be the economic saviour in the future, we must not damage its potential.

The recent history of steam locomotion in South Africa and on the railways is a sorry saga of broken promises, as the hon member for Roodepoort pointed out I shall not go into further detail on that score

I just want to say again that without a daily operational steam line the fanatics will not come to this country specifically to share in the experience of steam locomotion The De Aar-Kimberley line is the obvious and only line on which we can successfully operate the really heavy, big machines in our country We obviously cannot retain them everywhere [Time expired]

The MINISTER FOR PUBLIC ENTERPRISES Mr Chairman, I want to tell the hon member for Mooi River that South Africa is not the only country that has such a wonderful heritage, there are many other countries as well However, South Africa is the only country that cares to protect this heritage

There is an economic limit One can spend only so much on attracting tourists by way of steam traction If one spent more, one could rather consider spending that money in other directions to encourage tourists to come to this country

The hon member for Walmer asked whether enough opportunities were being created for steam enthusiasts I would say "Yes" Certainly the steam safari trains I referred to offer a wonderful opportunity for steam enthusiasts to come to South Africa, to enjoy steam locomotion, to relive the past by joining one of these safaris not only in South Africa, but across our borders We plan five safaris for this year, and it may interest hon members to know that four of these have already been totally sold out Of the people joining these safaris 80% come from abroad

Transnet is prepared to co-operate with any group or organisation who wishes to engage in steam preservation On this issue Transnet has just recently concluded a successful agreement with Necrail whereby the Alwal North-Barkly East line is now operated by this group on a steam traction basis with the co-operation of Transnet

Transnet is also making good progress with the construction of the first open-air transport museum in Newtown, Johannesburg, where the entire historic collection of steam engines and other historical items will be brought together

Debate concluded

QUESTIONS

†Indicates translated version

For oral reply

General Affairs

Mossgas project: original cost estimate

*1 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs

(1) (a) What was the originally budgeted cost estimate for the Mossgas project and (b) (i) what is the latest estimate for the final total cost of the project and (ii) in respect of what date is this estimate furnished,

(2) whether he will make a statement on the viability of the project? B557E

The MINISTER OF MINERAL AND ENERGY AFFAIRS

(1) (a) When the project was finally approved in April 1988 the total project cost was estimated to be R6 895 million Financing costs, working capital and operating cash losses during start-up, increased the peak funding estimates to R7 376 million

(b) (i) The latest estimate is that the total project cost will be R10 258 million and peak funding will be R12 000 million, provided the plant is commissioned without unforeseen problems

(ii) The latest estimate was prepared in September 1991 and is in money of the day terms

(2) The project is expected to provide a nominal internal rate of return of about 11% if an oil price of $19 per barrel in 1989 terms is maintained over the lifetime of the project. The viability of the project is sensitive to the price of oil, but an oil price as low as $12 per barrel, in 1989 terms (about $14 per barrel in current terms), will be sufficient to cover operating costs and the servicing of foreign loans.

I am sure the hon member will be interested to know that early last month the off-shore platform started production and that condensate and gas is now flowing on-shore, and these products are being used to commission the various components of the plant It is expected that commercial production of petrol should be achieved in the last quarter of this year

Mr R R HULLEY Mr Chairman, arising out of the hon the Minister's reply, may I ask whether the hon the Minister will confirm that the internal return of 11%, which he mentioned, excludes any kind of return whatsoever on the funds which the taxpayer has invested in Mossgas?

The MINISTER Mr Chairman, that is correct The hon member's point is correct

†Adv C H PIENAAR Mr Chairman, arising out of his reply to paragraph (2) I want to ask the hon the Minister who did this viability study in respect of the financial viability, because in the Brooks Report—by the way, it cost the taxpayer R1 million—it was mentioned that an investigation as to the financial viability had not been done as yet The report dealt only with the technical viability of the project I would like to know who did the financial viability study

The MINISTER Mr Chairman, the studies were done in conjunction with the Industrial Development Corporation and other experts in this particular field

HON MEMBERS Who?

The MINISTER The IDC and their advisers and experts, along with the Central Energy Fund itself So this project was fully researched by experts in the field before the decision was taken to proceed with it I would like to stress that this project was agreed to at a time when South Africa was under a strict boycott as far as oil was concerned, and the decision was primarily a strategic one Of course we are living in changing times, with the progress being made by way of the reforms of the hon the State President There is a chance that the oil boycott will be lifted, and that will, of course, mean that circumstances will change completely

†Adv C H PIENAAR Mr Chairman, further arising out of the hon the Minister's reply, I would like to know whether that report is going to be released, whether the Industrial Development Corporation, specifically, undertook the investigation and when we are going to see that report

The MINISTER Mr Chairman, if the hon member will permit me I will reply to that question in writing

Mr R R HULLEY Mr Chairman, arising from the hon the Minister s comments on viability and the fact that the decision was taken for strategic reasons, is the hon the Minister aware that a recent calculation indicates that the total capacity of Mossgas would have delayed the effect of a total oil cut-off by some four weeks—in terms of the usage of this country and the capacity of Mossgas? Is he aware of that report and is it correct?

The MINISTER I want to ask the hon member to give me a copy of that report I should like to study it It was Government policy that South Africa should be self-sufficient in terms of the production of liquid fuels up to the level of 40% of its annual requirements

Sasol initially gave South Africa that self-sufficiency As time progressed and the utilization of petroleum increased, that self-sufficiency declined When Mossgas comes on stream South Africa will again be 40% self-sufficient in the production of liquid fuels

†Dr P J GOUS Mr Chairman arising out of the hon the Minister s reply, I want to ask the following question. Is it not so that one of the primary considerations for Mossgas was to make the engineering industry, which had entered a period of depression in this country, once again a viable proposition and, secondly, to establish an

Cont →

Anger mounts as taxi operators rake in cash

(269) STAR 6/5/92

By Brian Sokutu and Thabo Leshilo

Taxi drivers are raking in the money as a result of the train boycott.

Many drivers stand to take in more than R2 000 each from passengers, amid rising anger over fare increases introduced on the eve of the six-day boycott, which entered its third day today

Drivers ignored yesterday's call by the Southern Africa Black Taxi Association to drop the taxi fare increase. Taxi operators in Senaoane, Soweto, this morning continued charging the higher fare of R3 to ferry passengers to Johannesburg.

One taxi operator said he was making nine trips daily in his 14-seater minibus from Soweto to the city This means the taxi operator could earn from R378 daily, or a possible R2 268 over the six-day boycott if he does not overload

Peter Matlaku of Protea, Soweto, in a letter to The Star, complained that taxi operators were "committing plain robbery with the fare increase they have introduced For example, an increase from R1,60 to R2,20 from Baragwanath to Protea and from Naledi Extension to the city is unreasonable"

The organisers of the biting Reef train boycott met the country's two major taxi bodies, Nafto and Sabta, yesterday in an urgent bid to win their support for the ongoing protest.

The meeting came after many commuters complained of the scant regard the organisers had given to the issue of alternative transport, especially their failure to persuade the taxi owners to postpone the fare increases

The boycott was called by the ANC, PAC, Cast, Cosatu, SACP, Nactu and the Institute for Contextual Theology

According to Spoornet southern Transvaal spokesman Ian Bleasdale, yesterday was "worse than Monday" and train occupancy rates had dropped to 10 percent on the Soweto line compared to 20 percent on Monday and the number of passengers on the East Rand routes stayed at between 40 and 50 percent.

ANC PWV spokesman Ronnie Mamoepa said at yesterday's meeting all local associations affiliated to the National African Federated Transport Organisation and the Southern Africa Black Taxi Association backed the boycott.

At the meeting it was said that the Soweto Sabta region, due to communication problems, would only be able to address the steering committee's request to reduce fares by up to 20 percent at a meeting in Dube, Soweto, today.

At the meeting, Randfontein Taxi Associaion accepted the request to reduce fares However, taximen at the Johanneburg-Randfontein taxi rank continued to charge passengers the higher fare of R5

Earlier, Sabta issued a statement appealing to all taxi operators "to continue observing the traffic regulations, not to overload and not to increase prices during this boycott".

● Sapa reports that Sergeant Paul Jansen Oosthuizen of the Unrest Investigating Unit in Katlehong told a committee of the Goldstone Commission yesterday that 48 people had died and 52 were injured in violence on trains in the Germiston area from July 1 last year to April 27 this year.

Johannesburg Chamber of Commerce and Industry president Stuart Morris also appealed to taxi associations not to increase fares.

"We appeal to taxi associations to recognise the difficulties faced by commuters and to consider suspending the implementation of fare increases," said Mr Morris

Train boycott strong as train occupancy drops to about 10%

B/Day 6/5/92

GAVIN DU VENAGE and KARIN FRANKEN 269

SUPPORT for the Reef train boycott appeared strong yesterday — the second day of the week-long protest.

A Spoornet spokesman said yesterday early trains — which were normally empty — were 85% full.

However, later trains became emptier, dropping to as low as 10% occupancy.

Sapa reports that a Putco spokesman said the bus company had to add 20 buses to deal with increased passenger levels which were 40% to 50% higher

The Spoornet spokesman said that after 5.30 am, passenger numbers began dropping to 20%. From 7 30 am, which usually marks the end of the peak hour, trains were down to about 10% full.

The spokesman said trains on the Daveyton line on the East Rand — which operated at normal levels on Monday morning — were about 70% full during peak hours.

Putco said yesterday it was operating at full capacity and could not cope with a 100% boycott

☐ In the first unrest incident involving a Reef train since the boycott started, shots were fired at a train on the East Rand at about 7 am yesterday.

A Goldstone Commission committee was told yesterday that violence on trains in the Germiston area claimed 48 lives and 52 people were injured from July 1 last year to April 27 this year.

Sgt Paul Oosthuizen said in most cases witnesses claimed they were attacked by Zulu-speaking men armed with AK-47 rifles and other dangerous weapons, and wearing red bands.

☐ Our Durban correspondent reports an SABC television cameraman was killed in the riot-torn Imbali township near Maritzburg yesterday as violence continued with threats from Inkatha to mobilise their forces if the ANC/SACP/Cosatu alliance did not end their stayaway by last night.

Durban-based TV news cameraman Hector Nkwanyana, of KwaMashu, was run down by a minibus while covering a march from an ANC meeting at the Wadley Stadium.

☐ Meanwhile, police fired teargas yesterday to disperse thousands of toyi-toying Imbali and Edendale residents attempting to march on the Maritzburg Magistrate's Court yesterday in support of 26 women charged with trespassing

The women had staged a sit-in at Maritzburg's Loop Street police station since Monday afternoon to demand that riot police, KwaZulu police and 32 Battalion soldiers be withdrawn from Imbali

Air strike hits SA flights

LINDEN BIRNS

STRIKING airport firemen in Frankfurt forced the airport's closure yesterday causing flights from SA and other countries to either be cancelled or diverted to other airports in Germany and Europe. B/Day

Lufthansa's flight from Johannesburg on Monday was diverted to Stuttgart and passengers were ferried by the airline's private train and coach service to Frankfurt. 6/5/92

Last night the airline's flight to SA was delayed in Frankfurt for more than five hours, and was expected to land at Jan Smuts Airport at about 1.30pm today. Tonight's northbound flight will leave on schedule, Lufthansa spokesman Karin Lambson confirmed

The firemen called a 24-hour strike in sympathy with German public service workers who are on a pay strike

Early this morning the firemen returned to their posts so that the airport could be reopened.

● See Page 6

Durban lobbies for major new international airport

(269)

B/Day 6/5/92

PETER GALLI

DISCUSSIONS are under way about a possible new multi-billion-rand airport for Durban, official sources said yesterday.

Durban mayor Gys Muller said several options were being considered including relocating Louis Botha Airport to La Mercy on the north coast. Another possibility was the upgrading of facilities at Louis Botha with a view to catering for all incoming flights from the Far East.

Research by the Durban City Council had shown that shifting Louis Botha to La Mercy was "quite feasible," but would probably only take place in the longer term, Muller said

One of the options being examined was the sale of the 440ha of land at the airport for industrial use. Payment for the land would be made upfront, with occupation only after the airport was moved to La Mercy.

"This would raise between R400m and R500m and would give us time to complete the airport at La Mercy, where government has already spent between R20m and R30m," he said.

Transport deputy director-general Japie Smit said: "Louis Botha Airport has its limitations and the life of an airport is dictated by the long-term capacity of its runway. It will never be possible, for example, to fit parallel runways at Louis Botha."

Discussions will be held on May 12 between Muller and Natal Administrator Con Botha to examine the possibility of the Far East flights landing at Durban before flying on to Johannesburg, Muller said.

"I have already met Transport Minister Piet Welgemoed and Public Enterprises Minister Dawie de Villiers in this regard and their response was very positive," said Muller.

However, Smit said that while this was "quite possible", the airlines would have to decide themselves whether this was what they wanted, based on market demand.

He added that the commercialisation, in principle, of all nine state airports was in the process of being investigated, with the findings of the report groups being studied.

"Present thinking is in the direction of an independent airport authority responsible for state airports. This will not be privatisation but commercialisation where the airport would have to become economically self-sufficient and use revenue generated for all refurbishment and improvements," he said.

The commercialisation of Air Traffic Services was also under consideration, but these matters still had to go before government and the Cabinet. However, the recommendations of the report groups would have to be discussed and a plan of action formulated before any decision was taken, he said.

Privatisation of Louis Botha had also been discussed, but this did not appear a viable option at this point It was more likely the airport would undergo an extensive upgrade and refurbishment, Muller said.

"A port like Durban should receive between 10 and 12 international flights a week. Government has to realise that in order to create jobs and stimulate growth, increased tourism is needed. To achieve this, money has to be spent on the upgrading of the airport so that it can cope with and service the increased demand," Muller said

Air strike hits SA flights

(269) (269) LINDEN BIRNS

STRIKING airport firemen in Frankfurt forced the airport's closure yesterday causing flights from SA and other countries to either be cancelled or diverted to other airports in Germany and Europe. B/Day

Lufthansa's flight from Johannesburg on Monday was diverted to Stuttgart and passengers were ferried by the airline's private train and coach service to Frankfurt. 6/5/92.

Last night the airline's flight to SA was delayed in Frankfurt for more than five hours, and was expected to land at Jan Smuts Airport at about 1 30pm today. Tonight's northbound flight will leave on schedule, Lufthansa spokesman Karin Lambson confirmed.

The firemen called a 24-hour strike in sympathy with German public service workers who are on a pay strike

Early this morning the firemen returned to their posts so that the airport could be reopened

● See Page 6

Durban lobbies for major new international airport

(269) B/Day 6/5/92

PETER GALLI

DISCUSSIONS are under way about a possible new multi-billion-rand airport for Durban, official sources said yesterday.

Durban mayor Gys Muller said several options were being considered including relocating Louis Botha Airport to La Mercy on the north coast. Another possibility was the upgrading of facilities at Louis Botha with a view to catering for all incoming flights from the Far East.

Research by the Durban City Council had shown that shifting Louis Botha to La Mercy was "quite feasible," but would probably only take place in the longer term, Muller said

One of the options being examined was the sale of the 440ha of land at the airport for industrial use. Payment for the land would be made upfront, with occupation only after the airport was moved to La Mercy

"This would raise between R400m and R500m and would give us time to complete the airport at La Mercy, where government has already spent between R20m and R30m," he said

Transport deputy director-general Japie Smit said· "Louis Botha Airport has its limitations and the life of an airport is dictated by the long-term capacity of its runway. It will never be possible, for example, to fit parallel runways at Louis Botha."

Discussions will be held on May 12 between Muller and Natal Administrator Con Botha to examine the possibility of the Far East flights landing at Durban before flying on to Johannesburg, Muller said.

"I have already met Transport Minister Piet Welgemoed and Public Enterprises Minister Dawie de Villiers in this regard and their response was very positive," said Muller.

However, Smit said that while this was "quite possible", the airlines would have to decide themselves whether this was what they wanted, based on market demand.

He added that the commercialisation, in principle, of all nine state airports was in the process of being investigated, with the findings of the report groups being studied

"Present thinking is in the direction of an independent airport authority responsible for state airports This will not be privatisation but commercialisation where the airport would have to become economically self-sufficient and use revenue generated for all refurbishment and improvements," he said

The commercialisation of Air Traffic Services was also under consideration, but these matters still had to go before government and the Cabinet. However, the recommendations of the report groups would have to be discussed and a plan of action formulated before any decision was taken, he said

Privatisation of Louis Botha had also been discussed, but this did not appear a viable option at this point It was more likely the airport would undergo an extensive upgrade and refurbishment, Muller said

"A port like Durban should receive between 10 and 12 international flights a week. Government has to realise that in order to create jobs and stimulate growth, increased tourism is needed To achieve this, money has to be spent on the upgrading of the airport so that it can cope with and service the increased demand," Muller said

R130 000 a day lost in rail boycott

(269)

STAR 7/5/92

By Peter Davies and Thabo Leshilo

The train boycott to protest against the carnage on Reef commuter trains is costing the South African Rail Commuter's Corporation R130 000 a day

A spokesman for the Metro Division of the SARCC said today. "We can only determine exact figures later, but based on the premise that passengers would have bought weekly tickets, we estimate a daily loss of R130 000 in fares alone."

The boycott entered its fourth day today, and early morning trains from Soweto — the area which has borne the brunt of train slaughters — were running at just five percent of capacity.

Trains from the East Rand township of Tembisa were at 50 percent capacity, while trains from Randfontein were 70 percent full.

With passengers forced to resort to alternative transport, some commuters have accused taxi owners of cashing-in on the boycott. Taxi fares rose as much as 70 percent three days before the protest began.

The Train Boycott Steering Committee met the Southern African Black Taxi Association representatives yesterday to address the problem.

Later today, taxi operators and owners will meet to discuss the steering committee's request to reduce taxi fares by 20 percent and suspend all fare increses until the boycott ends on Saturday.

The boycott was called for by the ANC, SACP, PAC, Cosatu, Nactu, the Human Rights Commission and the Civic Associations of the Transvaal.

The Inkatha Freedom Party and the IFP-aligned United Workers' Union of South Africa have urged their members to defy the boycott, saying they were not consulted in its planning.

Hostel resident killed

A resident of Kwamasiza hostel near Sebokeng was shot dead with an AK-47 outside his room yesterday.

Wandile King (25) died shortly after being admitted to the Sebokeng Hospital, police said.

A 43-year-old man was arrested in connection with the killing. — Vereeniging Bureau.

SAA wings its way to Cairo

(269)

STAR 7/5/92

CAIRO — A flight by South Africa's national carrier landed in Cairo yesterday, for the first time in 29 years

An SAA 747 made the non-stop flight from Johannesburg in 6½ hours with 155 passengers. The airline will operate a weekly flight to Cairo. Egypt started improving relations with South Africa after the dismantling of apartheid began — Sapa-Reuter

Speed seen as SA's biggest road problem

(269) ARG 7/5/92

Staff Reporter

TRAVELLING too fast is the single biggest behavioural problem among drivers, says a report by the Human Sciences Research Council.

In a road safety study, the HSRC found that more than 11 000 people died on South Africa's roads every year

Most drivers were in the 18- to 24-year age group and human error was responsible for 90 percent of accidents

The study also found that 60 percent of people thought they drove better than average, while 47 percent "usually" exceeded the speed limit.

A further 42,2 percent made excessively wide turns and 40,6 percent had ignored traffic rules once or more than once.

Impatience caused 49,3 percent to take unnecessary risks

Portnet gets 53,7% budget boost

B/Day 7/5/92

MADDEN COLE

(269)

TRANSNET'S record capital expenditure budget of R206m, approved yesterday for its Portnet division, is 53,7% higher than last year's R134m and reflects SA's increasing international trade.

A Portnet spokesman said increased traffic was expected at SA's main harbours as a result of a rise in exports and imports Harbours were being upgraded in anticipation of this.

A Portnet statement said R90,6m of the budget was for new projects and equipment, and R115,8m to upgrade existing facilities.

Part of the allocation will go to the construction of a chemical tank farm in Cape Town harbour.

In Port Elizabeth, construction is expected to start on a new ro-ro (roll on/roll off) shed for container vessels.

Durban is to gear up for the handling of increased container traffic Construction of a steel terminal is envisaged, pending negotiations with key exporters. Major Richards Bay expenditure will go on an additional berth and facilities for products requiring shed storage.

An additional onloader will also be required for the handling of breakbulk cargo such as fertiliser, potash, rock urea and sulphur

AIRLINE DEREGULATION

No more free rides

FM 8/5/92 (269)

Government's liberalisation of its international air policy is a clear signal that SA Airways is no longer a sacred cow That's good news for the would-be flying public and tourism officials who have always complained that the protection surrounding SAA hurt them

But don't rush out and try to buy a cheap seat yet The new civil aviation policy announced last week has a "double disapproval" clause that kills a proposed fare if both SA and the country at the other end of a flight agree to reject it So SA and the UK can veto the promotional R500 SA-London one-way tariff that Richard Branson says he will offer when Virgin Atlantic Airways gets off the ground here.

Yet there's no doubt that increased competition and a higher supply of seats will help to bring down prices and bring in more tourists. Transport Minister Piet Welgemoed's announcement on international deregulation is a follow-up to last year's policy that broke down the barriers guarding SAA against competition on the domestic market That encouraged the creation of Flitestar, which is already operating on several major routes Later this year Bass Air will fly the Midrand-Durban route

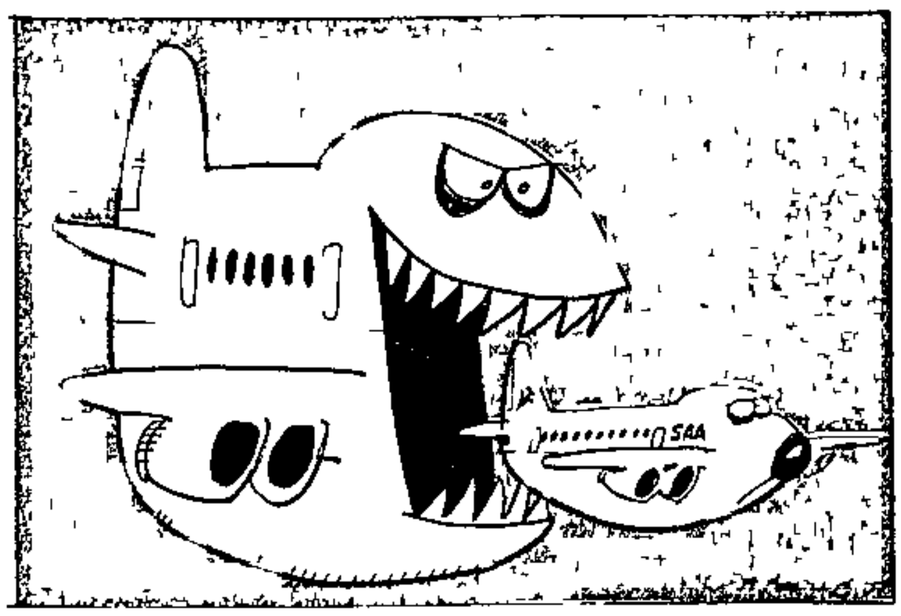
Welgemoed's policy, which has been approved by the Cabinet, has removed the last barrier protecting SAA against the cruel outside world Parts of the policy will be implemented immediately, the rest will be encapsulated in an Act to be tabled in parliament next year

SAA's survival now depends on how it copes with competition It can no longer rely on the one-on-one clause in bilateral agreements, which mandated that it would operate the same number of flights per week that its pool-partner airlines operated All new agreements will contain the 60-40 clause, which will give government, and any other government with which it has signed a bilateral agreement, the right to increase the frequencies of their carriers' flights by 50%, without having to consult the other

For example, the British government will be entitled to increase British Airways' present number of weekly flights from the UK to SA from 10 to 15, or allow Virgin, for instance, to operate those extra five flights — even if SAA decides to stay with its 10 flights per week

SAA, a subsidiary of government-owned Transnet, will also lose its status as the country's sole national carrier Welgemoed aims "to allow all SA airlines to enter the international market freely on new and existing routes, subject to economic conditions"

Despite the double disapproval rule, tariff control is also greatly deregulated This will



allow airlines more room to compete on fares and should spur traffic SAA has also largely lost its battle against charter flights, which had been allowed in only when SAA and its pool partners could not meet demand Welgemoed agrees that "the current policy is far too restrictive."

He is prepared "to freely allow charter flights for the transport of tourists within a broad upper limit, to stimulate trade and tourism, and to freely allow charter flights for the transport of cargo and passengers to and from countries between which no scheduled air services are now being operated, to stimulate the development of new air links"

The commercialisation of SAA is certainly being handled very differently to the privatisation of Iscor Iscor kept its almost airtight protection from imports, which enabled government to collect a handsome price in the sell-off two-and-a-half years ago But exposing SAA to competition could cut its market share and may lose government a fortune if it is ever privatised Of course, the jobs and other economic benefits of deregulation far outweigh any money lost in an eventual sale

In any event, it's possible SAA might not survive deregulation though it is stronger than many government-owned airlines around the world, which exist on subsidies SAA isn't subsidised and it has lost R60m in each of the past two years, which it attributes to the recession, increased competition and deregulation

Even private airlines flounder when suddenly faced with deregulation Of the top 10 airlines in 1978, when the US deregulated its domestic air industry, three have gone out of business, two are in bankruptcy court, and two were swallowed up by rivals The No 1 US airline, United, has fallen to fourth

SAA's competition isn't as fierce, but it's growing Apart from several local airlines, including Flitestar, that want to fly internationally, there are already 30 carriers flying into SA, and government is negotiating with another 25 who want to descend

SAA can fight back by becoming a leaner, fitter operation Does it really need to employ 800 or so people at a 21-storey head office in Johannesburg, in addition to its personnel at the coalface, such as pilots and flight attendants?

Welgemoed has exposed SAA to this threat because he is looking at tourism, which has the potential to earn vast amounts "I have done everything I can with the new air policy to stimulate the economy and tourism It's now up to the other players to take the ball and run. It's up to the people in Cape Town and Durban to take full advantage of their cities being declared ports of entry"

Will his policy pay off in the long run? Most definitely, says Jenny Kearney, of Singapore Airlines' Johannesburg office "Singapore is a tiny island with a population of 3m. We believe in a completely open-skies policy and allow 52 foreign airlines to fly in and pick up passengers Our ratio of tourists to population is 8 1"

Chris de Kock, of the Southern Sun-Holiday Inn group, says: "It must increase foreign tourism All new airlines flying in will have to market SA in their own countries if they want to survive"

Protea Hotel group MD Arthur Gillis says. "The hotel industry will be able to cope with an influx of tourists It's operating with a 51% vacancy factor, and foreign tourists account for only 8% of its occupancy And for the first time in years new hotels are coming on the scene, in Midrand, Sandton and Rosebank" ■

FARM IMPORTS FM 8/5/92

Droughts and windfalls

The drought has knocked farmers flat on their backs, threatened rural economies and raised prices for consumers But, amid all the losers, there is one winner: government

The fiscus could collect a windfall of more than R200m from imports of maize and soya oil-cake needed to offset the crops lost to the drought Government could make R138m by importing maize at the cheap world price and selling it at the higher local price, which is set by the Maize Board for all maize sold in the country

And it should collect another R70m-R80m from the tariffs it charges on imports of soya oil-cake for the animal feed industry. The R200/t tariffs were imposed a few years back to "protect" local soya producers Little, if any, soya cake is ever imported. But now government and local oil expressers,

cont →

The new Mandela residence in Lower Houghton, for which the ANC paid R500 000. Picture BRIAN HENDLER

Transnet fund invests on JSE

B/Day 8/5/92

LINDA ENSOR

CAPE TOWN — The Transnet Pension Fund would invest between R500m and R1bn on the stock market and about R500m in property development this year, MD Anton Moolman said yesterday

While R2bn was available for share investments and R800m for property investments, Moolman did not think the JSE and the property market had the capacity to absorb such large amounts of money

He said at end-March 1992 the pension fund had invested R300m in property and R3,3bn in shares

The aim was to have 55% of the fund invested in shares, 10% in property and 35% in cash and stocks

The actuarial shortfall of the fund was R8,5bn at end-March 1991 Strategies to address this shortfall included partially funding the fund by issuing it with Transnet stock, increasing contributions to the fund and channelling future profit into the fund

It would be possible to solve the problems of the pension fund by 2000

Moolman said it was unlikely that Transnet had made a profit in the year to end-March 1992 — the figures were still being audited — and had either broken even or made a slight loss He expected difficult conditions this year.

Number of jobs 'will shrink again this year'

B/Day 8/5/92

LINDA ENSOR

CAPE TOWN — Prospects for job seekers this year remain gloomy as employment in the non-agricultural sector is forecast to fall a further 0,9%, says Stellenbosch University's Bureau for Economic Research director Ockie Stuart in an analysis of economic trends

This follows last year's estimated drop of 2,1% in the number of jobs

The ability of the formal sector to absorb labour had declined from 97% in the sixties, to 72% in the seventies and to 22% in the eighties Between 1985 and 1990 the level of absorption was 7% Stuart forecast a growth of 0,8% in employment next year

"Consumer spending is forecast to recover rapidly from the fourth quarter of 1992, and to continue doing so during the remainder of the forecast period (the end of 1993)," Stuart said. He forecast an average growth rate of about 0,5% for 1992 and 4% in real terms for 1993

The upturn in world trade towards the end of the year would raise merchandise export earnings by about 12,3% in the second half of the year compared with the 4% in the first half, to give an average for 1992 of 8,8% In 1993 export earnings were projected to grow by 22% as SA benefited from a rise in commodity prices

Prospects for gold were bleak, with an average gold price of $350,00 forecast for 1992 and $375,00 for 1993. Net gold export earnings for 1992 could be 4,1% above last year while 1993 should see a growth of over 13% due mainly to the anticipated depreciation of the rand.

A 7,6% depreciation of the rand against the dollar was predicted for this year and 4,6% for next year

Stuart forecast a substantially smaller surplus on the current account of the balance of payments of about R4,5bn due to the need to import maize

An average inflation rate of 14% was forecast for 1992 and 12,5% for 1993 Stuart said the estimated 14,5% increase in wages this year and 15,5% next year would contribute to the high inflation rate.

An 8,4% average decline in durable goods expenditure was forecast for this year with a substantial recovery likely early next year A significant recovery of semi-durable goods expenditure was projected for the last quarter of 1992.

Real gross domestic fixed investment by the private sector, which showed a decline of 6,5% in 1991, is forecast to decline again this year. Next year, however, it should show an increase

Residents dismiss reports of Malawi coup

JONO WATERS

BUSINESSES in Malawi's commercial and industrial city Blantyre had been ransacked by discontented workers over the past two days, residents said yesterday

They said the looting was not politically inspired and reports of a coup in the country were incorrect Sapa reported that diplomats in Malawi had said at least 10 people were killed in the unrest, which had spread to the capital Lilongwe Stores belonging to President Hastings Banda were particularly targeted B/Day 8/5/92

The unrest was apparently triggered by a wage strike earlier in the week by about 3 000 textile workers at the David Whitehead and Sons factory The situation worsened when thousands more workers took to the streets on Wednesday.

The army set up roadblocks outside Blantyre and ordered workers to return home Sporadic shooting was heard.

Sabta cuts taxi fares in support of train boycott

B/Day 8/5/92 (269)

GAVIN DU VENAGE

MINIBUS taxi fares would be cut by 20% today in support of the week-long train boycott, Sabta said yesterday,

Boycott steering committee spokesman Ronnie Mamoepa said he "applauded the move" taken by Sabta and nine affiliates operating in the Soweto region Sabta also agreed to relax demarcation agreements and "encourage" people with their own vehicles to transport workers.

Commuters will pay between 20c and 50c less a trip

Mamoepa said Spoornet had complained that the boycott, called in protest against violence on trains, "was hurting" and had asked the committee to call it off

Spoornet reports that Soweto trains were virtually empty yesterday, with other lines having lost from a quarter to half their normal number of passengers

Police said two people were injured when they were thrown from moving trains at Booysens in Johannesburg and Kutalo Station, on the East Rand

Police also reported that an extensive anti-crime operation was launched in Phola Park squatter camp yesterday afternoon They were searching for weapons and stolen vehicles, a spokesman said

Sapa reports that in a raid on the Klipspruit squatter camp yesterday morning police arrested a man they believe to be involved in the killing of narcotics detective Sgt Raymond Maritz last weekend.

Nine people, including two youths who were necklaced, died in political violence on Wednesday, police reported.

Three people were killed in Soweto on Wednesday and in another incident, five men wielding knives attacked a Meadowlands woman, injuring her.

Unknown attackers opened fire on a home at Zindingini in the Table Mountain area of Natal and killed four people.

The necklaced youths were found dead at Mangwangeni location in Bulwer, Natal.

Meanwhile, the ANC yesterday welcomed news of the OAU violence monitoring group's visit to SA next week

Inkatha Freedom Party president Mangosuthu Buthelezi has appealed to his party and the KwaZulu legislature to do everything to assist the delegation

The CP has strongly objected to the visit saying it was "an assault on the sovereign integrity" of SA.

Waste disposal rivals in court

B/Day 8/5/92

SUSAN RUSSELL

ALLEGATIONS of industrial espionage and the unlawful use of confidential information were made in a dispute between two rival waste and toxic effluent disposal companies which came before the Rand Supreme Court yesterday.

Waste-Tech (Pty) Ltd is seeking a series of interim orders against its rival Wade Refuse which it claims is using confidential analytical data and customer information supplied by a former Waste-Tech employee.

Wade Refuse denies it is using confidential information and claims Waste-Tech is attempting to crush competition in what had been a monopoly

The matter, which resumed for argument before Judge L Serrurier yesterday, began in March when Waste-Tech obtained a court order in camera against its rival

In terms of the order granted by Judge L Lazarus, the deputy sheriff was authorised to seize documentation from Wade Refuse which Waste-Tech claimed was confidential information. The court also granted temporary interdicts preventing Wade Refuse from using the information

The case resumed for argument yesterday with Waste-Tech seeking further relief pending the outcome of a court action for final orders and the institution of action for damages

Waste-Tech counsel B Nugent SC told the court that former employee Alistair Gillespie resigned in April last year and went to work for Wade Refuse

Gillespie subsequently approached chemist Steven Elliot, who was in charge of Waste Tech's laboratory, and asked him for certain documentation and information relating to waste disposal, its analysis as well as customer information.

Elliot did this over a number of months, Nugent said, and received money before resigning in December and going to work for Wade Refuse In February Elliot fell out with his new employers and was dismissed

He then went back to his former employers and told them what had happened, Nugent said

Elliot, a British citizen, alleged that after he was dismissed by Wade Refuse he had to sign a restraint agreement, undertaking to leave SA and not return for three years

Nugent submitted yesterday there was prima facie evidence that Wade Refuse was using information and analytical data belonging to Waste Tech to compete unlawfully with its rival.

Argument continues today

Taxi fares to be cut until boycott ends

STAR 8/5/92

By Peter Davies (269)

Soweto taxis have finally decided to cut their fares by 20 percent today — only a day before the end of the six-day boycott to protest against Reef train massacres.

The Train Boycott Steering Committee met the Southern African Black Taxi Association (Sabta) Soweto region representatives yesterday, and it was agreed that fares would be cut by 20 percent from this morning until the boycott ends at midnight tomorrow.

Sabta's Moferefere Simelane said his association would ensure all taxi drivers were notified of the reduction in fares.

Some commuters have accused taxi owners of cashing in on the boycott. Taxi fares rose as much as 70 percent just three days before the protest began.

Mr Simelane said the fare increases had been implemented before the dates of the train boycott were known

"If we'd known the dates, we could have delayed the increases. I know it looks bad"

Cosatu's Amos Masondo said the boycott may be extended.

"We will evaluate the progress after Saturday, and a decision will be taken then."

The ANC's Ronnie Mamoepa said unless the Government took "decisive action" to address the train violence problem, the community would be forced to adopt further "extreme measures" to ensure its own protection and safety.

A spokesman for the metro division of the South African Rail Commuters Corporation said yesterday "We can only determine exact figures later, but based on the premise that passengers would have bought weekly tickets, we estimate a daily loss of R130 000 in fares alone"

OAU mission to investigate violence in SA

STAR 8/5/92

By Esther Waugh
Political Reporter

In what is being seen as a breakthrough for foreign involvement in South Africa — although limited — an Organisation of African Unity mission is arriving in the country next week to investigate township violence.

The five-man delegation, which comprises members from Algeria, Congo, Uganda and Zimbabwe, will be led by Nigerian Foreign Minister Major-General Ike Nwachukwu.

The ANC and Inkatha Freedom Party have welcomed the announcement that the task group will visit the country, while the Government has said it "was prepared to request the relevant South African authorities to assist the team in making an assessment"

Conservative Party spokesman on foreign affairs, Tom Langley, strongly objected to the visit, saying it was "an assault on the sovereign integrity" of South Africa.

"The visit of the OAU is an ANC plan and an invitation to intervention in South Africa's domestic affairs," he said.

Foreign Minister Pik Botha said that while the Government was opposed to any form of foreign control of the South African security forces, it was not opposed to bona fide missions visiting the country to inform themselves of the facts.

"Not only has the SAP nothing to hide, but it would welcome an objective assessment of the facts and realities surrounding the violence," he said.

The matter had been discussed between President de Klerk and Egypt's President Hosni Mubarak in Windhoek on March 20 1990 and was again raised during discussions between the State President and the Nigerian head of state and OAU president, General Ibrahim Babangida, in Nigeria last month.

In its reaction, the ANC noted that an estimated 15 000 people had been killed as a result of violence, but efforts to expose the source of the violence had met with limited success.

The ANC earlier called on the international community to send independent monitoring groups to South Africa with the specific task of observing and investigating the violence.

The OAU group would complement efforts by the National Peace Committee and others to put an end to violence.

IFP leader Chief Mangosuthu Buthelezi has appealed to his party and the KwaZulu legislature to do everything to assist the OAU group.

Chief Buthelezi said: "We are totally opposed to international monitoring teams during the process of negotiations."

But he supported the visit notwithstanding a concern that the OAU regarded the ANC and PAC as representing all black South Africans.

His other concerns were that the ANC and PAC had training camps in some of the member states of the OAU and that the IFP had never been able to give its version of the violence to the OAU.

Creditors 'seeking Chiavelli's fall'

By Susan Smuts

Oil tycoon Marino Chiavelli's creditors were trying to bring about his fall and that of his companies by "keeping up the pressure" with concurrent litigation in Italy and South Africa, the Rand Supreme Court

Mr Levin said if Orconsult had a proper case, it should "marshal its facts" and bring a proper application

Mr Justice R T van Schalkwyk dismissed the application with costs, and stood the matter down until today

A Mostert SC appear

had numerous assets, he could not find the "small change" to pay Orconsult, Mr Mostert said

Referring to Dr Chiavelli's affidavit, he said Dr Chiavelli's net assets were R67 million, and those of Marchia Eastates were R65 million.

Dr Chiavelli had taken

Mostert said.

Mr Levin quest whether the "true son" for the postp ment had been e lished. A lot of m was involved, serio legations of insolv had been made ag "a man of means a public figure", he sa

Cashing in on famine relief transport

(209) CT 8/5/92

TRANSNET expects to make "a humble profit" from transporting the 8,5m tons of imported maize earmarked as famine relief to drought-stricken southern African countries, Transnet MD Dr Anton Moolman said yesterday.

Dr Moolman said the SA transport company would be charging its normal rail freight tariffs

He said the World Health Organisation and recipient countries would be "financially involved"

He added that 356 000 tons of imported maize had arrived in SA on Wednesday of which 184 000-tons was earmarked for SA, 55 000-tons for Zimbabwe and 2 000-tons for Zambia.

● Meanwhile, the future of Zimbabwe's vital maize haulage operation hangs in the balance after SA Transport Ministry officials returned to Pretoria on Wednesday without reaching agreement on road permits.

Sources in Harare said that at his meeting in Cape Town in April with Transport Minister Dr Piet Welgemoed, Zimbabwean counterpart Denis Norman agreed that to meet the national food emergency Zimbabwe would waive its commitment to haulage rules applied by the Southern and East African Preferential Trade Area guaranteeing SA contractors at least one third of the maize lift undertaken by road.

The SA participants were also pledged payment in hard currency, such as rands or sterling.

Strong support for train boycott

Dissatisfied Soweto commuters, tired of train violence, showed their anger this week by boycotting trains — despite the hassle of alternative transport.

By LINDA RULASHE

TRAIN officials paid the price this week for failing to end the carnage on Reef trains as the boycott called by political, civic and religious organisations "enjoyed massive support"

The boycott — due to end tomorrow — resulted in peak-hour trains travelling with as low as five percent capacity on the Soweto line, which has borne the brunt of the slaughter

More boycotts or other "extreme measures" are likely, announced the Train Boycott Steering Committee yesterday, unless decisive action is taken to ensure commuters' safety and protection

A member of the TBSC said "The loss incurred by Spoornet is a message that the estimated 80 percent black passengers using their service have had enough

"Support for the boycott was a reflection of the suppressed anger passengers have had for the lack of concern train officials showed in ensuring their safety"

The spokesman added it was also important to note that the boycott had continued despite the high cost of alternative transport for commuters

According to Spoornet's southern Transvaal spokesman Ian Bleasdale, the situation on commuter trains progressively worsened during the week Occupancy rates dropped on Tuesday to 10 percent on the Soweto line, compared to 20 percent on Monday The number of passengers on East Rand routes was between 40 and 50 percent

On Wednesday morning, Soweto trains were reportedly carrying only five percent of their normal passenger load, but other lines such as those on the East Rand and West Rand enjoyed peak-hour rates of 75 to 80 percent

The cost of the boycott has been estimated at R130 000 a day by a spokesman for the Metro Division of the South African Rail Commuters Co-operation

The boycott followed a six-day sit-in by nine community leaders at the Spoornet head offices in Johannesburg last week, which culminated in an undertaking by railway authorities and the Ministry of Law and Order to implement increased security measures on trains

Despite the undertaking, organisations such as the African National Congress, Pan Africanist Congress, the Civic Associations of the Southern Transvaal and the South African Communist Party pressed ahead with the boycott.

Other organisations calling for an end to the violence which has plagued Witwatersrand trains since September 1990 include the Human Rights Commission, Congress of South African Trade Unions, National Council of Trade Unions, South African Council of Churches and the Institute for Contextual Theology

The Inkatha Freedom Party and the IFP-aligned United Workers' Union of South Africa, however, urged their members to defy the boycott, saying they had not been consulted in its planning.

As the boycott appeared to gather strength on Tuesday, commuters had to jostle for places on buses and taxis Taxis did a roaring trade and many commuters accused taxi owners of cashing in on the boycott by raising fares by as much as 70 percent three days before the boycott began on Monday.

However, the TBSC spokesman countered these accusations "We do not believe that prices were raised to coincide with the boycott," he said, explaining that there had been communication problems between the South African Black Taxi Association (Sabta) and its members about waiving the increase this week

ANC PWV spokesman Ronnie Mamoepa said local associations affiliated to the National African Federated Transport Organisation (Nafto) and Sabta had backed the boycott at a meeting to solve the problem on Monday

An announcement was finally made yesterday to the effect that taxi fares would be reduced by 20 percent

Wynand Burger, chief executive officer of the South African Rail Commuters Co-operation, said the boycott was unnecessarily "charging emotions and creating conflict areas"

In a statement, he implored the TBSC to "join hands and jointly search for solutions" to the ongoing commuter violence in the Witwatersrand

Burger added that the boycott brought unnecessary hardship to the major portion of commuters who wished to go about their "normal way of life unhindered We from the Metro side, with the security forces, are doing everything in our power to afford commuters safe and comfortable transport by train"

Reporting on the effectiveness of the boycott, Burger said the initial low occupancy levels during the Monday morning peak hours — particularly on the Soweto and East Rand Leralla train services — were followed by larger numbers of commuters using the afternoon services

Meanwhile, problems faced by the police in curbing the train violence were highlighted this week before a committee of the Goldstone Commission in Pretoria

Commanding Officer of the Internal Stability Unit in Soweto, Colonel Alexandra Stapelberg, said it was impossible to search for dangerous weapons during rush hour when about 358 000 commuters entered or left the stations As a result, normal policing could not be applied at rush hour

The committee — which is investigating the train violence — also heard that the main problem police faced was that witnesses and complainants failed to come forward and give statements in most cases

Newspaper reports, however, indicated that they spoke to reporters instead

Colonel William Benn, head of the investigating unit on train violence in the Johan-nesburg and Germiston areas, said "It has been difficult for the police to investigate most of the cases because witnesses just disappear without a trace"

Benn accused injured commuters of giving names and addresses to the police at the spot but later registering under other names at hospitals

Asked by committee chairman Gert Steyn whether it was possible to acquire statements from these injured people in hospital, Benn replied that the police were told in most instances it was the patient's privilege to decide whether to lay a charge or not

In other incidents, witnesses approached by investigating officers said they had already given statements to their representatives and refused to give the police information

This was despite Benn's appeals to the public on Radio Metro and his offer of a R20 000 reward for information leading to any arrests and convictions

So far the police had received public help on only three attacks, he said As a result, only one man had been jailed for seven years Charges were dropped in the second case, while the third case was still under investigation

Asked by counsel for the ANC/-SACP/Cosatu alliance, Gys Rautenbach, why he thought witnesses were not coming forward, Benn replied "I don't know People have immediately come forward when a R10 or R100 reward was being offered for information for lesser crimes such as robbery"

Train boycott enters its fourth day

Sowetan 8/5/92

(269)

THE Reef train boycott remained fairly effective yesterday morning as it entered its fourth day, with an almost 100 percent support on the Soweto line

A Spoornet spokesman reported that until 7am, the Kwesine (Germiston) line was only carrying about 15 percent of its normal passenger load and Soweto about five percent

Other sections such as Tembisa had peak-hour occupancy rates of about 50 percent, Daveyton between 60 and 65 percent and Randfontein between 45 and 70 percent

The boycott was called by major black organisations to protest against the on-going violence on trains

● Soweto taxi fares will be reduced by 20 percent tomorrow in sympathy with the train boycott, the Train Boycott Steering Committee announced yesterday. - *Sapa*

of respect for him.

this time of my life."

cent to 30 percent.

Law on licences 'long overdue'

(269) ARG 9/5/92

DI CAELERS, Weekend Argus Reporter

TRAFFIC authorities countrywide have unequivocally welcomed the government decision forcing motorists to carry their drivers' licences at all times from October 1

The direct result, they say, will be the elimination of half a million illegal drivers' licences, more effective law enforcement and, ultimately, a reduction in the thousands of annual road deaths.

"It's long, long overdue. We've been asking for this for many years," said Cape Town traffic manager Mr Wouter Smit.

Transport Minister Dr Piet Welgemoed said the law should be phased in a "user-friendly manner" and include an educational programme. He said a cut-off date should be set and he envisaged that drivers' licences would be separate from identity documents.

The move made good economic sense, said a spokesman for the Automobile Association of South Africa (AA) "A huge amount of taxpayers' money goes into warrants of arrest which are issued as a result of false names and addresses given to traffic officers.

"This (new) way, law enforcement officers will be in a position to instantly identify alleged offenders and to check their past records. An added advantage is that accident victims would be easily identified."

The AA has called on authorities to speed up the process of separating drivers' licences from identity documents and the issue of a driver's licence token

Mr Eric Wise, director of the Directorate Road Traffic Safety, told Weekend Argus the driver's licence "formed the heart" of the information system, which, in turn, was crucial to the traffic law enforcement system "To be able to practise law enforcement adjudication properly, a proper register and proper identification is essential."

Although the compulsory carrying of drivers' licences would go a long way towards improving road safety, it would not be the "magic wand" to stamp out all problems.

"For years, people have driven around feeling safe in their anonymity. This is what will change The risk of being identified and caught will become much higher," said Mr Wise

LONELY WAIT . . . This woman is all alone as she waits for a train at Merafe station, Soweto, during this week's rail boycott to protest against the train killings which the government seems powerless to stop. ■ Pic: TLADI KHUELE

Train boycott is suspended

THE six-day boycott of trains by commuters on the Reef to protest against ongoing violence was suspended with effect from midnight yesterday, the Boycott Steering Committee said. C/Press 10/5/92

The committee said yesterday that the boycott had been successful, although it was not expected to bring an immediate end to the carnage.

A meeting of all organisations involved in the boycott would be held next week to review and plan future steps regarding the issue.

The committee said it was overwhelmed by the "unprecedented, historic and significant support"

The committee said the community's support was a signal to the government and Transnet that "unless drastic action is taken to end the carnage on trains and in our communities . . our people will be driven to take extreme measures".

The boycott was opposed by the Inkatha Freedom Party, which has in the past been blamed for allegedly colluding with security forces in fanning the violence. – Sapa

■ See Page 4

Security the priority – Goldstone

SECURITY and the upgrading of railway stations to minimise the current violence on trains is the main priority of the South African Rail Commuter Corporation (SARCC), a Goldstone Commission committee heard in Pretoria on Friday.

A senior general manager of the SARCC, Dr Jacobus Meyer, told the committee, chaired by Gert Steyn, that his company was in the middle of a five-year-plan and that progress was already visible.

He was positive that within the next two months studies on more effective ways to curb violence or criminal activities on trains would be completed.

Meyer said his company was also considering installing closed-circuit TV in coaches to monitor criminal or violent activities. C/Press 10/5/92

He said a task group made up of the SARCC and the SAP was established in March to look into the possibility of forming an SARCC police unit.

Meyer added his company was "visited" by members of the community in connection with the safety of commuters on stations and trains.

Among others the PAC's Benny Alexander had visited him and brought suggestions to curb violence on trains and stations.

Move to promote Zulu battle sites

LINDEN BIRNS

THE KwaZulu Monuments Council has approached the private sector to help promote the tourism potential of Anglo-Zulu War battlefields.

The scheme involves the construction of an overnight lodge where military and history buffs will be able to stay while visiting Isandlhwana, where Zulus defeated the British in 1879 to become a household name in the UK.

Rorke's Drift, the Fugitives Trail and other historical sites are also involved.

Council director Barry Marshall said last week that the lodge development had been put on hold until August, when potential developers would be invited to attend a council workshop on the project.

He said there were only two broad requirements regarding the development — that any buildings did not detract from the ecology or the historical significance of the site, and that developers involved the local Mangwebuthanani tribal authority which made the land available.

The proposed lodge would be built on a slope overlooking the Isandlhwana battlefield, Marshall explained.

He said a large percentage of visitors to the area came from abroad.

Although the battlefield has been declared a national monument by the KwaZulu Monuments Council, the KwaZulu authorities did not have sufficient funds to cover proper restoration and maintenance, and had other priorities.

The council had therefore decided to involve the private sector.

Train boycott 'a rolling success'

B/Day 11/5/92 (261)

GAVIN DU VENAGE

THE week-long Reef train boycott in protest against violence on trains was "a rolling success", boycott steering committee spokesman Ronnie Mamoepa said yesterday

He said the support shown by commuters transcended political and ideological boundaries It was significant that no reports of intimidation or damage to property were recorded, said Mamoepa This indicated that people were not forced to boycott.

"We have made violence expensive" he said, adding that Spoornet had "complained bitterly" that the boycott had cost it R130 000 a day Should the demands that formed the thrust of the boycott not be met, another boycott could be launched

He said government and Spoornet had agreed to prevent armed commuters from entering stations, fence off all stations and install added security as well as place TV cameras in all coaches

The boycott was supported by the ANC, PAC, Cosatu, Nactu and the Civics Association of Southern Transvaal

Meanwhile, police said yesterday three men were killed and two wounded in separate unrest-related incidents in Soweto townships

Sapa reports the bodies of two men who had been shot were found in Dobsonville, and one man was wounded by gunfire

The body of a man with bullet wounds was found at the Meadowlands Hostel, scene of almost daily violence during the past few weeks

Police also reported extensive damage to the hostel rooms when two explosive devices were detonated there on Saturday afternoon No one was hurt and the incident is being investigated

A R5 000 reward would be offered for any information leading to the arrest of the manufacturers of illegal firearms, Soweto police Regional Commissioner Maj-Gen Kobus Malan said — Sapa.

Mass transit plans on track as manager sought

STAR 11/5/92

(269)

By Louise Burgers
Municipal Reporter

Planning for the R1,5 billion light rail transit system for the Johannesburg metropolitan area will begin in earnest from July with the appointment of a project manager.

The post of project manager for a mass transit system for Johannesburg was advertised widely in the press yesterday and the appointment will be effective from July 1, the start of the new municipal financial year.

The incumbent will be responsible for co-ordinating the planning and implementation of a mass transit system within the confines of the urban transport plan for the region; will be the co-ordinator of a team of professionals dealing with all aspects from public involvement to detailed design; and liaise with other local authorities, the media and the private sector.

Paul Asherson . . . new era

Management committee transport and utilities committee chairman Paul Asherson said the appointment of a project manager for the light rail system heralded the start of a new era for transportation in the region.

He said the pre-planning for the billion-rand project would involve extensive public participation.

Mr Asherson said it was hoped that the new project manager and his team would be able to present proposals for a central business district starter light rail line by early next year.

"We would really like no expropriation to take place — this is not a railway line. The whole thing about light rail overseas is that it operates on existing streets, at street level like trams used to," he added.

The funding for the mammoth project, the first of its kind in South Africa, will come from the Department of Transport, the city council and the regional services council.

● Angry residents of the north-eastern suburbs, fearful that their properties will be expropriated to make way for light rail, have organised a public meeting tomorrow at 7.30 pm at the Linksfield Primary School, Orange Grove.

Helicopter will patrol rail routes

(269)

Sowetan 11/5/92.

By ABBEY MAKOE

MORE police patrols, including the use of a helicopter, will come into effect on trains today following the successful boycott by commuters on the Reef last week.

As both Spoornet and commuters count the costs of the boycott, its organisers said yesterday they would meet this week to map out new ways of forcing the authorities to stop the violence on trains which has claimed hundreds lives

Two killed

Two people were killed on trains when the boycott ended on Friday

The Congress of South African Trade Unions has threatened to call for a strike if the killings continue

The head of the South African Police's Physical Rendering of Services Unit, Brigadier Hennie Heymans, said at the weekend police had deployed extra manpower at all stations.

He said the Soweto Police Mobile Unit had also been increased by 50 officers to man stations.

Heymans said his men would also use a helicopter to patrol the railways

A control unit has been established in Johannesburg, where all incidents of violence on trains will be co-ordinated, Heymans said

Meanwhile, the Boycott Steering Committee said it would meet this week to review and plan future steps regarding the killings on the trains

The committee said although the boycott had been widely supported it did not expect an immediate end to the carnage on trains

Move to halt rail carnage

STAR 12/5/92. (269)

Staff Reporter

An agreement on the implementation of a multimillion rand security package aimed at ending the carnage on Reef commuter trains is scheduled to be signed today.

The agreement follows a six-day train boycott — supported by a host of political, labour and community organisations — which ended at midnight on Saturday.

The document provides for a redeployment of police and security personnel at stations, measures to prevent armed commuters from entering railway stations and property and the fencing off of stations.

Party to the agreement are Spoornet, the SA Rail Commuter Corporation, the Ministry of Law and Order and community leaders representing the ANC, SACP, Cast, Cosatu, the South African Railways and Harbours Workers' Union and the Institute of Contextual Theology.

Pact aimed at ending train violence

WILSON ZWANE

SPOORNET, the SA Rail Commuter Corporation (SARCC) and representatives of political organisations, trade unions, churches and civic organisations will sign an agreement today aimed at ending train violence in Johannesburg (269)

This follows last week's Reef train boycott, described by ANC PWV spokesman Ronnie Mamoepa as a "rolling success".

A Spoornet official confirmed that Spoornet, the SARCC, Law and Order representatives and community leaders would sign the agreement.

Mamoepa said the agreement would entail the deployment of more policemen on trains and at stations; the disarming of commuters, prosecution of the perpetrators of violence; and the installation of surveillance cameras in coaches.

"Spoornet has agreed it will make R500m available for the upgrading of security on trains and at stations," he said, but no agreement had been reached on compensation for victims of violence as the matter was still to be discussed with Spoornet management.

Mamoepa said while Nactu and the PAC had supported last week's train boycott, they — like Inkatha and Uwusa — would not sign the agreement as they were not "part of the sit-in" by community leaders at Spoornet's offices in April. "But this agreement has nothing to do with party political interests; it is part of a campaign to end violence on the trains," he said.

B/Day 12/5/92

'Scared commuters gather in strongholds'

STAR 13/5/92

Violence on trains has forced commuters to create strongholds in coaches according to political affiliation, a committee of the Goldstone Commission heard yesterday

Captain Matthys Johannes du Plessis, commanding officer of the SAP's Mobile Unit at New Canada railway station, told a committee chaired by Gert Steyn that the formation of groups had often sparked trouble between opposing factions

"To show that the formation of these groups was a daily reality, there are train coaches specifically marked 'ANC', 'Metal church', 'Inkatha', 'IFP' and so on," Captain du Plessis said

(269)

In his personal findings, a person identified himself with a group in a residential area, and this was continued in trains The same people travelled together daily in the same trains and they started knowing and trusting each other, he said

"Strangers are not trusted and are not easily accepted As soon as the status quo on the train is disturbed, it could lead to a confrontation and sometimes violence."

Factors that could lead to the formation of groups were ethnicity, language and culture, common political view, religious affiliation and security needs

Captain du Plessis showed the committee a documentary on trains which depicted the daily life of a commuter on the Soweto-Johannesburg route. It had a church group singing in one coach and a group shouting slogans and toyi-toying in another

The documentary also showed searches conducted by the police in which they found scores of weapons, including some that were adjustable and could be concealed — Sapa

Flitestar gets go-ahead to fly to Bahrain

B/Day 14/5/92 (269)

STEPHANE BOTHMA

FLITESTAR has been granted permission to fly to Bahrain in the Persian Gulf, making it the second SA airline — after SAA — to get the go-ahead for intercontinental flights.

The return fare would be less than R2 000, an airline spokesman said

The National Transport Commission yesterday approved Flitestar's application — which was not opposed by SAA — to fly to the tiny Gulf state. The airline has already secured landing clearance.

At this stage, the licence is for a non-scheduled service.

Flitestar MD Jan Blake said that initially there would be one flight a week, at weekends A 131-seater Airbus A320 would be used and flights were expected to be about 70% full.

"We intend to start this service in October to coincide with the Dubai Trade Show, a Safto-organised event," said Blake.

The service was expected to attract a mix of tourist and business passengers in both directions, the airline spokesman said, adding that local game park and casino resorts held particular appeal for visitors from the Gulf

The spokesman said Flitestar was still awaiting the outcome of its application to fly to Mombasa and for approval to fly to Bombay, Delhi and to the Seychelles

It was not looking to fly to the Americas or the Far East and Australia.

Jo'burg council moves to allay urban rail fears

STAR 15/5/92

(269)

Staff Reporter

The Johannesburg City Council has not decided on a light rail system to go down Louis Botha Avenue That is only one of the options being considered, says management committee chairman Ian Davidson

He was reacting to a meeting held on Tuesday by angry residents who believe the value of their property has dropped drastically since the Masstran feasibility study proposed that a rail system could go through Norwood, Orange Grove and Highlands North.

The system, costing an estimated R1,5 billion, is to link Alexandra with the city centre

Mr Davidson also denied that the council was pressing ahead with plans in secret

He said the committee would propose, "if necessary, the appointment of a mutually acceptable independent person of standing to investigate this issue and make an objective report on the facts to the public".

He thought it "ill-advised and irresponsible" of the department to include a list of properties that could be expropriated, saying that had been done purely to assess the financial feasibility.

"I must stress that the council is not under any obligation to implement the proposals of the Department of Transport in full or in part", Mr Davidson said

Mr Davidson urged residents and property owners to communicate questions and concerns to the council either through their councillors or representatives, or directly, addressed to The Masstran Liaison Office, Box 32168, Braamfontein 2017.

New resolve to combat rail violence

STAR 15/5/92

Staff Reporter (269)

A delegation of ANC-allied organisations and Spoornet signed an agreement yesterday committing themselves to fighting violence on trains.

The agreement, which was signed at the Spoornet head office in Braamfontein, represents positive developments in negotiations between the parties.

A recent deadlock resulted in last week's boycott of trains by Reef commuters.

The terms of the agreement include:

- Redeployment of security personnel as soon as possible.
- Implementation of preventive measures including a prohibition on possession of dangerous weapons and firearms.
- Employment of additional security guards.
- Additional finance to carry out the new measures.

Requests for compensation for families of train violence victims were turned down by the SA Rail Commuter Corporation.

The SARCC would make an additional R50 million available for the 1992/93 financial year to improve security measures on commuter facilities

Chamber plan for commuter crisis

Super-transport authority urged

(269) ARG 15/5/92

CLIVE SAWYER
Municipal Reporter

A POWERFUL metropolitan transport authority capable of introducing sound policies is needed to solve the Peninsula commuter network crisis, says the Cape Town Chamber of Commerce.

In its annual report, the chamber's executive council said the Peninsula transport system could not adapt to change fast enough.

Buses had lost 40 percent of their patronage over the past 10 years, violence on trains deterred commuters and there was widespread dissatisfaction with minibus taxis because of their poor safety record and "erratic" driving

More private cars were being used and road traffic had increased by 60 percent in the past 10 years but the road system had been increased by only 10 percent.

"At the root of the region's transport problems lies the fact that the local authority system is hopelessly fragmented and the decision-making process is bogged down by the bureaucratic logjam," the chamber said.

The metropolitan transport advisory committee set up by the city council to analyse problems had done "sterling work" but it had no teeth.

There had been several studies over the years, but little action

A metropolitan transport authority was needed, and the metropolitan transport study should not be allowed to hold up short-term practical projects aimed at benefiting road users in the interim

Elsewhere in the report, the chamber

- Supported a plan by the city council to rationalise loading zones and urged that all-day parking be shifted to the periphery of the city with central business district space reserved for short-term parking;
- Noted increasing congestion and parking problems at D F Malan Airport and said the Western Cape Regional Services Council had been asked to help, and
- Said the State should subsidise public transport to help the poor.

Port gears up for an increase in traffic

B/Day 15/5/92

SUBSTANTIAL growth in the use of Durban's port is expected as sanctions lift and both exporters and importers make greater use of its facilities.

In the immediate future the drought is expected to result in an additional 3,5-million tons of maize moving through the port. This may increase by a further 500 000 tons if a maize shipping deal being negotiated with Malawi is successfully concluded.

Port manager Captain Jan Mors says Durban handles around 25-million tons of cargo each year and this level of traffic has remained relatively static over the past three years.

"While volumes have remained constant, container traffic increased by around 12% in 1991 indicating a shift towards containerisation," says Mors

"Maize imports will substantially increase cargo flows through the port this year. Later this year we expect the effects of sanctions being lifted to further increase traffic.

"As the world economy picks up so will traffic through the port. Therefore we expect traffic to increase by around 5% in 1993."

He expects growth to be concentrated in container cargo but conventional traffic increases to be marginal.

(269)

Shift

"The bulk of SA exports has traditionally been in raw materials. However, there is a shift taking place as more producers add value to the raw materials before exporting These products are better suited to container transportation," says Mors

The port is also marketing itself as a transshipment port, catering to cargoes which might come in from countries such as Australia for onward shipping to other countries in Africa.

Says Mors. "Our geographic position is well suited to this type of traffic and it provides substantial benefits in terms of additional employment as well as business for the firms providing supporting services such as fuel, repairs and ships' chandlers."

The port handles around 3 000 commercial ships each year and may have 30 to 40 ships in port at a time. The container depot occasionally gets a little congested but there is surplus capacity at the other wharfs

Around R206m has been earmarked for upgrading SA's ports and by far the greater portion will be spent on Durban

The upgrades include the purchase of replacement straddlecarriers and two additional container wharf cranes at R25m each

Also on the cards is the construction of a specialised steel terminal which is expected to enter the planning stages later this year

The port will extend its specialised wharfs, deepen berths and expand its chemical storage capacity.

Reverse

Mors says the port has been forced by the past realities of sanctions to distance itself from the city. Given the changing political climate the port is determined to reverse this process and bring people back into the port

In addition, two major property developments at Victoria Embankment and a joint venture with the City council at the Point are planned Both developments are expected to include hotels, shopping and recreational facilities as well as a residential component at the Point site

Ten held in Phola raid

Sowetan 15/5/92

By MOKGADI PELA

POLICE and the army detained more than 10 people in a pre-dawn raid at Phola Park squatter camp yesterday

Residents said a baby was injured during the raid

Witwatersrand police spokesman Captain Eugene Opperman said the squatter camp was targetted as it had been "the worst spot for attacks on innocent people and security forces".

He said a suspect had been detained in connection with previous crimes Police were looking for weapons and explosives, he said

ANC spokesman in the area, Miss Sally Petersen, complained of alleged police brutality, claiming that "even a month-old girl was left unconscious after a teargas cannister was thrown at her mother".

A pregnant woman, Mrs Sophie Mqwebedu (38), said she was teargassed in her house during the raid.

Residents later broke down a wall where a hooded man had allegedly pin-pointed people who were later arrested

RAIL ACCORD: Father Smangaliso Mkhatswa signs an accord to fight train violence as the Rail Commuter Corporation's Mr Sam Taute and Spoornet's Mr Gert Britz look on.

ANC, Spoornet sign historic pact

269

Sowetan 15/5/92

A DELEGATION of ANC-aligned organisations and Spoornet signed an agreement yesterday committing themselves to fighting against violence on trains.

The agreement, which was signed at Spoornet headquaters in Braamfontein, represents positive developments in negotiations between the parties

A recent deadlock resulted in last week's boycott of trains by Reef commuters. The terms of the agreement include

- Redeployment of security personnel as soon as possible to prevent possible violence before Codesa 2 convenes
- Implementation of preventative measures including a prohibition on possession of dangerous weapons and firearms
- Employment of additional security guards
- Requests for compensation for families of train violence victims were turned down by the SA Rail Commuter Corporation

Members of the media were told the corporation would make an additional amount of R50 million available for the 1992/93 financial year to improve security measures on commuter facilities in the Wits and Soweto area.

The agreement was signed on behalf of the community leaders by Father Mangaliso Mkhatshwa, Spoornet's group general manager, Mr Gert Britz, SARCC senior general manager Mr S Taute and Witwatersrand Commissioner of Police, General Gerrit Erasmus

Mazwais say thanks

THE family of *Sowetan's* day editor, Mr Thami Mazwai, would like to thank all the people who stood by them during their bereavement since April 21 when Mazwai's wife Belede died

Mrs Mazwai is survived by her husband and four children

"This was a traumatic period in our lives and continues to be But the sympathy and support we get from friends, associates and just about everybody we come into contact with lightens the burden," Mazwai said on his return to workthis week

Molefe

MR Michael "Tata" Molefe (24) of 8839 Moeketsi Street, Kagiso 2, Krugersdorp, who died last weekend will be buried at the local cemetery at 1pm tomorrow

A service will be held at the Roman Catholic Church in Kagiso 1 from 10 30am

Boycott

FIVE zones under the Soweto Civic Association will take part in a march tomorrow aimed at raising awareness about the boycott of service charges in Soweto Sowetan 15/5/92

Marchers from Moroka, Molapo, Jabavu, Mofolo and Dube will meet at Elkah Stadium in Rockville at 10am and proceed to the Soweto Council offices in Jabulani

A spokesman for the SCA, Mr King Sibiya, said the march would be to protest against the failure of the council to improve the quality of services in terms of the agreement between the SCA, TPA, the council and the Metropolitan Chamber

The SCA would also demand the resignation of councillors with immediate effect and for the Johannesburg municipality to be fully involved in greater Soweto, Sibiya said.

Massive drive to distribute food

B/Day 19/5/92

SPOORNET said yesterday the massive drive to distribute food relief to drought-stricken areas on the subcontinent was well under way, with nearly 500 000 tons of maize already discharged, Sapa reports.

"It is the first time in the history of the UN Food Help Scheme and the World Food Pogramme that such an operation has been conducted as a preventative measure," Spoornet spokesman Jacques Pienaar said.

Since the first maize shipment arrived in April, Portnet had unloaded 265 334 tons of maize for local consumption and 179 101 tons for re-export to neighbouring countries. Spoornet had distributed 73% of all cargo discharged at the harbours, Pienaar said

(269)

Meanwhile, our Durban correspondent reports that Natal Agricultural Union director Steve Shone said government's R3,8bn agricultural aid package was a highly complex exercise to preserve jobs and get the industry back on its feet.

The package was intended primarily to relieve the state of a commitment incurred in 1983 and 1984 to help co-operatives keep credit lines to farmers open during those years' of drought.

In the end, farmers would have to operate like any other sector open to market forces.

Sapa reports that Free State Agricultural Union GM Lullu de Jager said yesterday that interest rates were one of the main obstacles in farmers' battle to survive.

The price of primary agricultural products would have to be adapted so that the farmer was able to continue production.

African skies can be a risky venture

STAR 19/5/92

269

INVESTIGATE first, should be the watchword for South African tourists eager to see Africa as it opens its doors to the south

But we can also expect increasingly available and affordable holidays on the continent.

Travel agency MD Eric Thorne generally welcomes the lifting of the travel restrictions by several African countries following the current and planned political changes here

But he advises potential holidaymakers to visit their travel agents for advice before plunging themselves and their families into holidays which can turn out to be very different to what was expected.

While Africa is offering previously unavailable holidays at very competitive prices, Mr Thorne includes destinations such as Mozambique, Madagascar, Zaire and Angola in his "be careful" list.

But Kenya and Zimbabwe rate favourable ticks in a prospective South African traveller's notebook.

"In many cases, the tourist infrastructure of these destinations is insufficiently developed to cater to the needs of travellers accustomed to first world standards," he warns.

Mozambique, for instance, offers very little in the way of top quality accommodation outside the Polana Hotel in Maputo.

"Yet the towns are still very much Portuguese in style, the seafoods and the wines are in the top class, the nightlife is colourful and remains exotic and extravagant"

Mr Thorne reiterates that prospective tourists should get information regarding visa conditions and whether any levies are imposed from a travel agent before setting out, adding "And, make sure conditions are suitable before taking your children along, too."

Madagascar he rates as a good example of a country lacking in infrastructure. Few good roads exist which means visitors must largly rely on aircraft to move from place to place.

Avoid

Angola and Zaire he describes as destinations which South Africans would be wise to avoid at present because of civil unrest.

But many African countries will eventually become favoured destinations, he predicts.

"South African tourists are proving keen to discover their own continent as well as going abroad"

Heading the popularity stakes are Kenya, Madagascar, Malawi and Mozambique, he says.

TRENDS REPORTER

navigation sections and came first overall against international and top local competitors in the South African National Precision Flying Championships at Rustenburg.

Maize rescue drive gathers pace

(269)

The giant maize import drive to alleviate the impact of one of the worst droughts in history and to supply basic food to nearly 60 million people in southern Africa is well under way

This was said yesterday by Spoornet spokesman Jacques Pienaar, who added that the rail transporter had discharged nearly 500 000 tons of imported maize for local consumption and re-export to neighbouring countries.

Another six vessels with a combined cargo of 170 000 tons of maize were being unloaded in South African ports

"It is the first time in the history of the United Nations Food Help Scheme and the World Food Programme that such an operation is conducted as a preventive measure, and South Africa's logistical abilities and capabilities have been successfully put to the test," he said.

Since the first maize shipment arrived in April, Portnet had unloaded 265 334 tons for local consumption and 1 791 101 tons for re-export to neighbouring countries.

Mr Pienaar said Spoornet had distributed about 73 percent of all cargo discharged at the harbours, with nearly 103 000 tons of maize already delivered locally and close to 113 000 tons delivered to Zimbabwe, Zambia and Botswana. Another 13 trainloads were en route to Zimbabwe. — Sapa.

STAR 19/5/92

SAA offers cut rate to American spouses

STAR 20/5/92 (269)

Star Bureau

WASHINGTON — SA Airways is offering half-price fares to the spouses of US businessmen who accompany their husbands on business trips to the country.

The new sales pitch, introduced in magazine advertisements this week, covers only passengers who fly with Blue Diamond (first) or Gold (business) class tickets.

"Why not make your South African business trip a vacation?" the advertisements ask, "and bring your other half for only half."

A large proportion of SAA tickets in the United States are sold to businessmen, travelling alone. The new sales offer was aimed at trying to persuade them to bring their wives and stay in the country a little longer for a holiday

A New York travel agent who handles many SAA bookings said the offer was proving to be "very exciting and innovative" and was seen as SAA's answer to the "frequent flyer" clubs run by most US airlines

"Frequent flyer" arrangements allow passengers to build up credit mileage from regular flights which can be exchanged for a free return ticket to destinations of equivalent distance

British Airways SA manager Malcolm Freeman at the Johannesburg launch of a travelling exhibition highlighting aspects of the airline's services. BA catering officer Sue Strange, right, displays a first class meal served on Royal Doulton crockery with silver cutlery.

Picture ROBERT BOTHA

BA 'a good streetfighter'

KATHRYN STRACHAN

269

ILLUSIONS that British Airways and SAA held a monopoly over the Johannesburg-London route had to be destroyed, BA's manager in SA Malcolm Freeman said in Johannesburg yesterday. B/Day 20/5/92.

Speaking at the opening of an international travelling exhibit called "BA First" at the Carlton Hotel, Freeman attacked rival airlines which claimed they were about to break the monopoly

Since 1945 these had been the only two airlines interested in the route, he said, and, therefore, they could not be accused of creating a monopoly.

Freeman said his airline, which he described as a "pretty good streetfighter", welcomed the competition and was not concerned about the low fares being promised by rival airlines

There would always be enough people who wanted quality service and who did not want the high risk and inflexibility that lower fares involved.

Freeman predicted that once the air services agreement between the SA and UK governments was altered next month, fares would fluctuate far more in response to demand and BA, for the first time, would be able to sell "at whatever price it saw fit"

Dubai has plans for SA travel boom

ZILLA EFRAT (269)

DUBAI — Tourism between SA and Dubai is expected to boom as soon as convenient airline services are in place.

Keith Longstaff, senior GM of the Middle East's largest travel agent DNATA, says informal talks have already been held with SA hotel groups and airlines.

Emirates, the international airline of the United Arab Emirates, has confirmed plans to fly to Johannesburg. Longstaff expects SA to be visited largely by the wealthy expatriate community living in Dubai. However, Arab tourists could follow once the attractions of SA as a destination become known. SA's attractions include its novelty appeal, he says.

Dubai is a major trade hub, but also offers many tourist attractions like "the adventure of Arabia", good beaches and Western comforts.

Dubai is also expected to be an important stop-off connection point for travellers between SA and the Indian subcontinent or other Gulf destinations.

Longstaff says tour operators will start marketing Dubai in SA once Emirates begins its flights. B/Day 20/5/92

Emirates senior GM, planning, Steve Waage says the airline's policy is to enter a market on a thrice-weekly basis. He hopes to see an SA carrier in Dubai soon. Once this happens, there could be a daily flight between SA and Dubai.

☐ Absa Bank is laying the groundwork for an expected boom in trade with the Middle East. It is establishing correspondent banking relations with banks in Egypt, the United Arab Emirates, Qatar, Bahrain and Oman.

SAA puts five of its airliners on the market

B/Day 21/5/92

LINDEN BIRNS (269)

SAA is selling five of its airliners.

An advertisement for a 305-seater Boeing 747-200, a 282-seater Airbus A300 and three 102-seater Boeing 737-200s appeared in a recent edition of London-based aviation journal Flight International.

SAA spokesman Mike Pheiffer was yesterday unable to say whether any interest had been shown in the aircraft

Two sources confirmed that Comair was negotiating the purchase of one the 737s

SAA's sale of the relatively old technology aircraft is an attempt by the airline to streamline operating costs.

The asking price for the aircraft is not known However, it is unlikely they will generate sufficient capital to allow the airline to finance future acquisitions.

SAA is expected to announce a loss for 1991 for the second consecutive year.

Two firms offer high flying service

MORE than 90% of domestic and international airline catering serving flights out of Jan Smuts is conducted by two companies, Air Chefs and Air Caterers.

Air Caterers serves 19 intercontinental airlines, several of which are renowned for their food. Air Caterers clients are British Airways, Lufthansa, KLM, Singapore Airlines, Cathay Pacific, Qantas, Sabena, Alitalia, Varig, Air Mauritius, TAP Air Portugal, UTA, Austrian Airline, Swissair, Air Botswana, El Al, Air Mozambique, Air Zambia, and Air Austral.

SAA (domestic and international) and Flitestar are catered for by Air Chefs.

Air Caterers operations director, Karsten Tripmaker says the standard of SA inflight catering compares well with the rest of the world

Air Caterers has received letters from Qantas and Cathay Pacific complimenting them on their standards of food preparation. Some European airlines (and passengers) have told the company that the standard of food going out from SA is at least equal to, and sometimes better than, the standard of European-prepared food on inbound flights.

Airline food catering is a complex procedure, Tripmaker says, because, in the case of Air Caterers, two kitchens have to prepare first, club and economy class menus for 19 different airlines to exacting standards.

Different airlines set different budgets for food, which dictates what the menus are composed of. Tripmaker says airlines which have built a top-class reputation for food have done so deservedly.

Tripmaker says most airlines put food as a very high priority because, along with service and punctuality, it is one of the factors that differentiates one carrier from another.

SAA 'still expects preferential status'

LINDEN BIRNS (269)

AN SAA representative told the National Transport Commission yesterday that despite SA's new deregulated aviation policy, the airline still expected preferential treatment in the granting of scheduled air licences B/Day 22/5/92

The commission will announce today whether it will award an operating licence for scheduled flights between SA and Angola to SAA or Johannesburg charter firm Air Supply

The two airlines engaged in heated legal wrangling at a commission hearing yesterday over which was entitled to the licence.

SAA was accused by Air Supply's counsel of acting unlawfully and in contempt of the commission by allegedly promoting flights to Luanda as a scheduled service. The accusation arose from a Business Day article last month in which it was reported that SAA had resumed weekly flights to the Angolan capital.

At the time SAA's official news release stated that the flights were scheduled, but the airline's spokesman said there had been a typing error on the release and the flights were in fact unscheduled

Air Supply had applied for a licence to start a scheduled service between Johannesburg and Luanda before SAA announced its intention to resume flights on the route after almost 17 years. SAA had since lodged a formal objection to Air Supply's application and submitted its own

☐ To Page 2

SAA B/Day 22/5/92 (269)

☐ From Page 1

application for the route licence

SAA's counsel, Sias Reynecke, argued that SAA was still the national carrier and as such expected to be given priority in the allocation of scheduled international routes He challenged Air Supply to provide the commission with its business plan and details of how it proposed to establish infrastructure to support its envisaged service.

Reynecke submitted that the commission should not follow a recommendation by the charter company's advocate, David Unterhalter, that Air Supply be allowed to risk its capital on the route and let the market decide whether to support Air Supply or SAA.

"Just because there is a move towards freer competition it does not mean that the (Air Services) Act can just be thrown out of the window. It is not a case where one can allow the market to decide and ignore the Act"

He said that SAA had more of a right to the route as it had pioneered the route in 1939

Unterhalter said SAA's Johannesburg-Luanda flight was listed in several travel agency guides as a scheduled service, and that the airline was operating the flights without the required licence

Discounted flights to Miami soon

(269)

S/Times 24/5/92

By ROGER MAKINGS

AN AMERICAN airline has been given the go-ahead to begin flights to South Africa

Rich International, based in Miami, in a joint venture with an SA aviation services company, received permission to begin a weekly charter service between Miami and Johannesburg.

This is the first time the National Transport Commmission has granted a charter licence to a foreign carrier without any preconditions

The flights, which are expected to begin in about three months, are also not subjected to the normal bilateral fare agreements, which means the US carrier can charge what it likes for a ticket.

A spokesman for the Johannesburg-based Africa Aviation Services, Mr Vernon Nathan, said this week, the airline would be selling return tickets for between R3 500 and R4 000 each. SAA charges more than R6 000 for a return economy class ticket to New York

"What is unusual about the granting of the charter licence is that it was issued on a seat-only basis, which means passengers don't have to be booked on package tours, as used to be the case," said Mr Nathan

This means that US tourists can move freely about SA without being tied down to an itinerary.

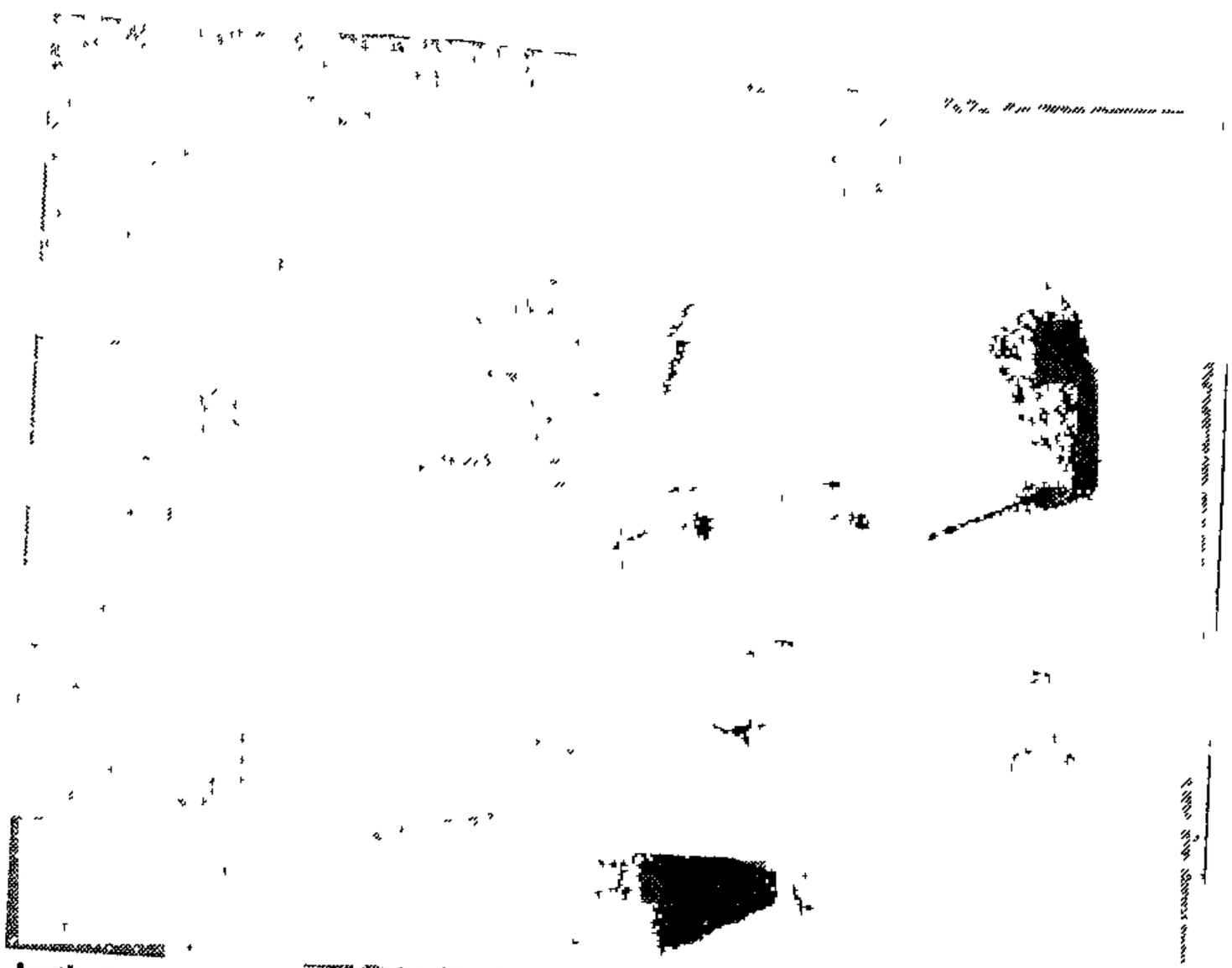
"What we are doing is chartering the services of a US airline to give SA tourists the option of a second destination in the US at a competitive price," he said

Confirming the granting of the licence, a Directorate of Civil Aviation spokesman said this week that SAA lodged an appeal against Rich International's application, but later withdrew it.

"We are now waiting for the airline to supply us with time schedules so we can arrange slots for them at Jan Smuts airport," the spokesman said

Rich International was founded in 1970 by Jean Rich and has a small fleet of Lockheed Tristars and DC-8 jets

● Despite the proposed opposition, SAA is considering a fourth weekly flight to New York beginning in August.



Institute of Transport in Southern Africa president and Spoornet CE Barry Lessing announced details on Friday of an international conference aimed at stimulating discussion on an integrated transport system for southern Africa. Picture BRIAN HENDLER

Transport congress is planned

B/Day 26/5/92 (269)

LINDEN BIRNS

AN INTERNATIONAL congress intended to stimulate planning for an integrated transport system for southern Africa is to be held in Johannesburg during October.

At least 12 speakers from eight countries will present papers at the two-day congress.

Institute of Transport in Southern Africa president and Spoornet CE Barry Lessing said on Friday that the objective was to create a greater awareness of, interest in and commitment to the role and value of multi-modal transport in southern Africa.

The shortage of skills and capital in the region's transport industry and macro issues such as environmental protection, population and economic growth demanded better planning and co-ordination in the sector.

Speakers, including London City Transport planning director David Bailis and Hong Kong's Urban Planning Centre director Harry Dimitriou would cover topics such as the structuring of transport systems in a rapidly growing economy.

Train commuters meet SAP

Sowetan 25/5/92 (269)

THE first of a planned series of meetings between train commuters and the South African Police aimed at curbing train attacks took off on a positive start, Soweto police said yesterday

Spokesman for the Soweto division Captain Joseph Ngobeni said the meeting, held at Protea police station and attended by about 40 train commuters, was intended to "reach commuters at grassroots level and hear from them their experiences in trains"

Trains in the Reef have been the scene of some of the bloodiest killings.

Among the participants was Mrs Masechaba Mabaso, president of the Inter-denominational Prayer Women's League, who has in the past led marches and held prayer meetings in the trains.

From the police was Brigadier Hennie Heymans, co-ordinator Lieutenant-Colonel Fanyana Zwane and Ngobeni

Ngobeni said the attendants included the youth and hostel inmates.

"We intend to hold another meeting which would include the larger community because we hope this type of meeting would help us come to a more lasting solution."

Accord threat to top agenda

WILSON ZWANE

THE threatened withdrawal from the national peace accord by the ANC's PWV region and its allies will be high on the agenda at today's urgent meeting of the full national peace committee. B/Day 26/5/92

It is understood ANC NEC member Sydney Mufumadi will be in an ANC team. Inkatha will be represented by national chairman Frank Mdlalose and government's delegation will include national peace secretariat member Gert Myburgh.

National peace committee spokesman Val Pauquet said the meeting — convened a month early because of escalating violence — would appeal to all regions to remain active and committed to the peace process and not to regard withdrawal from dispute resolution committees as a solution to problems

The PWV regions of the ANC, SACP, Cosatu and the Civics' Association of the Southern Transvaal (Cast) last week said they were considering pulling out because government and the security forces had signed the accord in bad faith

● Comment: Page 8

More executives lose jobs

B/Day 26/5/92

KARIN FRANKEN

SENIOR and middle management executives are feeling the draft as the recession takes it toll

Placement industry sources confirmed yesterday there had been an escalation in the retrenchment of top staff, adding that sectors most severly affected were banking, mining, engineering and retailing.

Career Transition International director Neil MacDonald said an inflow of applications and accompanying curricula vitae had been experienced over the past year as retrenched executives sought new jobs.

The number of layoffs at managerial level rose steeply last year with more companies approaching career consultants to help alleviate the problem of displaced managers, he said

MacDonald said companies had offered employees handsome retrenchment packages of six months' to a year's salaries, but decided to look for more viable solutions, one of which was finding them work.

"Companies are putting on a more humane face when it comes to releasing trusted, experienced staff for whom there is no place in the restructured company."

Chart Outplacement Consultants MD Monty Wood agreed that job applications from retrenched business executives had increased over the past six months

Companies were increasingly recognising the need to run tight and well-structured enterprises

"Competent management needs to look at efficiency and cost elements, especially in times of recession"

Wood said even when the economy improved, companies would maintain "right-sized", tightly run operations.

Chart Consultants director Rod Meintjies said UK companies were "delayering"

Company hierarchies were closing the gap between higher and lower ranked workers, a development helped by the advancement of computer technology An efficient computer database enabled top management to make decisions without having to consult middle management staff.

Station upgrading hit by funds shortage

B/Day 26/5/92

WILSON ZWANE

THE SA Rail Commuter Corporation (SARCC) project to upgrade nine Soweto railway stations has run into financial difficulties, it was disclosed yesterday

The corporation announced in March this year it would pump R11,9m into the project aimed at improving the service

SARCC MD Kobus Nel said the upgrading of Naledi, Inhlazane, Dube, Phomolong, Phefeni, Mzimhlophe, Midway, Chiawelo and Nancefield stations was part of a larger project to develop a number of stations on the Reef.

An SARCC spokesman said yesterday the project had become too expensive so the corporation had to reconsider it It was due for completion next month

He said the need to incorporate requirements from the community and the Goldstone commission Of inquiry into public violence and intimidation in the planning of the project had hit the budget

Egypt Air gets route

SAA yesterday announced that the Saudi Arabian authorities had granted Egypt Air the exclusive right to operate direct charter flights from Jeddah to Johannesburg, Cape Town and Durban

Egypt Air will operate the flights from June 15 on behalf of SAA and Saudi Arabian Airlines and will transport SA Muslims returning from their annual Haj pilgrimage in Mecca. (269)

B/Day 26/5/92

Drought a windfall for Transnet

B/Day 27/5/92 (269)

GERALD REILLY

THE transport of maize from SA ports to relieve the famine threat in other southern African countries has come as a multimillion-rand windfall for Transnet.

Spoornet's programme provides for the movement of about 8,5-million tons before April next year, with a current balance of 7,7-million tons still to be off-loaded at SA ports

A breakdown of the total shows Zimbabwe will get 2-million tons, Zambia 900.000 tons and Malawi 800 000 tons. The overall total includes the 4,4-million tons to supplement SA's failed crop, which includes consignments for the Botswana, Swaziland, Lesotho countries

A Spoornet spokesman said normal tariffs were being charged, but at this stage a reliable estimate of total revenue from the operation was not possible. He stressed that normal import and export traffic was "totally" unaffacted by the operation, which involved 30 trains hauling 1 200 trucks a day, seven days a week.

Zimbabwe was paying in rands directly into Spoornet's account, and Zambia's and Malawi's accounts were being paid by agents.

The spokesman said, to put the operation into perspective, Spoornet transported about 70-milion tons of coal a year.

This was about eight times the amount of the maize being imported.

The total of 8,5-million tons to be transported by April next year amounted to only about 4% of the total annual tonnage moved by Spoornet.

The spokesman said so far 630 000 tons had been discharged at SA ports

Sapa reports a University of Pretoria civil engineering department report said the drought in the Transvaal and the northern parts of the Free State was the worst since 1921

It said university researchers had been aware since September last year that the atmosphere and ocean circulation systems could once more experience an El Nino similar to that of 1982/3 and 1986/7. These fears had been confirmed.

The drought was at its worst between January and March this year.

At that time the entire Transvaal and Free State received between 34% and 40% of their normal rainfall

Namaqualand and the eastern Karoo received only between 24% and 46% of normal rainfall, and even the usually rainy Natal coastal area received 58% of its normal rainfall.

Jo'burg bus ticket price rise on way

STAR 2/1/1992

Municipal Reporter (269)

A 9 percent increase in the cost of bus tickets, as well as concessions to scholars and off-peak travellers have been proposed by the Johannesburg City Council, which has announced a new bus fare structure for the city.

The removal of the dual-fare system — a legacy of segregated buses — and the development of a new fare system to attract and retain passengers was essential, councillors were told at yesterday's council meeting

It was proposed that the R38 monthly ticket, which allows unlimited travel, be increased to R50.

Other tickets envisaged are:

- A 10-trip multijourney ticket priced to encourage infrequent bus users away from cash tickets.
- A peak cash fare for infrequent bus users which will be applicable on a zone basis.
- A lower off-peak cash fare to attract off-peak passengers.
- Scholars in school uniform and pre-school children will be entitled to a reduced 10-trip multijourney ticket priced at a flat fare of R1 per trip.
- Pensioners in possession of a valid council pensioner pass would continue to be entitled to ride free between 8 am and 3.30 pm on weekdays.

Services to be discontinued are buses hired to transport the elderly and for city tours.

The fare increases will come into effect on July 1, subject to Local Road Transportation Board approval.

Manufacturer unveils 511-seater plane

B/Day 27/5/92

LINDEN BIRNS (269)

US aircraft manufacturer McDonnell Douglas recently unveiled its design plans for a new 511-seater airliner, the MD-12, for which SAA has been an instrumental design consultant.

Speaking from McDonnell Douglas headquarters in Long Beach, California, MD-12 design and technical vice-president George Field said the aircraft would be well suited to SAA's long haul operations.

The four-engined plane, which sports an upper deck running the entire length of the fuselage, will have a longer range than the current generation of Boeing 747-400s, of which SAA will have four by the end of next year, and will be able to carry at least 100 more passengers.

Field said operating costs on the long range configuration MD-12 would be lower than those of a Boeing 747-400 The basic selling price would vary according to engine choice and interior configuration, but would still be cheaper than Boeing's R360m Jumbo, he added.

Although SAA was still involved with the project on an ongoing basis, the airline had not placed any orders.

McDonnell Douglas was negotiating a package for SAA which would include the MD-12 and the smaller MD-11 tri-jet already in service on Swissair's Zurich-Johannesburg route.

SAA cockpits have no seats for returned exiles

STAR 28/5/92

South African Airways says it is working hard to move into the new South Africa with limited resources, but that does not help returning exiles looking for work in aviation. MICHAEL SPARKS reports.

(269)

IT IS an irony that one factor delaying the employment of more pilots by South African Airways — some of whom could be qualified returned exiles — is that the airline can now fly over Africa

No longer having to fly around the bulge has shortened flying times to Europe by two to three hours, making a flight to Frankfurt about 11 hours.

On such a flight only one extra pilot and flight engineer are needed to relieve those on duty, rather than replacing the entire flight deck crew as required on longer flights.

The former situation created an estimated 50 extra pilots for SAA, some of whom have now been contracted out to other airlines. Others have been absorbed on the new routes being introduced by the airline.

But this means that the airline is not looking to hire any new pilots.

Returnees Themba McClain and Anthony Ngomeza received their flight training with Ethiopian Airways Both are qualified and have worked as commercial pilots in Africa.

Mr McClain, who was born in Zambia after his mother fled South Africa in the early 1960s, flew as a first officer for Lesotho Airlines.

While working on contract in Maseru last year, he interviewed with SAA. He discussed a job — as third officer on Boeing 747s on long routes to familiarise himself with the aircraft — with SAA flight operations director Mick Mitchell.

He returned to Lesotho convinced he had secured the job, so never renewed his contract with the airlines. He then moved to Johannesburg in January this year only to find the situation very different. He was told that SAA was overstaffed.

At Mr Mitchell's suggestion he agreed to take a job instructing cabin and flight crew on safety procedures. He was told to come in the next Monday to sign a contract, but was told on the Friday of a hiring freeze.

It was suggested later that he apply for a job as a cabin steward, but Mr McClain said "I decided that would be a major step in the wrong direction."

Mr Ngomeza left the country in the aftermath of the 1976 uprisings. After training, he flew for a private charter company in Zambia. Since then he has not been able to find employment in aviation.

Moss Chikane of the National Co-ordinating Committee for the Repatriation of South African Exiles asks: "If they are not employed by SAA, then who will employ them? A breakthrough with SAA is crucial."

SAA human resources head Martin Sebesho said that while he regretted the situation, Mr McClain was incorrect to assume he was to be hired and should have waited until a contract had been signed before giving up his job.

He said many returnees did not have the necessary validation for their licences from the Department of Civil Aviation.

He added that while extra aircraft were being bought for additional routes, these were being staffed by existing crews. Other extra crew members were being seconded to airlines such as Namib Air, Air Mauritius and Singapore Airlines, and there were still 20 extra pilots.

According to Mr Sebesho, SAA has employed 10 people sent to it by the ANC. He added that some of those whose names had been sent to him by the ANC in early May were already employed by the airline.

He said pilot training levels were crucial.

"We need 100 percent competency in pilots because of the possible serious consequences, whereas elsewhere the error may not be as important."

While sympathising with the plight of the returnees, he said "We cannot retrench other people in the company in order to make place for returnees."

He added that Mr McClain was due to be tested for a job as a dispatch officer on Monday, which could mean he has employment until there are vacancies for pilots in the future. □

Aerospace firm seeks SA partners

B/Day 29/5/92 (269)

LINDEN BIRNS

FRANCE's state-owned aerospace giant, Aerospatiale, is seeking SA partners for several projects which could include subcontract manufacturing work on aircraft and space programmes

The firm, which is a partner in Airbus Industrie, Avions Transport Regional (ATR turboprop airliners), Europcopter and Eutelsat, recently opened a representative office in Sandton

General Representative for Southern Africa and the Indian Ocean, Jean-Pierre Chapplain, said on Wednesday SA was important for Aerospatiale because it had expertise for co-operative ventures.

"The forms of co-operation have not yet been defined, and whatever they turned out to be, they would have to be suitable to both the local companies and the Aerospatiale Group," he explained.

Aerospatiale, in its former guise as Sud-Aviation, pioneered the concept of multinational aeronautical partnerships when it joined hands with the British Aircraft Corporation (now British Aerospace) to design and manufacture Concorde, the only supersonic airliner to enter commercial service to date

Last year the company made a FRF213m (about R106m) profit and reported a 16% increase in product sales compared with 1990.

FOCUS: *Unwind with Spoornet while you travel to your holiday spot or business meeting*

Take to the train tracks

W/Mail 29/5 – 4/6/92 (269)

CRITICAL CONSUMER

Pat Sidley's weekly advice on what to buy ... and what to avoid

SPOORNET — which we have known and loved as South African Railways — is not usually perceived as the ideal hauler for yuppies making their way to the coast for a break, or rushing down for a business commitment.

Whatever perceptions the giant state corporation invoked over the years, it failed dismally at selling itself as — among other things — a comfortable, clean pleasant form of travelling, offering good food, wine and an enforced break from it all. Except, of course, for the Blue Train.

Of course, it has also failed to convince commuters on the Reef that they are not taking their lives in their hands each time they set foot in a train. But safety is not one of the services provided for daily commuters.

However, for those contemplating a trip farther afield, say to Durban, this Critical Consumer is a new convert to the view that going via Spoornet is the only way to go.

A trip to Durban from Johannesburg — using an airline to go down and the railways to get back — proved this convincingly.

The Durban/Johannesburg trip is overnight and that is most of the attraction: a quiet, relaxing dinner, a bit of reading or work and a snooze all the way to your destination.

Travelling by rail is considerably cheaper than using the airlines, either Flitestar or South African Airways.

A first-class one way trip to Durban by train costs R157 as against a one way business class airfare of R286. It begins to pay off even more if children are taken into account. The airlines will give a 50 percent discount (but NOT in business class) in the economy class for children under 12. Spoornet will rail a child under seven years old free of charge and those between seven and 11 will travel for 50 percent of the fare.

Bedding costs R11, a dinner in the dining car is R17,50 and breakfast, R10,50. Children's meal cost R11 and R6,50 respectively. These can be bought at the front end when reserving the ticket.

These services plus a range of take-aways are also offered on the train.

And to really save, the traveller can bring his or her own bedding and a hamper of food — which may be necessary if the consumer is a vegetarian, keeps kosher or halaal as Spoornet does not offer these choices.

Consumers can bump the price up, as this Critical Consumer did at the weekend, by reserving a first-class coupe (half a compartment) which sleeps two — thereby losing the benefit of an under seven-year-old travelling free. However, for R236 I ensured myself total privacy. And with the other R70 spent on bedding, food and other odds and ends I found the experience more enjoyable than the Southern Suns hotel in which I spend the weekend. This was the Maharani, a five-star hotel which would do well to send its hall-porters on a Spoornet training curse — although their beds were naturally a shade better than the Spoornet bunks.

Reserving a second-class coupe one way (which sleeps three) costs R250. A first-class compartment for four people is R472 and second-class, sleeping six, costs R500.

But this can be played to the consumer's advantage. A family with two adults and two young children will usually be placed in a compartment which would mean a considerable saving. A family with four children all travelling second class would save a small fortune.

Airlines, on the other hand, do offer some specials which make a flight attractive. SAA's weekend specials costs R365 return — provided certain days are spent away. Both Flitestar (which has redeemed itself after its dismal first performance written about in this column) and SAA offer reductions for children, early morning flights and the like.

But no flight offers what Spoornet delivers. The traveller is greeted by one of many stewards who will attend to you throughout the trip in such a way as to make most hotel chain managements eat their hearts out. This is followed by countless relays of stewards bringing spotlessly clean bedding, towels, soap and various bits and pieces to make the trip comfortable.

Railways food, believe it or not, is plain good. Nothing fancy but tastily cooked and well presented.

It was served with a pleasantness and grace this Critical Consumer is unused to experiencing in a country famed for its lack of service.

Travellers will be greeted by early morning coffee and a breakfast in the dining car equal to anything found at home and better than at most hotels. Except the quality of the coffee. For some reason, SAA, Flitestar and Spoornet are wedded to chicory-laden coffee. But somehow it tasted better on the railways than on an expensive flight where one does not expect the operator to cut corners on something as minor as coffee.

● This is not to say there weren't problems, which Spoornet should attend to promptly.

One of these is the lingering racism in the hierarchy of Spoornet staff on the train. The more senior, the more white, with a few jobs at the top which black staff believed to be completely inaccessible to those who are not white. Some of those senior whites ought to be taught that their salaries to some extent depend on how well their service is used. Being rude to black first-class travellers is not the way to ensure future patronage of the hauler.

CT 30/5/92

(269)

Revamped Tollgate set to expand in SA, UK

Business Editor

TOLLGATE Holdings (TGH) — which ended the year to December with fully diluted earnings of 34,2c a share compared with a loss of 88,3c in 1990 — is now ready for expansion both in the UK and SA, director Laurie Mackintosh said yesterday.

"The previous management of Tollgate ran up massive debts and the only way to get the group back on its feet was to sell all the unprofitable operations and some which were profitable but not providing good enough returns," he explained

"Now we are ready to grow in the sectors we are good at — tourism and leisure and distribution

"Our chairman, Julian Askin, has just come back from a visit to Japan convinced that there is a great future for tourism in this country provided we have peace and develop the infrastructure needed

"He discovered there are three things most Japanese tourists want to see in Africa — the Kruger Park, the Victoria Falls and Cape Town

"But we cannot hope to attract large numbers of tourists unless air fares become more affordable And to attract Japanese we need a direct flight from Tokyo

"Most people in Japan have only two weeks holiday a year and they do not want to spend two days getting here."

Mackintosh said TGH's present interests in the tourism and leisure industries were Kyalami — which it owned completely — and Springbok Atlas and Greyhound Citiliner coaches

"We have no plans to go into the hotel business ourselves. We prefer to buy bed-nights, at the best possible rates, for tourists on Springbok Atlas package tours

"We looked at the possibility of buying hotels where we would accommodate them, but we decided against it If management have captive customers they don't work so hard There is no spur of competition

"When the tourists come we shall expand our coach operations by enlarging our fleets.

"We believe Greyhound Citiliner has potential as an economical way for tourists to see this country

"We cannot yet offer a circular tour round SA on Greyhound coaches, with roving tickets enabling visitors to stop where they want, because we are not allowed to operate on the Garden Route.

"But we could overcome this either by making a deal with the present operator on that route or, hopefully, through deregulation

"I think deregulation will come very rapidly in the new SA"

Discussing TGH's UK company, Jaton Holdings, bought in December, Mackintosh said there were signs that the recession there had bottomed out.

"Jaton distributes industrial fasteners and demand is picking up. Inventories have been run down so increased demand will feed through very quickly to the bottom line"

● TGH lifted operating income in the year to December 31 to R43,4m (R25,9m) on a reduced turnover of R551,4m (R598,5m). After-tax profit was R10,3m compared with a loss of R33,5m The final dividend is 10c making a total of 13c for the year.

Tollgate Holdings gets leaner, meaner

(269) AVLG 30/5/92

MARC HASENFUSS
Business Staff

LEANER and meaner — the newly restructured Tollgate Holdings has created a solid base from which to pursue its expansion programme into leisure, tourism and distribution

The radical rationalisation programme instituted by chairman Mr Julian Askin has been successful and Tollgate has resumed its profit growth path, as the groups belated financial results for the year ending December 1991 show.

In the year under review, the diversified group shed its holding in underperforming operation Gants and Norths Industries and is currently completing the sale of bus group Tramway Holdings

This saw bottom line earnings dramatically turned around to R131 million from a previous loss of R21 million Shareholders were rewarded with a 13c (10c) payout from fully diluted earnings of 34,2c a share

Although recessionary conditions prolonged the rationalisation programme, Mr Askin said the benefits could be clearly seen in the turnaround in the income statement.

Although turnover slipped down to R551 million from 1990's R599 million, better operating margins resulted in operating income surging 68 percent to R43 million (previously R26 million).

Mr Askin is confident that Tollgate is in the final phase of the rationalisation programme

"Tollgate will be left with a well-structured, well-focused group of operating companies and will have a firm base from which to pursue a policy of expansion and growth into areas of leisure and tourism and distribution."

He said the board was looking forward to a continuing recovery in the fortunes of the group and that currently all the retained divisions were operating profitably.

Losses stemming from the disposal of assets and shares in Norths and Gants, discontinued operations and assets and revalued investments touched R31 million (previously R46 million). Over R15 million in goodwill was written off in the year under review.

Profit on sale of depreciable assets and written back provisions realised R3,8 million.

Mr Askin said the results had been delayed so that a pro forma balance sheet to reflect the disposal of Tramways with the resulting reduction in group debt and improved gearing ratios could be shown.

The pro forma debt figure of R156 million (R224 million) does not include any proceeds from the sale of Tramway's properties

Jet fuel costs more in SA

S/Times (BUSS) 31/5/92 (269)

By DON ROBERTSON

THE increase in tourist and business travel to South Africa could be curbed by the high cost of jet fuel at Jan Smuts Airport.

Fuel costs are about 25% more at Jan Smuts than at airports in Europe, although the cost is low by notoriously high African standards.

An article to be published this week in Jet Fuel Intelligence, a weekly newsletter published by Petroleum Intelligence Weekly in New York, says that in spite of the remarkable growth in travel to SA, one obstacle remains — high fuel prices.

Airline officials claim there is no good reason for this and blame the artificially high prices on Natref, the Sasol-controlled refiner which supplies most of the fuel

In contrast to sluggish growth in most of the world, the jet kerosene price in SA is surging. Demand this year has increased by more than 11% to about 19 000 barrels a day as commercial air traffic is freed from the political and economic constraints of the past

This has more than compensated for the sharp fall in demand from the military.

Jet Fuel Intelligence says that under the legacy of State price controls, all oil companies distributing fuel at Jan Smuts are obliged to buy Sasol's 64% share of Natref's jet fuel production on the "same arcane commercial logic used by the State to arrive at retail petrol prices".

This assumes that jet fuel is bought at international prices from three refineries in Singapore and one in Bahrain and taken by lighter tankers to Durban and then to Johannesburg by rail. A refining margin is then added, says the newsletter.

In fact, Natref buys its crude at market prices It is carried by very large crude carriers (VLCC) and piped to Johannesburg. VLCCs carry crude oil in quantities of as much as 200 000 to 300 000 tons.

Barrel

This form of transport is cheaper than "clean" or light tankers which are smaller.

In addition, the cost of insurance for crude oil shipments is lower than that for refined fuel

The current jet fuel price is US76,5c a gallon After the retail mark-up, it rises to about US80c a gallon.

Natref supplies about 80% of the fuel, or 14 700 barrels a day, used at Jan Smuts, which dictates prices charged at other airports.

A Natref spokesman says Sasol does not sell jet fuel to

● To Page 3

● From Page 1

any airline or end users, but to other oil companies

"We cannot, therefore, comment on the oil companies' selling price for jet fuel to SA Airways or other airlines."

As with all other petroleum products, Sasol sells its jet fuel to the other oil companies at international prices based on Singapore and Bahrain markets Freight and transport costs are added to reflect an international market price at Jan Smuts

Total Government levies and taxes for jet fuel amount to only 1,3c a litre

Tourism, business travel and cargo traffic are expected to grow as SA progresses to a democratic society, with northern hemisphere countries taking advantage of the counter-cyclical weather and harvests

Jet fuel

(269)

Because of deregulation, at least eight international airlines — Cathay Pacific, Singapore Airlines, China Airlines, Qantas, Austrian Airlines, Kenyan Airways, Air Zaire and Air Seychelles — have launched 14 new flights a week to SA in the past year S/Times (BUSS) 31/5/92

SA Airways is able to fly to America, Kenya, Angola, Egypt and Australia.

Officials say that at least 25 other airlines are discussing new services The recently established independent Flitestar has 16 return flights a day to various destinations in SA and has been granted international status to fly to Bahrain Flights to other destinations have also been applied for

Focus shifting to environment-friendly flying

B/Day 1/6/92. (269)

LINDEN BIRNS

ANYONE living near Jan Smuts Airport will have noticed an increase in air traffic in recent months. After years of relative isolation, South Africans are beginning to find out how important commercial air transport is to a developing economy

For residents close to airports the situation promises to get worse as more foreign airlines and charter firms recognise the importance of Johannesburg as an African hub.

Taking an average of air industry forecasts, passenger air transport is expected to grow at a rate between 5% and 6% a year in the short to medium term. Similarly the world's airliner fleet is also going to swell.

In Europe stringent measures are being taken to reduce the levels of noise, waste and air pollution caused by airliners. But in SA there are very few regulations governing aircraft pollution

Overseas carriers are mostly using 1980s and 1990s aircraft on flights to SA, chiefly because they have been compelled to bring less noisy, smoky and smelly planes onto their inventories to be able to continue flying to airports in Europe, the US and Far East

SAA and other African airlines can still get away with operating older, dirtier planes on inter-African and domestic flights because the regulations are not as stringent.

Lufthansa's technical and enviromental executive, Franzjosef Darius believes that sooner or later, SA aviation will develop an environmental conscience.

"Here in Germany it started with noise pollution at Frankfurt, Munich, Dusseldorf and Hamburg airports," he said in a recent interview. All of these airports have imposed noise curfews and no big jetliners are allowed to land after 11pm unless they are experiencing an emergency.

Last week Munich's Riem Airport, which has been in operation since 1938, was closed down, and everything was moved to a new facility 30km away One of the major reasons behind the move was that more than 250 000 people were in audible range of Riem, while less than 20 000 were within earshot of the new airport, which is twice as large

The International Civil Aviation Organisation (ICAO), which governs airline operations, drafted mandatory regulations on the phasing out of airliners built between 1958 and the mid-1980s. All two and three jet-engined planes built between 1958 and 1970 were to be retired by 1983, and all four engined aircraft by 1985.

Aircraft built between 1970 and the mid-1980s were to be phased out at a rate of 10% of an airline's fleet a year from April 1995.

ICAO exempted developing nations from the regulations resulting in most of these old aircraft having found their way into active service with African airlines. Typical jet aircraft in this category include Boeing 707s, 727s, 737-100s, McDonnell Douglas DC-8s and Convair 880s and BAC 1-11s.

Several African airlines, SAA included, could be inclined to keep operating these aircraft as they will not fetch a resale price high enough to offset the cost of having to replace them with new planes

Darius says that, as a flag carrier, Lufthansa realised the commercial importance of being seen to lead the way in environmental awareness.

"If a noisy and smoky old Aeroflot Ilyushin flew over someone's house, they were likely to say 'Goddamn Lufthansa', without even looking out the window to see which airline it was," he explains.

Darius said in recent years Lufthansa had noticed a trend where potential passengers had begun to ask what type, how old and how environmentally friendly the plane was they would be travelling in.

Technological progress has led to the "thunder birds" being replaced by the "whispering jets" For example, the Airbus A320, the most up-to-date jet in service, emits 40 decibels — it is 16 times quieter than a Boeing 707 built in the 1960s

SAA and Flitestar have recently purchased some modern planes with modern engines

During the late 1970s and early 1980s, engineers in Europe and the US found that modifications to the jet engine could result in substantial reductions in noise and emissions.

"Aircraft exhaust emissions currently account for less than 2% of man-made emissions. The problem is that they are made in the most sensitive part of the atmosphere Airlines and manufacturers must prepare for more restrictions before they're forced to do so by law," Darius says.

At the same time, people forget that it is currently impossible to build a commercial airliner that does not make a noise and has no engines They must accept the fact that everything that flies is dangerous to the environment, he added

"Air traffic is necessary if you don't want to swim to Majorca for your holidays, or to Los Angeles for business, or if you want to eat fresh SA oranges or develop your economies At the same time, the public could reasonably expect all airlines and operators to behave in a responsible way," he says

"If your aircraft fleet is 15 years old, you stink and make a lot of noise Third World carriers get exemptions but these won't last long."

Engine designers are also continuing refinements that will lower fuel consumption This will also bring about a linear reduction in carbon dioxide production The current equation is that an aircraft produces 3,1 tons of carbon dioxide for each ton of fuel consumed

But concern that the predicted doubling of passenger volume by the early 2000s would mean a doubling in fuel consumption was ill-founded, Darius said "Because of design improvements, the amount of fuel it took to fly one passenger in 1970 can now fly two, and will fly three by the year 2000 "

The down side is that modern, more fuel efficient engines run at higher combustion temperatures and therefore produce more nitric oxides per pound of thrust than older engines, he added

"Manufacturers are already looking at engines which will produce 80% less nitric oxide than today's power plants, but research and development will take at least another 10 to 15 years," Darius says

BOOKS

Food train exercise no piece of cake

Grain

STAR 1/6/92.

(269)

Searing heat and crippling drought have witherered maize and wheat crops across the African subcontinent. Enormous quantities of grain are now being donated or bought to feed hungry populations. Spoornet is transporting the biggest volume of food relief yet. JULIENNE DU TOIT looks at what is involved.

IMAGINE a train so long that the locomotive would reach Harrismith before the last truck left Johannesburg station.

Obviously there is no such train, but that is how long it would be if Spoornet had to transport this year's drought relief maize in one go.

Out of the 11 million tons of grain, some of it bought, some of it supplied by the United Nation's World Food Programme, Spoornet is transporting 8,5 million tons — the biggest transportation exercise in food and aid relief in the world. Even the Ethiopian drought relief effort involved only 2 million tons of food.

South Africa gets 4,7 million tons, Zimbabwe 2 million, Zambia 900 000 and Malawi 800 000, while small amounts are going to Lesotho, Botswana and Swaziland.

This adds up to a total of 5 700 trains, each with 38 trucks, with each truck carrying 39 tons of grain.

The only exercise that comes close is the Kuwait Emergency Recovery Programme, the restocking of Kuwait with everything from food, rubber bands and generators to fire engines and syringes after the country was devastated in the Gulf War.

In fact the American logistics company that organised the recovery programme has been called in to assist Spoornet's logistics subsidiary, Viamax Logistics.

The Americans say that in this operation, the volumes are far bigger and the multiple destinations complicate the issue.

The logistics are staggering. At any time, about 20 ships from Argentina and the United States are on their way to South Africa to unload grain in ports that are geared for loading and exporting.

Machines that pump grain into ships stand idle, while cranes lift the huge loads on to railway trucks to be carried to silos all over South Africa and neighbouring countries. Suctioning the grain off the ships would be easier, but that damages it.

In fact, this is what makes this exercise different from other Spoornet operations. Spoornet transports between 50 and 60 million tons of coal a year, but that is comparatively easy to load and unload.

"You have to be more careful with maize and wheat. It's going to land up on somebody's plate," said Viamax projects manager Shaun McCormack.

The grain that is not going through South Africa is being landed at Walvis Bay in Namibia, Dar es Salaam in Tanzania, and Beira, Nacala and Maputo in Mozambique.

Getting the food from the ships to the countries that need it is not easy.

Malawi, for instance, is just not geared to unload consignments of loose maize, so contractors have to put Malawi's grain into 50 kg bags.

A third of the Zimbabwean and Zambian consignments also have to be bagged — a total of 36 million bags.

Spoornet has to know where its trains are at any given moment, whether they have been unloaded, whether they are waiting at Beit Bridge or which trucks can be brought back for reloading.

At the moment, it is all being done by hand. In the grain operations room at Spoornet's headquarters in central Johannesburg, ships are marked as arrows heading steadily across the map from the United States and Argentina.

One, stationed just above Cuba, is marked "hijacked". The crew mutinied over a pay disagreement while sailing through the Caribbean and diverted the ship to Cuba, where its cargo of about 30 000 tons of maize is rotting in the tropical heat and humidity.

Other charts show exactly how many tons have been transported so far by ship and by train, where the loads in transit are, and how much each train and ship is carrying.

Twenty shiploads have arrived so far at Cape Town, Durban, Port Elizabeth and East London. About 230 are still expected.

People sit working on charts and watching the boards, keeping track of every movement, and co-ordinating the exercise for the least possible waste of time and transport.

The American logistics company is going to computerise the whole system for Spoornet. From the moment a purchase contract is signed, before any grain is loaded from silo to ship across the Atlantic, it will be logged on the computer.

That will give three to six months' planning time, as opposed to the current 14 days — the time it takes for a ship to sail between the Americas and Africa.

Spoornet will also be linked to satellite and UN input to keep track of trains and the unloading beyond South Africa's borders.

The huge operation started in April and has yet to hit its peak.

And what if the drought carries on?

"We'll just have to do it all again," said Spoornet communications adviser Jacques Pienaar.

● The Star Africa Service reports that the supply of maize in Zimbabwe has improved dramatically and the long queues have disappeared. □

Computer control centre will ensure everything keeps going right, courtesy of Spoornet

City's trains right on track

ARG 1/6/92 (269)

Control centre will light on track

ARG 11/6/92 (269)

SHARKEY ISAACS
Transport Reporter

FINAL stages of the Peninsula's automatic railway signals system will soon be integrated into Cape Town's computerised railway signal centre — making for a much smoother service.

Signals at Cape Town, Woodstock and Wynberg stations will be incorporated into the rail centralised traffic system (CTC) by March next year.

Signals at these stations are now controlled by electrical impulses from locally transmitted signals

Inside the control room, 10 rail traffic controllers working in shifts daily monitor lights on the panel linked to the computerised signal relay system on a 24 hour basis

All suburban, mainline and good trains travelling to and from the city at one stage or another enter the nework of the centralised control centre.

Scores of lights are displayed on wall-sized display panels in the control room

It is just afer 6:30am and thousands of suburban commuters are streaming to stations from Simon's Town to Khayelitsha.

Controllers monitor lights on the panel linked to the computerised signal relay system

Lights chart the movement of trains which run during the morning peak between 6am and 8 30am on four different routes in the Peninsula

A total of 600 000 commuters are carried in a 24-hour period in more than 590 trains on the routes.

White lights show each train's route and numbered red lights show which section of the line each train occupies at any time.

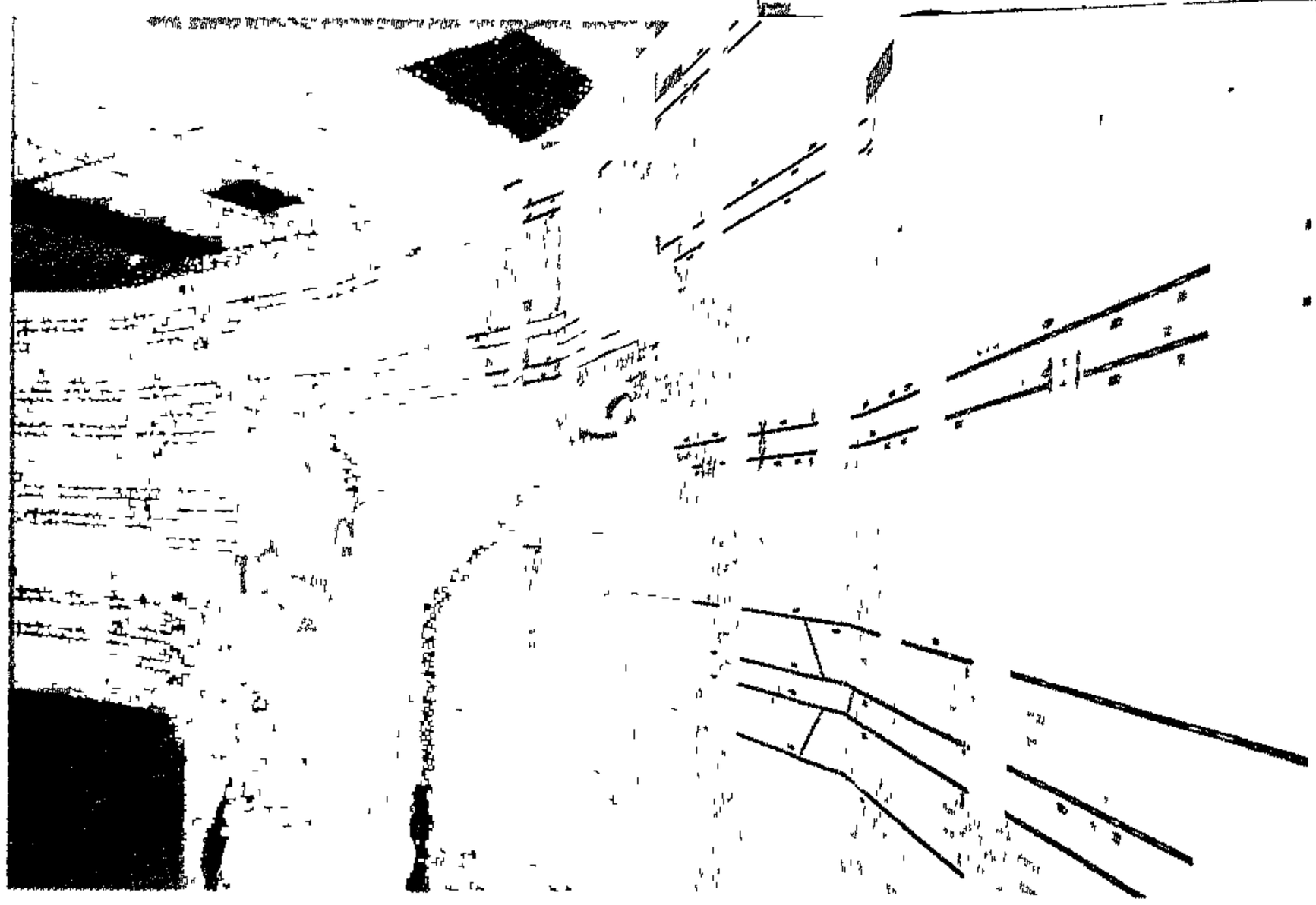
"A computer printout continually provides details of all train movements and notes when each train stops and leaves each station

Green lights indicate all is in order for the train proceed and red lights are stop signals

Bottlenecks in the rail network are quickly ironed out with the aid of safety devices in the automatic system.

Mr Schalk van Aswegen, assistant superintendent of the control centre, said "Various safety devices make it possible to detect and sort out faults within minutes, but each delay sometimes has a ripple affect on a number of trains

The control centre has been continually upgraded since it came into operation in 1986



FAULT ALERT: Mr Schalk van Aswegen, assistant superintendent of the control centre, spots a flashing light on the display panel alerting staff to a fault.

SAA takes off to Thailand

(269) LINDEN BIRNS B/Day 2/6/92

SAA yesterday launched its twice weekly service to Thailand and Singapore.

A spokesman said the debut flight from Jan Smuts was less than half full. Advance bookings for the rest of the month did not reflect an increase in demand.

He said recent riots in Thailand's capital Bangkok had not affected bookings.

Although Thai Airways holds reciprocal rights to start flights to SA, it has taken a block booking on SAA's flights until the market proves its viability.

SAA's Monday flight departs from Jan Smuts at 12.45pm, arriving in Bangkok at 5.25am on Tuesday before flying on to Taipei where it lands at 11am. It departs for Singapore on Tuesday night, landing at 12.45am on Wednesday before returning to Jan Smuts at 6.55am the same day.

The Thursday flight stops in Singapore en route to Taipei and in Bangkok on its return leg.

Malaysian Airlines, Korean Airlines, and Japan Air Lines also wish to start flights to Johannesburg.

main problem in regard to these portable and transportable toilets is not that the hole unfortunately constitutes a permanent fixture? [Interjections]

†The MINISTER Mr Chairman, the reply to that is yes, as far as the toilet is concerned, and no, not as far as the placing is concerned

Hwibi community: use of farm Tweespalk

*8 Mr P G SOAL asked the Minister of Regional and Land Affairs

(1) Whether he has received a request on behalf of the Hwibi community for that community to make use of the farm Tweespalk, No 733LDR6, which was held in trust by the former South African Development Trust, if so,

(2) whether he intends allowing the Hwibi community to make use of the farm, if not, why not, if so, what are the relevant details?

B692E

†The MINISTER OF REGIONAL AND LAND AFFAIRS

(1) No

(2) The farm Tweespalk is the property of the State which is, together with a number of other farms, being leased in terms of a written lease agreement to Gillemberg Farms It is therefore under the present circumstances not possible to make the property available to the Hwibi community

Cost of newspaper advertisements: Zevenfontein issue

*9 Mr P H DE LA REY asked the Minister of Local Government and National Housing †

(1) (a) Which Department bears the cost of the newspaper advertisements by the Transvaal Provincial Administration on the Zevenfontein question, which appeared *inter alia* on 12 May 1992 in a certain newspaper, particulars of which have been furnished to the Minister's Department for the purpose of his reply, (b) what has the total cost of these advertisements been to date and (c) what is the purport of the advertisement in the above-mentioned newspaper,

(2) whether there are any private business undertakings or bodies that contribute to the defrayal of these costs, if so, what are the relevant details,

(3) whether any more similar advertisements are envisaged, if so, what subjects will they deal with?

B696E

†The MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING

(1) (a) The Transvaal Provincial Administration

(b) The total cost of placing the advertisement in five daily newspapers on 12 and 13 May 1992 and in six regional papers during the week which ended on 15 May 1992, amounted to R130 801,93 The daily newspapers are The Citizen, The Star, Sowetan, Business Day and Beeld The regional papers are Randburg Sun, Midrand Reporter, Verwoerdburg Nuus, Sandton Chronicle, Krugersdorp Nuus and Roodepoort Record

(c) The intention of the advertisement was to emphasize, in the national interest, the realities of urbanization in the PWV area, and to defuse the emotional actions and the misconceptions regarding the presence of the Zevenfontein community northwest of Randburg and Sandton

(2) No

(3) At this stage no further advertisements of this nature are envisaged Further advertisements in this regard may, however, be published should it be deemed necessary and in the interest of the public

Compensation to injured national servicemen

*10 Adv J J S PRINSLOO asked the Minister of Defence †

(1) Whether national servicemen who sustain injuries during their national service training that are caused by the negligence of other members of the South African Defence Force and that lead to permanent disablement, receive compensation therefore, if not, why not, if so,

(2) whether the procedure followed in calculating such compensation is the same as that followed in corresponding cases outside the Defence Force structure, if not, (a) why not and (b) what procedure is followed in this regard?

B697E

†The DEPUTY MINISTER OF DEFENCE

(1) Yes, provided the claim is accepted by the responsible Government Department

(2) In so far as financial assistance is concerned two separate dispensations are applicable to National Servicemen depending on the circumstances

— National Servicemen who are already either in the employ of the Public Service or another employer who is registered in terms of the Workmen's Compensation Act (Act 30 of 1941) fall under the jurisdiction of the Workmen's Compensation Act

— Other National Servicemen are covered by the Military Pensions Act (Act 84 of 1976)

(a) The basis of compensation in the categories differ in that the Workmen's Compensation Act was enacted to compensate persons who are already employed in the open labour market for disabilities sustained during their military service Calculation of the benefits payable is based on earnings, degree of disability and the type of work performed In contrast the Military Pensions Act provides for persons who have not as yet entered the open labour market or whose employers have not been registered in terms of the Workmen's Compensation Act and who sustained injuries whilst rendering military service In such cases compensation is based on educational qualifications and the degree of disability

(b) — The Workmen's Compensation Act compels the employer to report accidents within 30 days of the incident for a decision and registration In the case of a public servant who is rendering his national service the incident is reported to the member's department who will in turn submit the case to the Workmen's Compensation Commissioner for further processing

— With regard to the completion of the claim documentation of members who fall under the Military Pensions Act, the onus rests with the individual member but he is assisted by the SA Defence Force to submit his claim on the prescribed form to the Department of Finance

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament

Measures iro cargo ships (269)

*11 Adv J J S PRINSLOO asked the Minister of Transport †

(1) Whether his Department takes any measures to ensure that cargo ships sailing in South African territorial waters are not structurally so deteriorated that they may start leaking or even sink, if not, why not, if so, what measures,

(2) whether he will make a statement on the matter?

B698E

The MINISTER OF TRANSPORT

(1) Yes, when cargo ships enter South African harbours and it is proved or suspected that international legislation is being transgressed, ship-surveyors of the Department undertake quality inspections

(2) No It is, however, customary to make a statement in specific circumstances when warranted.

Referendum: foreign heads of state approached by SA embassies

*12 Mr D P DU PLESSIS asked the Minister of Foreign Affairs †

Whether there are any South African embassies which in any way, after receiving the

Cont →

Minister calls for tolls on all national roads

(269)

ARG 3/6/92

All national roads could be declared toll routes in terms of a new Bill, the Minister of Transport, Dr Piet Welgemoed, said.

Introducing the second reading debate on the National Roads Amendment Bill, he said the registered owners of vehicles which were driven through tollgates without paying would be held responsible unless able to prove otherwise.

The Bill also recommended that certain advertising, such as tourist information, be permitted on toll roads, with due regard to the environment.

Toll roads were not economically viable as they did not carry sufficient traffic, Mr Robin Carlisle (DP Wynberg) said.

The major investment the government had made in roads in the transport spectrum was a "huge mistake" as roads were the most expensive way of meeting transport needs.

"We should be debating bus routes or more and better rail services and the control of the taxi industry" — Sapa.

On a wing and a low fare: the hazard of cut-rate seats

STAR 4/6/92. (269)

CHEAPER air fares to international destinations would in the long run cost South Africans heavily

This is the gist of a warning by Stephen Wolf, chairman and chief executive of United Airlines, one of the largest in the world, who yesterday spoke to delegates at Pow Wow 92, the international travel extravaganza in San Francisco.

At the same time he hit at "protectionist-minded governments" whose economies were suffering from their attitude towards international aviation

His message comes at a time when many South Africans are waiting expectantly for Virgin Airlines to launch a service cutting air fares to Europe.

Mr Wolf said the fare wars now ranging in the United States were threatening the future of the industry both locally and abroad. Though the cost of transportation had been reduced for the consumer, the fare initiatives of the past week imposed substantial damage on the industry

"There is no way that carriers can expand, modernise and innovate when they are faced with staggering losses," he said

The United States industry had lost billions in the past year. The response had been predictable. Orders for new aircraft, valued at billions of dollars, had had to be cancelled or deferred

The industry had had to re-evaluate a number of significant airport improvement projects and been forced to curtail services

Mr Wolf continued "Notwithstanding draconian efforts to cut costs, well-known corporate names such as Eastern and Pam Am (pioneers in their field) have been erased from the boards. Others have been able to continue only by seeking the protection of bankruptcy laws"

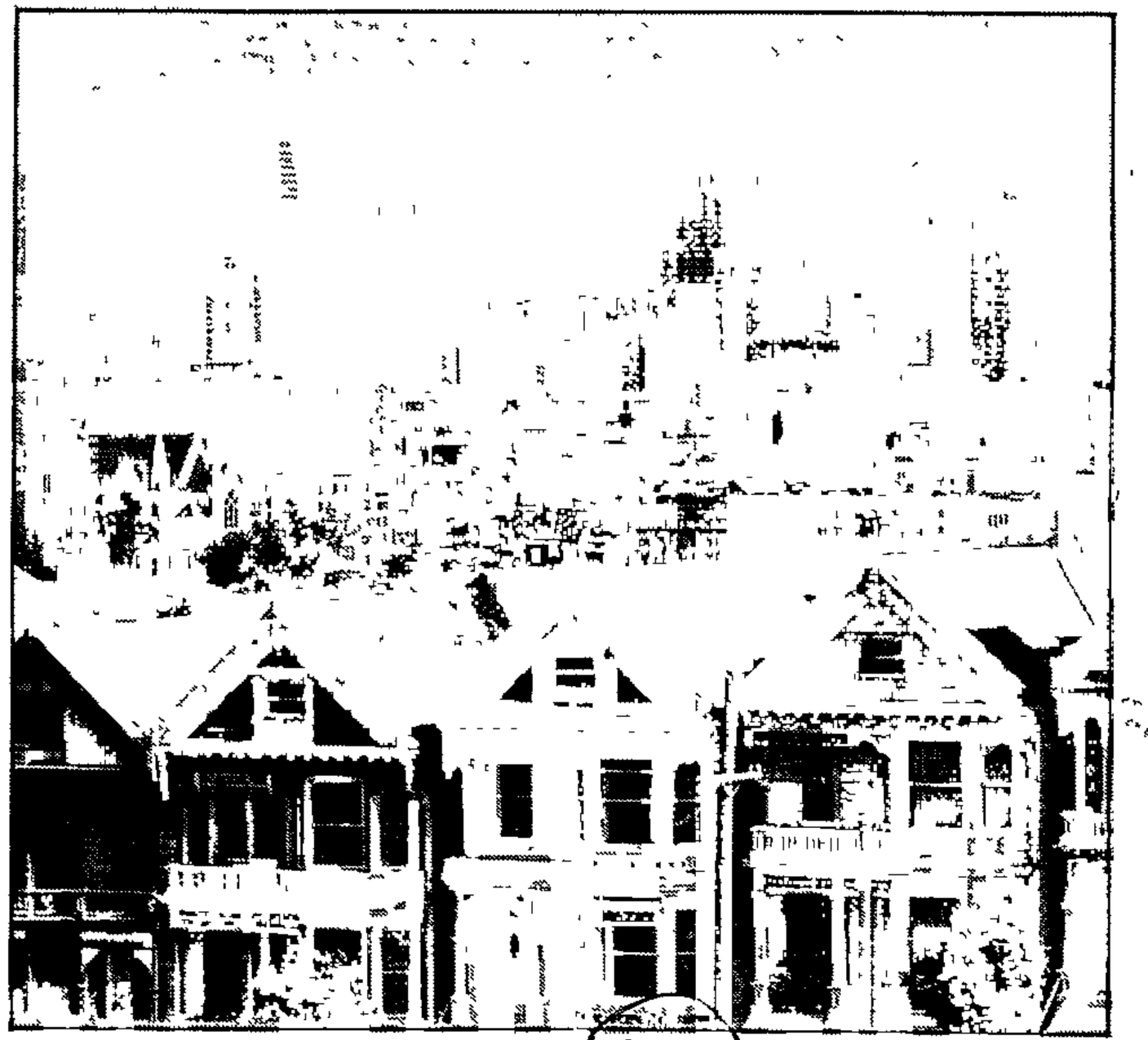
He said international aviation, led by the US carrier efforts, was on the threshold of explosive growth It would be extremely unfortunate if, as a result of shortsightedness, this door was suddenly shut

The growth of the international route structure during the past few years had been "staggering", but it was only the harbinger of things to come Though United Airlines had expanded its domestic operation by a modest 1,7 percent this year, its international operation had grown by 35 percent.

In the coming years, United States, European and Asian carriers, often working in concert, would establish efficient scheduled air links to dozens, possibly hundreds, of cities that previously had been closed to travellers. These events had been brought about by the overriding power of market economics

Trade barriers in air transportation might slow the pace of expansion, but would not stop it. In today's world, consumers were too well informed and too mobile not to realise the exorbitant price they were being made to pay in order to protect their local air carrier from competition

"Protectionism does not work It never has It never will. It ends up penalising the consumer and weakening the competitive abilities of whatever industry the policy seeks to protect." □



692

Air travel may thrive on competition, but price-cutting can be taken too far, believes the boss of one of the world's largest airlines. WINNIE GRAHAM reports from San Francisco (above).

Tour clans gather for Pow Wow in Frisco

IF THERE were to be an award for the most incredible "get-together in the world, it would surely go to the Travel Industry of America (TIA), organisers of an exposition known simply as Pow Wow '92

Nearly 5 000 people, including 4 500 delegates from 57 countries, 200 international journalists and hundreds of local workers have gathered in San Fransisco this week to promote tourism — "the peace industry of the world" — which will be worth an estimated $64 billion (about R179,2 billion) to the United States this year.

US travel organisations and hoteliers have erected 900 booths where the many foreign visitors make appointments to negotiate and buy various travel packages — ranging from skiing holidays to Disneyland tours

The 34-person South African delegation, comprising tour operators, travel agents and others, is very much in evidence Among them is Isak van Heerden, SA Airways international tours manager, who says America is increasingly becoming a favourite destination for South Africans

Since the Johannesburg-New York direct flights were reintroduced, SAA has carried 1 100 passengers a week to the US. An additional weekly flight is to be introduced from August. □

Cape seen leading economic recovery

B/Day 5/6/92

LINDA ENSOR

CAPE TOWN — The exceptional growth in cargo handled by Cape Town harbour over the last three months has led port authorities to believe that the Western Cape economy is showing signs of recovery ahead of the national economy

In April the container terminal handled the largest number of containers since it opened in 1977, port manager Rudi Basson said yesterday He added that cargo handled was an even mix of exports and imports and included coastwise goods.

Basson said the main reason for the growth was increased chemical imports and high fruit exports — March, April and May were the peak fruit exporting months

"I would like to think that the figures indicate that Cape Town is leading the recovery of the economy," Basson said

He pointed out that Cape Town harbour only handled imports and exports for the Western Cape economy, except for this year's exceptional maize imports for southern African countries

Portnet commercial manager in Port Elizabeth Eddie Hill also reported an increase in containers handled in March, April and May but was unable to pinpoint specific causes except for Volkswagen's export programme. Durban acting port manager Kallie Haupt said Durban had not experienced much change in container or bulk cargo volumes.

National figures provided by Portnet showed that between January and April this year total imports and coastwise cargo handled by SA ports increased slightly to 4,9-million tons from 4,8-million tons last year while exports declined to 29,7-million tons (30-million)

This included the 300 000 tons of maize imported in April which resulted in a 24,2% increase over the April 1991 figure

In Cape Town additional casual labour had to be employed to cope with the increase in container traffic, Basson said

The terminal had adequate capacity to cope with future growth but the port was investigating the acquisition of additional cargo handling equipment

Spoornet chiefs call for probe into R48m credit

By PETER MALHERBE (269)

A FIRM of chartered accountants has been called in to assist Spoornet with an investigation into how a private company, Minesa Energy, exceeded its credit line with the transport giant by R48-million

Spoornet spokesman Johan Hugo said no details of the probe would be disclosed until a finding had been made

Accountant Charles Ochse confirmed he was involved in the investigation, but declined to give further details.

However, it was learnt that lawyers representing companies which have had business dealings with Minesa Energy, a coal-exporting firm, were called to a meeting with Spoornet officials this week.

The investigation, ordered by Transnet managing director Anton Moolman in April, came after disclosures that Minesa Energy had run up a bill of R50-million with Spoornet

The Kyalami-based company, headed by Spanish-born Mr Jose Holgado, had a 30-day credit line with a R2-million limit

It was also revealed that coal stockpiles ceded to Spoornet as security for the debt had been removed when railway authorities tried to claim them.

Transnet spokesman Terri Greig said the investigation was sub judice, and no comment could be made until it was complete

Minesa Energy general manager Glyn Sproat said discussions between the company and Spoornet had been scheduled for next week.

7/6/92 S/Times

Parastatal threat to private sector

(269)

S/Times (BUSS) 7/6/92

By CIARAN RYAN

THE Government's commercialisation programme is running into opposition from the private sector which fears unfair competition.

Under the programme, State corporations are required to start paying their way before being privatised.

The private sector fears state corporations will have a pricing advantage because their assets were bought with taxpayers' money or low-interest State-guaranteed loans.

There is no cost of servicing capital and borrowings are generally long-term with interest rates below 15%.

Wing

Of particular concern is the possibility that the privatisation programme will be prolonged in the face of ANC opposition

SA Chamber of Business deputy director-general Ron Haywood says: "It is imperative that commercialised corporations, such as Transnet, Telkom and Denel, Armscor's industrial wing, be privatised quickly.

"We support privatisation and we do not want to see the process delayed."

Transnet's attempt to expand its laundry service into the private sector was halted by the Competition Board because it had nothing to do with its core business

Complaints were also received from the telemetry industry that Denel was competing unfairly.

The complaints fell away when Denel was commercialised, says Competition Board chairman Pierre Brooks

Commercialised parastatals are expected to improve their return on assets, but not necessarily make a profit in the early stages. This could also cause an unfair pricing advantage, says Michael McDonald, of the Steel and Engineering Industries Federation of SA.

"Private firms must reward the providers of capital and this means they must make a profit. The same is not always true of government-owned corporations. They can afford to trim their margins."

Another cause for concern is the valuation of State-owned assets. If overvalued, they can claim large write-offs for depreciation If undervalued, prices can be adjusted downwards to achieve an acceptable return on assets.

Mr Haywood says "It depends what they consider an acceptable return on assets. Private-sector companies have to make positive returns, taking into account high interest rates and inflation, provision for their business to grow, depreciation of assets and dividend payments

"An acceptable return would be 25%. State-owned companies may go for less."

Pieter van Huyssteen, chairman of the Policy Unit for Public Enterprises and Privatisation, says "It is of major concern to us that assets in State-owned companies be properly valued and accounted for. State-owned assets should not be abused. The Competition Board is instructed to act pro-actively where it sees unfair competition But in improving the efficiency of State assets, some competition must be expected."

Fire

The damage caused by State corporations unleashing their assets on private-sector markets has been severe in some instances. Sasol, now listed on the JSE, hammered AECI in explosives with a ruinous price war. Sasol's capital was relatively cheap and it enjoys import protection

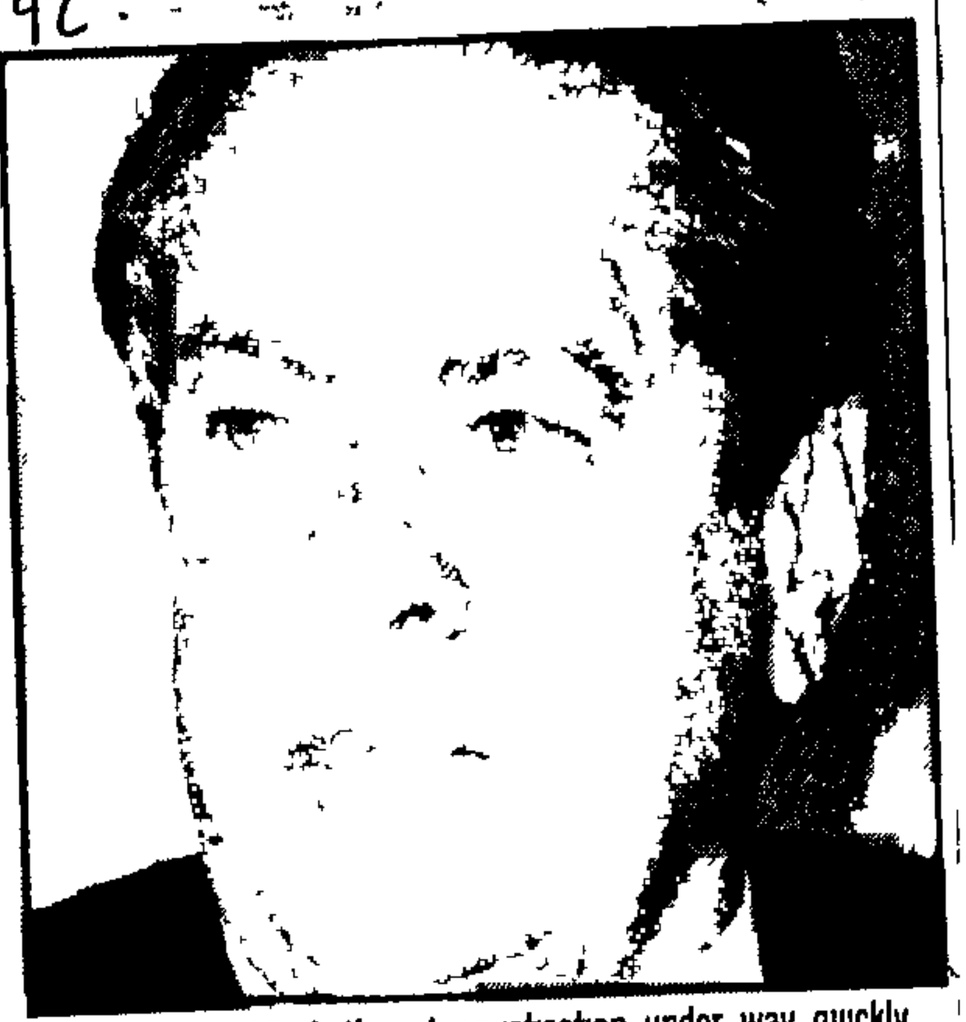
Iscor has come under fire for its pricing and efforts to lift import tariffs.

But Mr Haywood says Sasol and Iscor are trying to help downstream businesses geared to export markets by offering discounts.

"We have to look to the future, not the past. In this sense I think the cost of Sasol was worth it."

Most parastatals operate under monopolistic conditions. But as deregulation opens the door for more competition, they will look for new markets.

Telkom, for example, may start biting into the electronics markets occupied by the likes of Grinaker and Altech. SA Airways is fighting off the challenge from Safmarine-owned Flitestar, which has taken a large slice of its domestic market. It opposes licence applications by Flitestar for foreign destinations.



RON HAYWOOD: Let's get privatisation under way quickly

Transnet has started to compete with transport equipment companies. It and Eskom have taken on the private sector to make use of spare capacity in their workshops.

Pitted against Transnet in transport equipment is Dorbyl. Chief executive Dawid Mostert says competition is good provided it takes place on a level playing field.

"We hope that these businesses are self-standing and not cross-subsidised. Where we suspect this happens, we speak to them. I believe the parastatals should stick to their core businesses Maintenance workshops should leave manufacturing to others."

Denel expects taxed profits of R210-million in the 1992-93 financial year on assets of R1,9-billion — an 11% return. It is converting arms factories for civilian production and will seek markets where there are monopolies. Its explosives factory could compete with AECI and Sasol. Its electronics and chemicals plants are also a potential threat to private-sector firms.

Malaysian air links being discussed

(269) LINDEN BIRNS

SA IS negotiating a bilateral air service agreement with Malaysia This could allow Malaysian Airlines to fly between Kuala Lumpur and Johannesburg and onto a third destination B/Day 8/6/92.

The rights to pick up passengers en route to a third destination are known as fifth freedom traffic rights and are being increasingly granted in the northern hemisphere as countries adopt an "open skies" approach to scheduled airline services

A Transport Ministry spokesman said similar rights were agreed to between the Netherlands and SA when they signed a new air services agreement for KLM and SAA last week. In terms of the SA-Dutch agreement, SAA has been given traffic rights between Amsterdam and five major European cities.

Directorate of Civil Aviation (DCA) administrative director Louw Booyse said on Friday an agreement in principle had been reached between SA and Malaysia, but a date for the second round of talks, where outstanding issues would be resolved, was still to be set

He declined to comment on the inclusion of fifth freedom rights in the agreement, but it is believed SAA would like similar rights on the Kuala Lumpur end.

HOUSE OF ASSEMBLY

QUESTIONS

†Indicates translated version

For written reply

General Affairs

SAA: total cost of new uniforms

278 Mr A J LEON asked the Minister for Public Enterprises (269)

With reference to the new uniforms for air and ground staff of South African Airways, what was the total cost of the (a) design, (b) manufacture and (c) advertising and promotional and public relations work done in this regard?

B684E

The MINISTER FOR PUBLIC ENTERPRISES

The Managing Director of Transnet Limited replied as follows to the hon member's question

(a) R811 000

(b) R17,6 million

(c) R55 000

Own Affairs

Subsidizing of old-age homes: amount spent/budgeted

67 Mr L FUCHS asked the Minister of Health Services and Welfare

(1) What total amount (a) has been spent by her Department on subsidizing old-age homes for the 1991-92 financial year and (b) has been budgeted for subsidizing old-age homes for the 1992-93 financial year,

(2) whether it is the intention to increase the number of old-age homes available to her Department, if not, why not, if so, what are the details?

B658E

The MINISTER OF HEALTH SERVICES AND WELFARE

(1) (a) R221 932 848

(b) R222 046 000

(2) Only a few additional old-age homes will be put into operation in 1992/93 It is not intended to increase the number of old-age homes Provision is already made for the treatment of 7,4 % of the White aged population in old-age homes whereas the norm is 6 % A shortage of funds prevents that additional obligations are entered into

Zimbabwe and SA to sign historic accord

MICHAEL HARTNACK

B/Day 8/6/92

HARARE — President Robert Mugabe has approved a second meeting tomorrow between Transport Minister Denis Norman and his SA counterpart Piet Welgemoed to seek Pretoria's help with Zimbabwe's food crisis, sources say

PATRICK BULGER reports an SA Foreign Affairs spokesman confirmed Norman's visit and said the two ministers would sign an agreement on co-operation of drought relief efforts

The spokesman said the agreement would be historic as it would be the first ministerial-level accord between the countries since 1980

On April 1 the Zimbabwean cabinet, acting during Mugabe's absence in Ireland, dispatched Norman to Cape Town for the first ministerial-level contact.

Since Norman's talks with Welgemoed, an average of two SA trainloads of maize have been arriving daily, but Mugabe's officials have reportedly outraged SA's Foreign Affairs Department by saying discussions were "purely technical" and indicated no thaw in Mugabe's censorious attitude to "the apartheid regime"

In response apparently, Harare trade mission former head Nico Nel has not been replaced by SA since he finished his posting in mid-May.

A bungle over maize producer prices and delays in building an essential dam flattened Zimbabwe's once mountainous maize stockpile and wrecked its sugar industry for the next two seasons. As a result, Mugabe must import about 1,9-million tons of maize and at least 300 000 tons of sugar.

Norman said last week that accelerated imports since April meant the country now had enough maize to avert food shortages until the year end.

Sources said he was expected to sign a "memorandum of understanding" tomorrow

Conductors deny dishonesty

(269)

CT 9/6/92

Staff Reporter

THE Staff Association for the Workers of Transnet yesterday dismissed the allegation that millions in train ticket sales are being lost through dishon- as "the work of people for their jobs"

on general-secre- lbertus said that since the introduction of equal opportunity certain people had "made it their business to cause trouble"

He said that Transnet had implemented a disciplinary procedure and any theft had been exceptional rather than general

Mr Albertus's comments follow a work stoppage, from Saturday until yesterday, by several hundred Spoornet employees. More than 200 suburban trains ran without ticket examiners or train conductors as a result, a spokeswoman for Spoornet said yesterday

The workers embarked on the stoppage after a group of colleagues reported to a local daily newspaper last week that millions were being lost in ticket sales as a result of dishonesty and inefficiency.

Spoornet spokeswoman Mrs Yvette Olwage said that Spoornet was aware that the information given to the newspaper had been hurtful to employees and was trying to solve the matter amicably with them.

SAA outfits 'sky high'

CT 9/6/92 (269)

Political Staff

SAA's new uniform came with a sky-high price — more than R18 million.

This was disclosed in Parliament yesterday by Minister of Public Enterprises Dr Dawie de Villiers in reply to a question by Mr Tony Leon (DP Houghton).

The new uniform cost altogether R18 466 000 to design and make.

Dr De Villiers said R811 000 was spent on the design, R17,6 million on its manufacture and R55 000 on advertising, promotional and public relations work.

Silence over R10 house

THE Blue Downs couple whose home was bought back by the bank for R10 and who were then summonsed for the outstanding amount of their bond have not heard from their bank since it announced a change in policy.

CT 9/6/92

Mrs Allison Georges said yesterday that she had not been told of the new policy of "setting-off" the net proceeds that the bank gets on the resale of the house against the outstanding amount of the bond.

On the other hand, she said, she had not received any further summons to court either.

Mr Norman Axten, a senior general manager of First National Bank, said yesterday that out of some 800-odd (bond foreclosure) cases in the past 10 years, there may have been one case in which the bank would have made a profit after setting-off the net proceeds of a sale against the outstanding bond.

"If and when there is or has been a profit, that will be passed on," he said

Killing price rise in Algeria

ALGIERS. — Sick people are dying in Algeria following a rise in the price of medicines by a staggering 700%, the National Human Rights

brought to the notice of the Government of KwaZulu

Cultivation of cannabis: Okhahlamba magisterial district

*6 Mr R J LORIMER asked the Minister of Law and Order

(1) Whether it has been reported to the South African Police that cannabis is being cultivated in the Amangwane Tribal Ward area in the Okhahlamba magisterial district of the Upper Tugela Location, if not, why not, if so,

(2) whether any action has been taken against those responsible, if not, why not, if so, (a) what action and (b) by whom?

B717E

†The MINISTER OF LAW AND ORDER

(1) No The South African Police is aware of the situation

(2) Yes

(a) Mopping up operations and the investigation of cannabis offences gave rise to 65 arrests and 46 cases registered pertaining to the possession of cannabis between 15 November 1991 and 15 June 1992 During the above period a total of 25 867 kg of cannabis was confiscated

(b) Members attached to SANAB assisted by other units of the South African Police took part in these operations

Mr R J LORIMER Mr Chairman, arising from the hon the Minister's reply, can he tell us whether there is any possibility of stopping the growing of dagga there through police action, in view of the fact that such enormous environmental degradation is taking place which is damaging an area which supplies something like 10 % of the Witwatersrand s water and 30 % of that of Natal?

The MINISTER Mr Chairman, I think we would like to stop the growing of dagga wherever we can To take out or stop the growing of dagga by hand is a very costly exercise, as the hon member will understand At the moment we are looking into the use of, and we are already using, chemicals to kill young dagga plants [Interjections] We are doing this according to the strict rules prescribed by the United Nations about which chemicals can be used

In answer to the hon member's question I say yes, we will try to stop this to the best of our ability We are doing so, but it is a costly operation, and where smaller patches are being grown, it is extremely difficult to use chemicals against such plants [Interjections]

Mr R J LORIMER Mr Chairman, further arising from the hon the Minister's reply, I should like to ask him whether he would not take a trip up there to see for himself that these are not small areas It is evident that there a huge fields of dagga which are planted up and down the mountains, so that tremendous erosion is taking place These are not just little areas, but enormous areas

The MINISTER Mr Chairman, I bow to the hon member's superior knowledge about dagga and will see to this when I can [Interjections]

†Adv C H PIENAAR Mr Chairman, further arising from the hon the Minister's reply, I want to ask him whether the use of "Folidol" has been considered [Interjections]

Ladybrand post office: post office boxes

*7 Mr C E HERTZOG asked the Minister of Posts and Telecommunications †

(1) Whether he or his Department recently received representations in connection with post office boxes that had not been installed at the Ladybrand post office, if so, (a) when were the representations received, (b) by whom were they made and (c) how long has installation been awaited,

(2) whether any steps are envisaged in this regard, if not, why not, if so, what steps,

(3) whether he will make a statement on the matter?

B722E

†The MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING AND OF MANPOWER (for the Minister of Posts and Telecommunications)

(1) Yes

(a) 17 June 1991

(b) Mr C E Hertzog, MP Installation of additional private boxes could, as yet, not be undertaken for the reason I shall furnish against item 2

(2) Yes The provision of additional private boxes is to be undertaken simultaneously with other additions and internal alterations to the post office building The architectural working drawings in this regard have been completed If nothing unforeseen occurs tenders for the execution of the work should be invited during August/September 1992

(3) Yes As the existing post office building no longer meets the requirements of a functional post office it is regarded essential not only to provide additional private boxes, but to also effect certain alterations to the building with a view to improving the working conditions of the staff as well as the level of service to the public In this regard several options had to be considered in terms of practicability as well as economy Although a decision as to the best way of reaching the objective was reached some time ago the planning of the project had to be fitted in with that of numerous other projects countrywide

SARCC: loss of revenue owing to boycott

*8 Mr J CHIOLÉ asked the Minister of Transport †

(1) What was the total loss of revenue for the South African Rail Commuter Corporation as a result of the boycotting of the said corporation's services during April/May 1992 because violence is allegedly not being combated,

(2) (a) what is the additional cost per year of security in respect of rail commuting services planned by *inter alia* the South African Police and announced after 19 February 1992 and (b) what is the nature of the above-mentioned planned security,

(3) whether it is envisaged to make provision for part of or for the total cost of security in the said corporation's budget, if so, (a) what is envisaged in this regard and (b) for what reasons?

B729E

†The MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING AND OF MANPOWER (for the Minister of Transport)

Mr Chairman, the reply to this question is approximately one page long and with the leave of the House I would like to table it on behalf of the hon the Minister of Transport, otherwise I shall read it

†Mr J CHIOLÉ Mr Chairman, I think it is important that cognizance is taken of that I therefore request that the answer be read

†The MINISTER Mr Chairman, I read it as follows

(1) The estimated loss in income for the SA Rail Commuter Corporation due to the boycott action is R2,0 million For the sake of completion it has to be pointed out that the boycott action was started on 2 May 1992, but that it really gained momentum from 4 to 8 May 1992 The boycott was terminated on Sunday, 10 May 1992

(2) The SA Police indicated that—

(a) an amount of R44 800 800 has been budgeted for the securing of commuter services for the 1992/93 financial year No cost additional to the budgeted amount is envisaged as all services in this regard will be rendered by means of existing manpower, logistics and funds, and

(b) the planned security action comprises of two components, namely

(i) 1 234 members of the SA Police in the Vaal Triangle area are being incorporated in a special unit for securing commuter services, under control of a senior officer of the SA Police, and

(ii) the SA Police will have over-all responsibility with the support of the Management of the SA Rail Commuter Corporation, the SA Rail Commuter Corporation Security Services and community organizations

(3) Yes Provision for an amount of R38 million for security has been made in the

draft operating budget of R1 060 million of the Corporation for the 1992/93 financial year A further R28 million is required, for which approval must still be obtained

(a) The additional amount of R28 million is required because of the fact that the Corporation's five year security plan has been shortened to three years, and on account of the Goldstone Commision's investigation into violence on trains The five year security programme which would have ended on 31 March 1995 has been expedited and shall already be fully phased in on 31 March 1993 This entails that all stations will be secured for policing by erecting security fences, providing lighting, introducing access control and providing on-site accommodation for the SAP Communication between the train driver, control room and the SAP is being improved to permit the speedier reporting of dangerous situations and incidents Approximately R96 million of the draft capital budget of the Corporation of R288 million for the 1992/93 financial year, will be spent on security

(b) The five year security plan has been shortened to three years with the aim to protect travel fare income by means of more efficient access control and to appoint additional personnel to ensure better control at stations to ensure better safety and to accomplish better crowd control

A total amount of R250 million has been budgeted for the five year plan and will remain the same for the three year programme

---

Tax deduction scheme: films

*9 Mr K M ANDREW asked the Minister of Finance

(1) Whether, with reference to the film incentive tax deduction scheme, the Receiver of Revenue has reached a decision in respect of tax deductions for films for which deductions were claimed for the tax year ended 29 February 1988, if not, (a) why not and (b) (i) when is it expected that a decision will be reached and (ii) how long has the Receiver of Revenue been considering this decision, if so, what decision was taken,

(2) whether he will make a statement on the matter?

B734E

The DEPUTY MINISTER OF FINANCE (Dr T G Alant)

(1) As the methods of finance as well as various other aspects of schemes of this nature differ from each other, it is necessary that every case is judged on its own merits and circumstances and each film scheme is decided upon separately There is therefore no general decision which applies to all films

In so far as the tax year ended 29 February 1988 is concerned, decisions have already been taken in respect of those films where sufficient information has been supplied by taxpayers At present all film schemes are being dealt with by a special division which is situated in the office of the Receiver of Revenue, Johannesburg Although it is a difficult and time-consuming task, the point has now been reached where assessments in respect of most of those schemes will be issued to the relevant taxpayers during the next few months

(a) Not applicable

(b) (i) Not applicable

(ii) Not applicable

(2) No

Exemption of life-saving drugs from VAT

*10 Mr M J ELLIS asked the Minister of Finance

(1) Whether he is considering or will consider exempting life-saving drugs from value-added tax (VAT), if not, why not,

(2) whether he will make a statement on the matter?

B735E

†The DEPUTY MINISTER OF FINANCE (Dr T G Alant)

(1) No The reasons are furnished in the following statement

(2) During March 1992 the hon member posed a question in regard to medical services and as his question was fully answered at that stage, I do not consider it necessary to discuss VAT on medical services in general

It is well known that sales tax at the rate of 13 per cent was payable on all medicines prior to the introduction of VAT As the VAT rate is only 10 per cent and suppliers of medicines are now in a position to pass on to consumers the benefits of input credits in respect of capital and intermediate goods which are provided under the VAT system, the VAT system has created the climate to bring about a reduction in the cost of medicines

As regards life-saving drugs, the question arises what are life-saving drugs For one person a certain drug may be a life-saving drug but not for another For practical reasons it is not possible to provide for the same item to be supplied to one person without VAT and to another with VAT

Mr K M ANDREW Mr Chairman, arising from the hon the Deputy Minister's reply, may I ask him, in the light of the fact that he has the answer to next week's question which has not as yet been asked, does he possibly have the results of the next by-election which has not as yet been held? [Interjections]

(Question arising from wrong answer read by Deputy Minister of Finance (Dr T G Alant))

Limited private practice: public service medical practitioners

*11 Mr M J ELLIS asked the Minister of National Health

With reference to her reply to Question No 4 on 20 May 1992, what measures have been announced which enable registered (a) medical practitioners, (b) dentists and (c) (i) medical and (ii) dental specialists in the public service to participate in limited private practice?

B736E

The MINISTER OF NATIONAL HEALTH

(Reply laid upon the Table with leave of House)

DEPARTMENT OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

S29/7/3
S29/7/4

1 April 1992

POLICY IN CONNECTION WITH LIMITED PRIVATE PRACTICE

1 *Introduction*
With regard to the national goal of an effective, efficient and affordable health service, the Cabinet approved the principle of limited private practice during a session on 2, 3 and 4 December 1991 and on 11 March 1992 which will enable medical and dental personnel to perform work outside employment in the Public Service and receive and retain the income which is generated from this, subject to certain conditions

2 *Purpose of limited private practice*
To promote the recruitment and retention of medical and dental personnel

3 *Scope of application*
All officers and employees employed in a full-time or part-time capacity who are registered with the SA Medical and Dental Council as medical practitioners, dentists and medical/dental specialists, qualify for participation in limited private practice

4 *Operational measures*

4 1 Approval for participation in limited private practice by officers/employees still rests with the relevant Minister/Administrator or his delegate

4 2 Limited private practice is performed outside and over and above the prescribed official duty times and duty hours, in other words such work must be performed outside the approved duty times and after the official minimum of 40 hours of service per working week or 56 hours of service per working week in the case of personnel who declare themselves willing to comply with a working week of at least 56 hours, or in the case of part-time personnel after the relevant number of hours of duty (A working week is that period which extends from midnight between a Saturday and

Cont—D

SAA threatens to start price war

(269)

B/Day 10/6/92

STEPHANE BOTHMA

SAA warned Flitestar yesterday of a possible domestic price war if its rival was granted permission to operate charter flights to Mombasa, and by doing so captured some of SAA's Nairobi traffic.

Opposing Flitestar's application to fly to Mombasa, before the National Transport Commission, transport expert B C Floor, for SAA, said the public could benefit from cheaper services for a while, but accumulated losses would inevitably be recovered through higher fares.

SAA strongly opposed the application on the basis that Flitestar would take away some of its Nairobi traffic.

Floor said the purpose of economic regulation was to ensure that competition did not become destructive.

"This can readily happen if air carriers are allowed to prey on the traffic of other carriers by selling their surplus capacity at marginal cost," said Floor.

"If Flitestar is allowed to offer charter services to Mombasa at marginal cost, and so capture some traffic from SAA, the latter may retaliate, possibly on domestic services, to recoup lost revenue."

Flitestar director Joggie Vermooten said last night his airline believed SAA's submissions to the commission were a threat. Market research showed that current flights to Nairobi would be affected by a mere 4,9%.

A finding by the commission is expected within days.

Price-cutting pushes air fares to '82 levels

By John Miller STAR 10/6/92 (269)

Air fares have plummeted on the Johannesburg-London route to such an extent that some tickets are cheaper than those on offer in 1982.

Certain tickets on offer for next month are down to R1 999 return, and R2 299 during the following six months.

In April 1982 a normal economy-class fare was R2 060.

The present low fares were made possible by a joint venture between a South African travel agent and Air Namibia, which next month launches its scheduled weekly service between Windhoek and London.

Cathy MacWhirter, general marketing manager of Rennies Travel, believes the downward trend will continue.

"I also think there will be a tendency towards added value for travellers in the form of possible giveaway seats.

"Because of the surplus of seats in and out of the country, airlines will be forced to market themselves more actively," said Ms MacWhirter.

She said another reason for the downward trend was the entrance of several new airlines into South Africa, forcing those already in the market to be more competitive.

Kevin Rawnsley, managing director of Just the Ticket, believes the average discounted fare to Europe will be about R2 500 during the next 12 months.

"There will also be specials at about R2 200 and some one-offs at even below this figure," he said.

He added that the low fares would continue until tourism picked up significantly.

Shrinking

However, these fares should lead to some growth in the South African market, which has been shrinking for the past few years, Mr Rawnsley said.

Malcolm Freeman, general manager of British Airways in South Africa, did not believe that the present offer would make much difference to future booking patterns.

"It is more than likely that people who have booked on a direct non-stop flight will probably not change their minds." However, those who had booked stopovers in Europe might very well change.

Forced

Mr Freeman said the protectionist policy adopted and forced on the rest of the market by SAA would end within days with the signing of a new air services agreement between the South African and British governments.

"From July onwards we will be able to charge market-related fares," he said.

Leon Els, media manager for SAA, said the airline would continue to try to stimulate the market, even though it already had 16 different discounted fares on offer.

"We cannot fly aircraft just on discounted fares. You will never find more discounted fares than full fares on a flight," Mr Els added.

Grenade blast kills toddler

Men ordered me t

Flitestar gives its right side a leg up

B/Day 11/6/92 (269)

LINDEN BIRNS

BUSINESS class passengers flying on the right-hand side of a Flitestar airliner have the most legroom on SA domestic flights, an unofficial survey of airlines serving SA has found

The airline which gives its business class passengers the most legroom on flights to SA is Air Seychelles, with its Boeing 767 business class offering 143cm between the back cushion of one seat and the back of the seat directly in front of it.

On domestic services, Flitestar's Airbus A320s offer an average of 6,4cm more legroom than SAA in both economy and business class (neither airline has a first class on domestic flights) SAA's Airbus A300s, A320s and Boeing 737s offer 92cm in business class and 82cm in economy class.

However, Flitestar passengers sitting on the left side of the aisle in rows one to seven have to make do with 5cm less legroom than fellow business class travellers sitting across the aisle, who get 97cm Economy class passengers are treated equally with 89,7cm of space between seats.

A recent survey of business class seating by the UK-based ABC World Airways Guide showed that Virgin Atlantic had the world's most spacious Business Class seating with 141cm between seats.

A similar survey undertaken by the International Air Transport Association (Iata) found that comfort, and not free drinks, personal video screens or good food, was what most business travellers preferred

Of the international carriers currently serving SA, Air Seychelles, had the most roomy Business class section, while Air Zimbabwe, with a similar plane, was second with 105cm between seats

The tightest business class squeeze is in Alitalia's Boeing 747 Combi where the gap between seats is 89,7cm. The second most cramped business class is on Austrian Airlines' Airbus A310 where the gap is 92cm

Making up the middle rankings are SAA, British Airways, Cathay Pacific, Lufthansa, Qantas and Swissair, which have 102cm between seats in business class Greece's Olympic offers 100cm while Brazil's Varig, Singapore Airlines, Belgium's Sabena, the Netherland's KLM and Israel's El Al all have 97cm

In first class, SAA, British Airways, Cathay Pacific, Varig and Swissair tie for the legroom honours with 159cm between seats, while KLM and Lufthansa offer 156cm and 153cm respectively. Swissair's McDonnell Douglas MD-11 has the roomiest economy class with 87cm spaces

On the opposite end of the scale British Airways has the least legroom in this department with a 79cm on its Boeing 747s.

SAA and KLM, which also fly Boeing 747s, share third in the economy class ranking with 82cm while Cathay Pacific and Lufthansa are joint second at 84,6cm.

ARG 11/6/92

Big fare drop in new city air link

(269)

The Argus Correspondent

JOHANNESBURG. — Comair announced today that it would operate two daily flights to Cape Town from August for 20 percent less than SAA and Flitestar's standard economy fare.

Passengers will pay R339 for a one-way ticket. Further reductions for off-peak periods for certain categories of passengers will bring the fare down to R265.

The Comair Citijet is a Boeing 737 for 108 passengers leased from SAA Under the agreement the airline will use SAA aircrew for the first two years.

The airline expects to carry more than 200 000 passengers this year — an increase of 25 percent over last year

Alcoholic drinks will be available at a nominal price while meals will also be served

With the introduction of the Cape Town route, Comair becomes the third major airline in the domestic market

It operates services to Richards Bay, Phalaborwa, Skukuza, Swaziland and Botswana It also recently became a member of the International Air Transport Association.

(269)

Residents oppose new rail system

STAR 11/6/92

Staff Reporter

The Johannesburg City Council's proposal for a light rail transit system which will serve the Johannesburg Metropolitan region within five years, was flatly rejected by Orange Grove residents last night.

The proposed tram network would be a first for the Johannesburg CBD, and would have routes from Braamfontein, Hillbrow and Yeoville in operation by the year 2000

Seven possible routes were also identified, some of which would run from the black townships, including Soweto, Alexandra, Dobsonville and Meadowlands, into the CBD

At a heated meeting between the residents, Jomag and the Johannesburg City Council held at the Linksfield Primary School yesterday, residents voiced their strong objections

The residents who feared for their properties, appealed to the city council to upgrade the standard of living

They also demanded from the Johannesburg transportation committee chairman Paul Asherson that there would not be a light rail system in the area

Spoornet back on track

A FOUR-day work stoppage by Spoornet's suburban ticket collectors in the western Cape ended yesterday, Spoornet spokesman Yvette Olwage confirmed.

About 306 of 405 ticket collectors refused to work after a few collectors were accused of pocketing commuter fares.

B Day 11/6/92

(269)

Comair offers cheap Cape Town flights

B/Day 12/6/92. (269)

ADRIAN HADLAND

COMAIR is to introduce two flights daily between Johannesburg and Cape Town with fares 20% less than those offered by the major airlines, it was announced yesterday

The flights, which will depart from Johannesburg at 7am and 3 15pm on weekdays at a cost of R678 return, will commence on August 3.

Special fares at R530 return will be available for married couples, the military, senior citizens and children.

SAA and Flitestar charge R860 and R852 respectively for economy returns, though both offer special discounts

Both companies said they welcomed competition on the lucrative Johannesburg/Cape Town route which carried more than a million passengers a year

Comair MD Piet van Hoven said Comair would be aiming at the average cost-conscious consumer, rather than the business or first class sector

Comair's new B737 would not have business or first class cabins.

A Boeing 737, together with cockpit crew, had been acquired on a three-year lease from SAA for the new route

SAA representative Leon Els said any move to stimulate and broaden the market was to be welcomed

SAA had been offering discount fares at up to 40% below the economy rate for more than two years and did not believe its market share would be affected

A Flitestar spokesman said Comair was targeting a different sector and would not present a competitive threat.

Van Hoven said the B737's 108 passengers would receive a "no frills" service

PUBLIC ENTERPRISES: SAA

NEW uniforms for the South African Airways air and ground staff cost more R18-million to desi[illegible] (269)

desi[illegible] R811 000 while the manufacturing costs amounted to R17,6-m[illegible]

A further R55 000 was spent on advertising, promotions and public[illegible]

W/mail 12/6 - 18/6/92

Minister: Reef train boycott cost R2m

(268)

(269)

CT 12/6/92

Political Staff

THE week-long train boycott on the Reef at the beginning of last month cost the South African Rail Commuter Corporation about R2 million.

Replying to a question by CP MP (Pretoria West) Mr Joseph Chiole, Transport Minister Dr Piet Welgemoed said R83 million was budgeted this year for security on trains and stations. A further R28m was needed but had not yet been approved.

Dr Welgemoed said the SAP budgeted R44,8m for securing commuter services this year The corporation budgeted R38m for security. The R28m was needed because the corporation's five-year security plan was shortened to three years

He said 1 234 police in the Vaal Triangle would constitute a special unit to secure commuter services, while the police would be responsible for securing trains and stations

Price war hots up as Comair cuts air fares

(269) CT 12/6/92

Staff Reporter

THE entry of Comair into the domestic market yesterday could spark a price war between opposition airlines.

Comair, which will operate two daily flights Johannesburg-Cape Town from August, announced yesterday that it would slash its prices to 20% less than SAA and Flitestar's standard economy fare to Cape Town.

SAA spokesman Mr Mike Pheiffer said that as more carriers entered the domestic market all carriers would get a bigger slice of the tourism cake

However, prices had not dropped since Flitestar squared up to SAA by entering the domestic market in October last year.

A single economy fare between Johannesburg and Cape Town is R430 on SAA and R426 on Flitestar. Between Johannesburg and Durban SAA charges R229 and Flitestar charges R227

The equivalent Comair fare between Johannesburg and Cape Town will be R339. Further reductions for off-peak periods for certain categories of passengers will bring the fare down to R265.

Asked if Comair's decision to slash fares to Cape Town by 20% would lead to a price war, Mr Pheiffer said it would depend on market demand

"Comair's cheaper flights will obviously attract some of our customers, but Comair will fly only twice a week.

"While Comair's normal economy fares are 20% less than SAA, we have a wide range of other domestic fares up to 40% off our normal economy class on the red eye flight," he said

SAA, he said, also offered far more flights a week than Flitestar and believed SAA offered a better service.

Mrs Phillippa Sparrow, marketing and sales manager for Flitestar, said it was too early to say whether it would lower its fares to compete with Comair.

SAA had increased its fares by one percent from April, whereas Flitestar had not, and its business class off-peak fares were 16% cheaper than SAA's

"We also cater for the leisure market with a wide variety of discounts

"In March this year we introduced late-night flights on the Cape Town route at far more acceptable hours and are offering meals and a full bar service, which SAA does not," she said

Both SAA and Flitestar offer 40% off late night flights "But Flitestar offers wider seats with more leg room and we spend a lot more than our opposition on food, and pride ourselves on our high-quality meals," she said

Getting SA on the right track

STAR 13/6/92

(269)

AT one time, saying "the Railways" was like saying "dull and inefficient". Now an offshoot of Transnet is on the verge of revitalising cities across the country, with exciting and visionary plans. JAMES CLARKE reports.

THE biggest owner of inner-city land in South Africa — with 44 000 properties — occupies a modest office in the ATKV Building in Braamfontein, Johannesburg.

The land owner's chief executive is a cheerful, well-built man whom people call "Fuzz"

Zambian-born Henfred John "Fuzz" Loubser (41), a civil engineer with a masters degree in business leadership, controls space in central Johannesburg big enough to erect several Carlton Centres. And he has, ready for development, great chunks of prime central space in every city in South Africa — bar none.

When city economies get moving again Fuzz Loubser's business will possibly be the most powerful catalyst for reviving central areas His firm is Propnet, a one-year-old offshoot of Transnet — the old SAR It has the job of making the most out of railway-owned land

This land, much of it derelict, occupies the heart of Johannesburg — a great east-west swathe measuring hundreds of hectares, it owns another large area of Pretoria's city centre, great chunks of Durban including its vast harbour, critical areas of Port Elizabeth, East London, Mossel Bay, Cape Town .

In an interview over breakfast in a Sandton hotel, Mr Loubser spoke of Transnet/Propnet's most celebrated project so far — the Victoria and Alfred Waterfront in Cape Town.

It is said to be the biggest crowd puller in South Africa — even more than Kruger Park — with 6 million visitors last year It has cafes, restaurants, beer gardens, an international yacht quay, shops and ships.

The "V & A" became a catalyst

THEY CALL HIM FUZZ: and he is altering the face of downtown South Africa.

ply to optimise unused space owned by Transnet.

The air-space deal east of the station was a first for South Africa Air space is, literally, the column of air above railway lines. The idea is that Transnet needs only the ground floor for its trains — buildings could be erected above the lines as long as we will not release all of our available land simultaneously. We will ensure that each development takes place in strict accordance with a development brief and we'll ensure that any development is to the advantage of citizens, private enterprise and Transport Services "

He has stuck to this. He personally insists on planning with the local authorities and discussing ideas with public pressure groups He soon became a popular member of the Central Business District Association's council as well as the SA Property Owners' Association

The tracts of land ready for development are providing retail, residential, industrial and commercial opportunities. Daily, people are approaching Propnet with proposals. This is how the Transnet/Propnet empire is shaping·

JOHANNESBURG: The railway canyon east of Johannesburg station is now being bridged over in an engineering feat which entails planting pillars between the busiest set of rails in Africa — without stopping traffic. Bounded by Wanderers, King George and Noord Streets, a R40 million centre known as The Bridge will rise by next May. It is the first commercial air space development in South Africa The centre for rail commuters will have a taxi terminal, underground parking, two floors of shops and two filling stations In another Johannesburg development Transnet, through Propnet, is enhancing the Newtown renovation by re-erecting there the original 1892 Park Station with old-fashioned tea rooms, restaurants and museum pieces

PRETORIA: Draft plans for a large commercial centre are being drawn up for Salvokop, opposite Unisa on the Ben Schoeman highway.

WEMBLEY: A R12 million shopping

MAGNIFICENT Cape Town's Waterfront project is on land that used to belong to the railways. Last year it attracted six million v

Star 13/6/92 (269)

that rejuvenated the Cape Town city centre which, like Johannesburg's, had become seriously run down

In Johannesburg Propnet was instrumental in leasing the air space above the canyon of rail over which Twist Street and other north-bound streets pass Over the lines will be built a huge shop/office/taxi project

Why all the activity? Fuzz Loubser explained that the Railways, no longer exempted from having to pay rates to local authorities, established a unit called Business Development in the mid-1980s. He headed it In 1991 it became Propnet and its job is simrailway traffic is undisturbed.

The move worried city developers at first In Johannesburg alone Propnet has available air rights over sites ranging in size from twice that occupied by the four-block Carlton Centre to areas 10 times larger To assemble city-centre spaces like this would normally take years of negotiating and mean the wholesale destruction of existing fabric.

Fuzz Loubser, when Transnet sent him out on South Africas's biggest development saga in 1986, told The Star

"We are very aware of our responsibility to inner city environments and

centre is being constructed at Denneboom Station on railway property

VEREENIGING: Dormant land has been made available here for a large commercial centre including shops, offices and transport, to be called Taxido Junction.

KEMPTON PARK: Construction has started on the R15 million Kempstar Shopping Centre at Kempton Park Station, catering for people without private transport. It is along the lines of Bellstar Junction at Bellville Station in the Cape.

CAPE TOWN: The Victoria and Albert Waterfront has now completed four of 14 planned projects within the harbour area By October it will have added the chic 26 000-sq-m Victoria Wharf retail and entertainment centre. The scheme has also rejuvenated abutting properties.

DURBAN: An imaginative retail-residential-entertainment development is planned for Point Road. Plans are also being drawn up for something akin to Cape Town's V&A Waterfront on Durban's Victoria Embankment.

PORT ELIZABETH: The Bay Waterfront project — again like the V&A scheme — will create a link with the city centre. It is a long-term project whose timing will have to depend on market demand

EAST LONDON: A Victorian theme redevelopment of the waterfront, called Lantern Bay, will revitalise the area now known as the Fish Jetty The first phase includes renovation of existing old buildings.

SOUTHERN CAPE: There is an ambitious plan to develop the tourism potential of an area linked by 33 railway stations including Mossel Bay, George, Oudtshoorn and Knysna. The development, called the Golden Thread, involves a scattered 70 ha of property but includes "soft" plans such as a walking trail along the scenic line between George and the Wilderness and Knysna, using overnight huts. The steam locomotive on this line will be kept in operation for passengers and timber

BACK IN TIME: 100 years ago this railway station, prefabricated in Holland, was erected at Park Station, Johannesburg. It was dismantled 40 years ago and taken to railway property at Esselen Park. Today it is being dismantled again — to be brought back to Johannesburg.

Not flights of fancy but cheapest

(269)

ARG 13/6/92

■ As competition in the skies hots up, airfares on the Johannesburg to London route have plummeted with some tickets cheaper than those on offer in 1982.

Weekend Argus Reporter

AIRFARES have plummeted on the Johannesburg-London route to the the point it can be cheaper to fly now than it was 10 years ago.

Certain tickets on offer for July are down to R1 999 return and R2 299 during the following six months.

In April 1982, a normal economy class fare was R2 060.

The present low fares were made possible following a joint venture between a South African travel agent and Air Namibia who launched their scheduled weekly service between Windhoek and London in July.

Ms Cathy Macwhirter, general marketing manager of Rennies Travel, believes the downward trend is set to continue.

"I also think there will be a tendancy towards added value for travellers in the form of possible giveaway seats.

"Because of the surplus of seats in and out of the country, airlines will be forced to market themselves more actively."

She said another reason for the downward trend was the entrance of several new airlines into South Africa.

Mr Kevin Rawnsley, MD of Just The Ticket, believes the average discounted fare to Europe will be about R2 500 during the next 12 months.

"There also will be specials at about R2 200 and some one-offs at even below this figure."

He said the low fares would continue until tourism picked up significantly.

However, these fares should lead to some growth in the South African market which has been shrinking for the past few years.

Mr Malcolm Freeman, general manager of British Airways, did not believe the present offer would make much difference in future booking patterns.

"It is more than likely that people who have booked on a direct non-stop flight probably will not change their minds. However, those who have booked on points over Europe might very well change"

Mr Freeman said the protectionist policy adopted and forced on the rest of the market by SAA would end within days with the signing of a new air services agreement between the South African and British governments.

"From July on, we will be able to charge market-related fares."

Mr Leon Els, media manager for SAA, said the airline would continue to try and stimulate the market even although it already had 16 different discounted fares on offer.

Comair wings it for tourist trade

(269) CT 13/6/92

By AUDREY D'ANGELO
Business Editor

COMAIR [illegible] cut price air service between Cape Town and Johannesburg in August — is aiming at the tourist market and not the business traveller, MD Pieter van Hoven explained in Cape Town yesterday.

His airline is also improving its regular daily service between Jan Smuts airport and Skukuza in the Kruger Park.

And it is looking into the possibility of starting regular services to Harare and Windhoek.

Van Hoven, who is chairman of the SA Tourism Board, expects the tourist industry to grow at a steady rate of between 15% and 20% a year from next season.

Dismissing suggestions that SA lacks the infrastructure to cope with a big influx of foreign tourists, he said: "Our hotels currently have an average occupancy rate of 57%, so there is plenty of spare capacity.

"I am convinced that the private sector will respond adequately to the challenge of providing adequate accommodation and facilities to meet the numbers arriving.

"[illegible] government is looking carefully at restoring the incentives to build new hotels."

In addition to an upsurge in foreign tourists Van Hoven [illegible] a big increase in domestic tourism [illegible] to improve. He thinks the twice daily Comair service between Johannesburg and Cape Town, together with the service to Skukuza, will encourage more travel to the Western Cape [illegible].

There is a strong affinity between the two regions. Both have major development potential.

Van Hoven said Comair was aiming at a different market from SA Airways and Ellitis, the latter concentrating on the business traveller who usually does not pay his own fare [illegible] business rather than [illegible].

"We are aiming at a specific sector of the market: tourists and individuals who are paying for the flight from their own disposable income and need to access a lower fare structure [illegible] no business class."

He expect[illegible] from a lower volume [illegible] the number of daily flights will be "adjusted, and possibly increased" according to demand.

Van Hoven does not expect Comair to compete in future on the international market. "But we are looking at a regional market in Southern Africa."

It already has services to Gaborone in Botswana and to Swaziland.

Comair will replace its 4[illegible] planes flying between Jan Smuts airport and Skukuza with a faster, 80-seat F[illegible] in October. This will cut flying time from the present one hour and 15 minutes to 50 minutes.

The morning flight will leave Jan Smuts later, at 11am, making it easier for travellers from [illegible] Cape to catch the connection. Comair has a safari operation at Skukuza, with 11 minibuses [illegible]

Cut fares: Flitestar, SAA see no threat

(269)

ARG 13/6/92

Weekend Argus Reporter

SOUTH African Airways and Flitestar have welcomed competition from Comair, which is to launch cut-rate flights between Cape Town and Johannesburg.

Flitestar public relations consultant Mr Allan Fabig said Comair's service seemed to be aimed at a different market.

"We're not discounters, but a value-added company which concentrates on quality service like wider seats, more leg room and excellent quality food," he said.

"Comair is strictly a discount operation and we don't yet know what the service will be like. I expect they will provide only a basic service commensurate with the lower fares."

Mr Fabig said it seemed Comair's cheaper flights would be aimed at the leisure market. Comair will operate two flights a day from August at a fare 20 percent lower than the standard economy fare charged by SAA and Flitestar.

An SAA spokesman said the airline welcomed deregulation in the industry.

"Competition stimulates growth and standards."

SAA offered about 650 internal flights a week and discounts ranging from 10 to 40 percent on its normal economy fares, she said.

SUNDAY

PROFILE

Thys is winning his fight to keep Soweto's train thugs at bay

S/Times 14/6/92 (269)

FROM 4am to 8pm the best coffee in town is available at Soweto's New Canada police station, with large dollops of homespun wisdom and surrounded by a lethal assortment of hand-hewn weapons seized on the trains

Captain Thys du Plessis, 36, head of the New Canada crime prevention unit, is a coffee addict. He is also responsible for the safety of more than a million Sowetans who whiz past his fern-filled office window each day

During the morning or evening three-hour rush, 318 trains with 2 441 coaches hurtle through 16 stations under his command.

At least once during the rush hour he will fill the coffee machine with fresh water and grounds, switch it on and take his lanky frame on to one of the trains. He may choose the train at random, or it may be one, like 9025 from Vereeniging, that has a reputation for violence.

By the time he gets back the coffee will have dripped through and he'll pour a steaming cup

Captain Du Plessis is the key link in a new train-violence task group that has seen the police increase force numbers sixfold on Reef trains, and pump in vast resources in efforts to curb violence. His own unit, as an example, previously had just over 60 policemen. That number has now swelled to 511

In March the 60-odd members of his unit worked an average of 174 hours overtime each — or a combined 10 400 hours overtime. They don't get paid overtime, nor do they get the danger pay which members of the riot squads get for township duty This year seven members of the unit were in hospital after falling victim to train attackers.

It is too early to tell if the new system will restore safety to the Soweto trains, in which 13 people were killed in the first four months of this year Violence plummeted in May, but this week in scattered attacks more than 14 people have been injured and four killed.

As Tuesday's 16th anniversary of June 16 1976 looms, Captain Du Plessis and his men are bracing themselves for what is traditionally one of the year's most violent days.

Captain Du Plessis has policed trains since he was 17, and he knows it is unlikely that violence will be beaten this easily "I think violence is down because people heard rumours of the new task force, but there will always be someone who will test the system," he says.

If there is ever a book written on township trains, Captain du Plessis would be an essential source.

He recalls how in the 70s, karate supremo Bruce Lee was the craze and karate the favoured assault on Soweto train commuters Then gangs came to the fore. They would shoot at opposing gangs as trains pulled out of stations, though nowadays some commuters take barrowloads of stones on to trains to hurl at passing opponents.

Women would be gang-raped and commuters thrown off trains after being robbed There have always been coaches devoted to gamblers or churchgoers — some preachers work only in these tin churches — but after open-air meetings were banned in 1978, and it became increasingly perilous to hold political meetings, trains became a critical venue for political and union meetings

These were the "mzabalazo" (struggle) carriages. They are so important that Cosatu has for a number of years had a special "train sector" Captain Du Plessis says that, before major political events, political speeches on trains intensify and people "become excitable and often attack each other"

One of the roots of the present train violence began about three years ago when activists from rival groups would tell an ideological opponent to lift his union or politically slogan-ned T-shirt above his head, and then stab him. Result. no one now wears a T-shirt with a political slogan Captain Du Plessis says conventional crime has ceased completely on the trains "Now it is just killings," he says

Recently, he recounts, a thug thought he could buck the trend and stole a wallet when the train halted. "Everyone jumped off the train and chased him. They almost beat him to death when they caught him And yet those same people say nothing when they witness an attack.

"There is something wrong with our society when material possessions become more important than life."

Captain Du Plessis is in favour of a weapons ban. In all his years as a policeman he has never once used his firearm. "I've never found it necessary You can always talk confrontation out of the way instead of fighting

"Sometimes we board a full coach and people will get aggressive towards us. The only thing is to find a leader in the group and get only him to talk. Eventually you reach a situation where he understands you, and you him, and everyone calms down."

His father was a detective, and his eldest brother, Johannes, is assistant district police commissioner in Greytown, Natal, a younger brother is in the army In his 18-year career Captain Du Plessis has policed trains from Krugersdorp to Merebank, Worcester to Ermelo, but Soweto is his most challenging assignment.

His staff say he is easy to work for, though many work the long hours — from 4am to 7pm — that he often puts in He had no tertiary education, though for a while he lectured in criminal law and police administration at the police college.

Despite his long hours, he obviously makes time for an active social life. Captain Du Plessis has been married three times He and his third wife, Hanlie, have seven children between them.

After hours he devotes himself to his large family and dabbles in oil painting, engravings and calligraphy "That is why I don't suffer from stress; when I'm doing those things I don t think of work."

Charlene Smith

AT THE READY: Captain Du Plessis who says train violence is down 'but there will always be someone who will test the system' Picture JOE SEFALE

Sunken oil tanker 'a menace'

S/Times 14/6/92

By RYAN CRESSWELL

SCIENTISTS believe the sunken tanker Katina P will be an oil pollution menace to South Africa for many months to come.

This is the finding of the Marine Geoscience Unit of the Department of Mineral and Energy Affairs which analysed the sinking, 160km from the Mozambican shore in mid-April.

It is in marked contrast to findings of the Environment Affairs and Transport departments, who claimed the oil would stay underwater

They said water pressure would keep the oil in place and low temperatures 2,8km under the sea would freeze the oil. They assured the public the tanker had probably reached the bottom in one piece.

Professor Tom Mason, Dr Peter Ramsay and Dr Alan Smith of the Geoscience Unit say that no matter how low the temperature, oil will rise to the surface if it leaks from ruptured tanks, as its density is less then sea water

They say the chance of the Katina P not breaking up underwater is "remote" as it would have been travelling about 48km/h when it hit the seabed — with a force 30 000 times that of a car hitting a brick wall at the same speed

"The salvors estimated that Katina P's hull and deck were already severely damaged before she broke her back and sank.

"Considering the Katina P's hull condition, we believe that most of the oil tanks will be damaged, and that the ship will be an oil pollution source until her cargo disperses — the wreck still holds about 53 500 tonnes," said the marine geologists

The Department of Environment Affairs has reported that about 500 tonnes of oil from the tanker has landed on SA beaches.

● Oil from the Katina P is already killing seabirds but crayfish are eating the sticky stuff Oil-covered animals have been found along the South Coast at Pennington, Amanzimtoti and Bazley

Rush to buy tickets as air fares slashed

S/Times [Cape Metro] 14/6/92. (269)

By FRED ROFFEY

CAPETONIANS are poised for take-off following Comair's announcement of slashed air fares between the Mother City and Johannesburg.

Inquiries are streaming in to travel agents from tourists, business people, senior citizens and other special categories who — fed up with the 18-hour back-aching coach journey to Johannesburg — find that by air they can do the trip in several comfortable hours for only R80 extra return.

Offer

A surge of inquiries has also resulted from Air Namibia's announcement that at R2 499 it will cut R500 off the lowest available economy class fare from Cape Town to London via Windhoek next month.

At a video presentation in the Cape Town Planetarium this week Comair's managing director Mr Pieter van Hoven said the airline would introduce twice daily return services between Johannesburg and Cape Town from August 3

The one-way fare will be R339, 20 percent less than the standard economy fare offered by the other two carriers — SAA and Flitestar — and the return fare R678.

Further reductions will be available for off-peak services, bringing the cost to as low as R265 one way for passenger categories like senior citizens and youth (below 21), military and spouse fares and Apex-advance purchase excursions

This means senior citizens will be able to fly off-peak at the return fare of R530 compared with the cheapest return coach fare of R450, giving a saving of R80.

Mr Van Hoven said the new air fares formed the basis of a "pilot scheme" which could be extended later to other high density destinations like Durban.

Comair was also looking at the possibility of starting regular services to Windhoek and Harare.

Comair's service between Cape Town and Johannesburg will use a Boeing 737-200 twin-jet aircraft carrying 108 passengers

Businessmen have welcomed the move

Up-country visitors who flew in for this week's well-attended Cape Industrial Trade Show at the Cape Showgrounds, Goodwood, said price reductions were always welcome to today's tight budgets

They hoped the Comair price reductions would force a price war with SAA and Flitestar, as business people travelling on company expenses were now looking at every rand

Welcome

Mr Walter Gaiser, managing director of Fast Service & Supplies, which had a stand at the exhibition, said anything which helped cut costs was welcome

"It will lead to more trade between Johannesburg and Cape Town and more people flying to exhibitions as the new fares catch on," said Mr Gaiser, who often flies between the two cities

Executives at Cape Town-based insurance companies travel extensively to the Reef, and they could become big users of the new service, although both SAA and Flitestar offer more flights at present.

SAA 'war' threat to be investigated

S/Times [Buss] 14/6/92

By CIARAN RYAN (269)

SA AIRWAYS is to be investigated by the Competition Board "as a matter of urgency" because of its threat to launch a price war against Flitestar.

SAA made the threat in retaliation for Flitestar's application to fly to Mombasa.

The board is concerned that SAA, which lost R60-million last year and is expected to suffer an even larger loss this year, will run up progressively higher deficits in its efforts to undercut Flitestar

The board has been instructed by the Government to ensure that the transition to a deregulated airline industry proceeds smoothly

Competition Board chairman Pierre Brooks told Business Times "There was a clear understanding all along that there would be no cross-subsidisation of routes by the national carrier

"The State does not want to be seen to be competing unfairly."

An industry official suggested that Comair's entry this week to the high-density Johannesburg-Cape Town route, using SAA crew and aircraft, was a surrogate assault by SAA on Flitestar The claim is denied by SAA and Flitestar.

Lease

Flitestar has made inroads on SAA's Cape Town-Johannesburg traffic. The Competition Board intends taking the matter up with SAA

Comair has leased a Boeing 737, capable of seating 108 passengers, from SAA for three years. It will offer two daily flights between Johannesburg and Cape Town for R678 return "compared with SAA and Flitestar fares of around R860.

Lower fares of R530 return will be available to special categories of travellers, such as senior citizens.

SAA spokesman Zelda Roux says the airline is not interested in starting a price war with Flitestar or anyone else

She says "Domestic air fares in SA are already the lowest in the world To use cut-throat practices will be suicidal for the industry as a whole"

She discounts suggestions that Comair is a surrogate competitor, adding that SAA welcomes deregulation She says market demand will dictate prices

Flitestar spokesman Alan Fabig says Comair's service should enlarge the domestic market, of which Flitestar has about 23%

"We are aiming at the business and upper end of the leisure market. What we do not know is whether businessmen will start downrating into this market But we are not unduly worried."

Flitestar is operating at occupancies of about 57% — sufficient to break even A loss of traffic on the Cape Town route would drive it into the red It operates six daily Johannesburg-Cape Town flights in both directions and six daily flights to Durban

Part of the concern about SAA's tactics is how it plans to finance deficits brought about as a result of a price war. It has access to cheap loan capital under the Transnet umbrella, leaving Flitestar at a pricing disadvantage

SAA says it has never required State subsidies to offset losses

Miss Roux says additional funds are obtained on the capital markets when required

SAA's financial figures are now incorporated with those of Transnet, making financial comparisons with previous years difficult.

Increased demand for cargo handling means expansion

B/Day 15/6/92 (269)

PROPOSALS are being studied for the short-term expansion of facilities at the Jan Smuts airport air freight centre following increased demand for extra cargo handling space by foreign and local airlines

Directorate of Civil Aviation (DCA) Airport Systems director Stewart Huckwell says two loose proposals have been mooted and are receiving the DCA's urgent attention.

One plan is to extend the existing garage-type warehouses used by the foreign airlines and Safair, as well as SAA's independent cargo building, to make room for other foreign carriers.

The alternative is to erect a new common freight facility and to contract an independent private company to handle the breakdown of bulk freight before handing it over to the 130 or so freight forwarding and clearing agents based at the airport.

Huckwell says both options fit in with government's plan to commercialise and eventually privatise the airport, and adds a combination of the two proposals is also a strong possibility.

However, while acknowledging there is an urgent requirement for expansion, at least within the next 12 to 18 months, Huckwell says that so far the Department of Transport has not allocated or considered a budget for the programme

Besides the demand for cargo handling floor and storage space, there is also a demand for office accomodation for the freight forwarding and clearing agents, says Huckwell.

"We envisage allowing the Air Freight Forwarding Association to erect an office complex on the airport's grounds so the 130 agents working from Jan Smuts can be accommodated," he says

While the demand is for "an increase at short notice", Huckwell is unable to give an indication of the time frame being considered for the expansion

Study

"There are expectations that air freight volume could suddenly increase sharply. But SAA, before putting its money where its mouth is, is conducting a study on the likelihood of such an increase," he says.

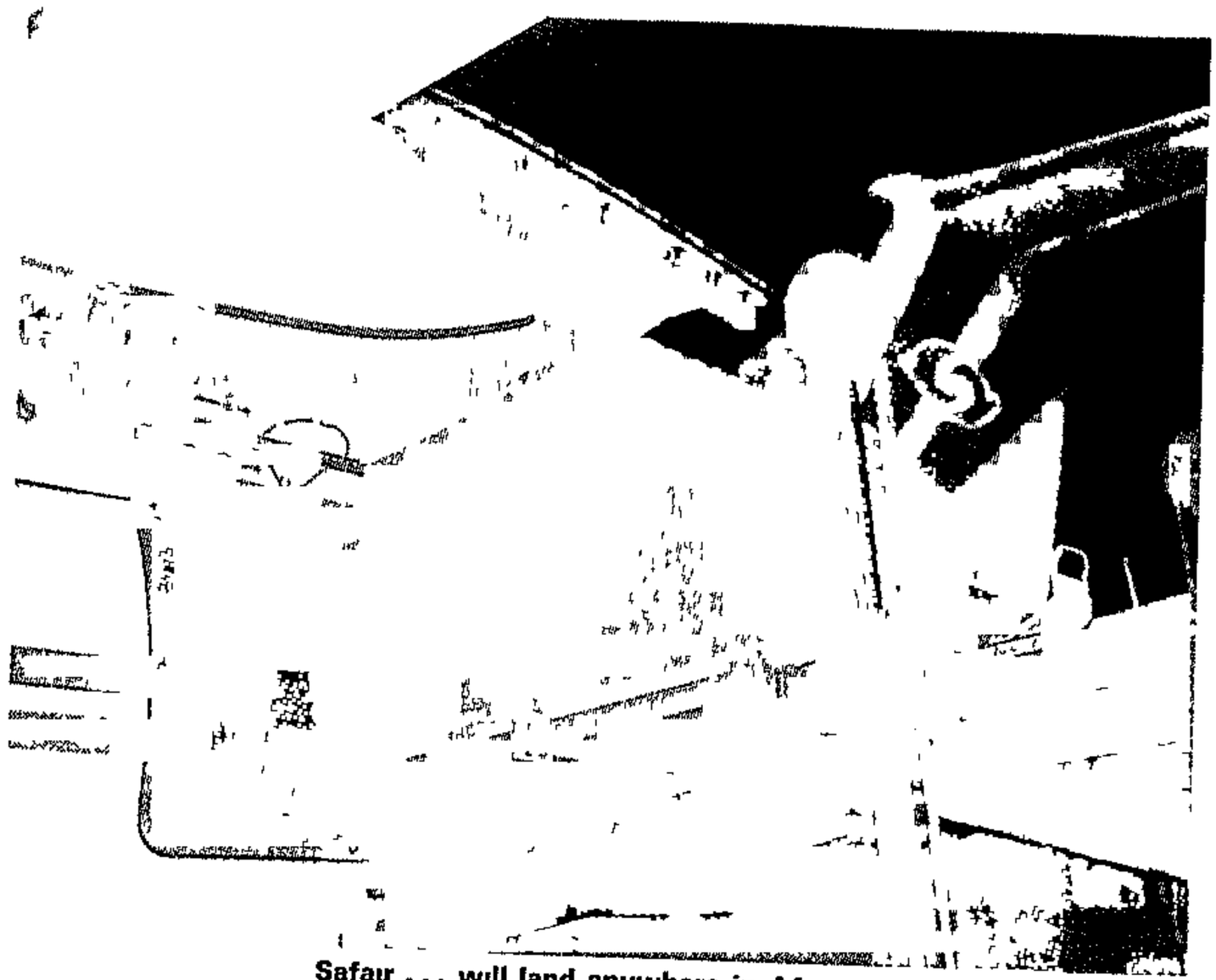
The amount of air freight tonnage handled at Jan Smuts peaked at 142 149 tons in 1989/90, and then slumped to 132 615 tons in 1990/91 because of the Gulf War and the economic downturn. The previous peak was in 1987/88 when 140 147 tons of cargo passed through the airport

Huckwell says indications are that as far this year is concerned, the air freight industry is making a recovery

Airfi

Business Day SURVEY

Only 2% to 2,5% of goods travel by air, although Just In Time (JIT) systems and similar trends are stepping up the pressure for faster movement of goods. Members of the Airfreight Forwarders Association believe they are well-placed to take advantage of increased cargo volumes. ***LINDEN BIRNS*** *reports.*



Safair ... will land anywhere in Africa.

Pressure mounting for faster goods movement

B/Day 15/6/92 (269)

ONLY 2% to 2,5% of goods travel by air, although Just In Time (JIT) systems and similar trends are stepping up the pressure for faster movement of goods.

This is the view of Airfreight Forwarders Association (AFA) past president Bill Vivieros, who says airfreight will be the future growth segment of the world's freight movement business

He says AFA members are well-placed to take advantage of increased cargo volumes, and that because the AFA has retained its membership of the International Airfreight Forwarders Association (FIATA), it is kept up to date on latest world trends

The AFA acts as the industry voice in dealing with organisations like the Directorate of Civil Aviation, the Customs Directorate and airlines

It also sets the industry's ethics code and plays a major role in educating airfreight industry employees with courses leading to FIATA examinations.

Vivieros says these courses are becoming more important as the industry becomes more complex. They are beneficial, for instance, in the case of the carriage of dangerous goods, where accredited International Air Transport Association agents are only allowed to operate with at least two certified people per location

Spotlight

The carriage of dangerous goods has been under the public spotlight locally for several years since SAA's Boeing 747 Combi, the Helderberg, crashed into the Indian Ocean after an uncontrollable fire broke out on board.

Vivieros says a third of the 120 airfreight forwarders operating in SA are AFA members, and that third controlled about 80% of import cargo and more than 90% of export consignments

AFA has set up subsidiary associations in Cape Town, Durban, Port Elizabeth, East London and Johannesburg

"Our success has been recognised to the extent that we are being approached by forwarders in neighbouring countries which want to join our training schemes."

He says local airlines are responding to industry demand by initiating specialised freight divisions and that as a result, service levels are improving.

However, specialisation can only be achieved at a cost, and with many airlines posting losses, its seems tariffs must rise.

Vivieros does not believe having more airlines will necessarily drive rates down with competition to fill the extra capacity

"There are also opposite trends, for instance where passenger demand for non-stop long haul flights means loads are reduced so the plane can carry the required extra fuel," he says

Safair is set to take on relief aid distribution

B/Day 15/6/92 (269)

SAFAIR Freighters is set to put another feather in its cap by taking on relief aid food distribution flights within Africa on behalf of international humanitarian aid organisations.

This is a radical change for the airline, a subsidiary of Safren, which made a name for itself from military and other clandestine contracts at the height of the Angolan/Namibian war in the 1970s and 1980s

Safair, which through its previous operations into the heart of the continent is aux fait with the devastated economies north of SA's borders, has tailored its commercial activity to coordinating and performing relief aid and nation-building missions

The company's marketing director Hugh Flynn says expected revenue is not to be sneezed at "Last year the UN High Commissioner for Refugees spent $190m on flights for refugees, other relief organisations are spending just as much if not more," he explains.

In recent months Safair has consolidated its position as the prime aid-delivery firm in Angola, which has continued to be one of the company's most consistent money spinners.

The only problem facing Safair is that the UN does not yet grant contracts to SA businesses At least two local charter operators recently applied to have their planes taken off the SA register and licenced in a neighbouring state so they could compete for UN contracts.

Mammoth

Flynn says Safair has no intention of using "flags of convenience" and will tackle the UN head-on

For the mammoth relief aid task Safair has been negotiating the wet lease (hiring of a plane with maintenance and flight crew) of a Russian Antanov 124 jet, the world's second largest plane. This will probably be flown on relief-aid flights from Durban to Harare and Lusaka where the food cargo will be dispatched to crisis areas.

"The way things are looking we'll need to bring in at least five of these planes," says Flynn

The airline is also planning to expand its activities in the express cargo business domestically, and plans to acquire a second British Aerospace 146 freighter jet, possibly by August

Safair recently won the contract to manage Flitestar's cargo on all new domestic airline's domestic flights It will also negotiate for a similar contract for Flitestar's soon-to-be-launched international services, says Flynn.

The airline's domestic freight divisional manager Des Williams says for the foreseeable future the focus of the local air freight will remain on Johannesburg. He was responding to statements by the Durban Mayor's office that it is to ask Far East carriers to land at the resort city.

"Durban and Cape Town are fine for the passenger market, but Johannesburg is the hub of the region The major airlines bring freight into Jan Smuts and Safair acts as a feeder ferrying it onward to secondary regional and local destinations," Williams says

He says air freight has become a far more attractive means of transporting freight in recent months With the current high incidence of truck hijackings and the increasing delapidation of the region's roads, insurers have dropped their rates on air cargo as it presents less of a risk, Williams says

Flynn says Safair is also negotiating joint ventures and other forms of partnerships with several foreign freight airlines in the same league as United Parcel Service, Federal Express and TNT, but declines to say which the companies and what form of deals are being hammered out

Formidable

Besides establishing a formidable reputation as the "go anywhere in Africa where we can land a Hercules freighter" airline, Safair has built up experience flying charter freight flights to Singapore and the Far East with its Royal Swazi Cargo Boeing 707 Safair recently bought out the Swazi cargo firm It also handles cargo on behalf of El Al, Alitalia, KLM, Air Botswana, Air Namibia and Comair at Jan Smuts airport

Forwarder spends R12m on European offices

B/Day 15/6/92 (269)

THE start of Austrian Airlines flights between Vienna and Johannesburg has prompted leading freight forwarding firm Expeditors International to spend R12m on setting up offices in central and southern Germany

The opening of offices in Munich, Stuttgart, Frankfurt and Dusseldorf will allow the company to take advantage of what Expeditors International SA expects will be a substantial increase in freight traffic between Germany, Eastern Europe and SA

Expeditors International SA director Wendy Vorster says the volume of trade from Germany and Eastern Europe will boost local freight forwarding.

The recent lifting by China of the Bamboo Curtain has paved the way for the launch of two-way trade and investment links with SA, says Vorster.

She says the opening of offices in Germany means Expeditors International SA is now better placed to offer overseas and local clients a more dedicated level of service

"Already positive signs are coming through our offices in Germany from countries such as Poland, Czechoslovakia, Hungary and Yugoslavia," she says

The European move follows Expeditors International SA's success in the Far East, where the company expects to increase its market share by 500% in the next year following strengthening of ties with its associate firm in Taiwan.

Expeditors International Taiwan assistant manager Andy Yang recently visited SA to assess the market and forge closer links with the SA firm

During his visit Yang said the recent positive referendum result in SA had prompted countries such as Malaysia, Thailand and South Korea, all of which were previously staunch opponents of trade with SA, to open their doors to the new SA

Biggest arms cache found

Sowetan 15/6/92

269

POLICE yesterday confiscated the largest arms cache in a single raid on a train carrying Inkatha Freedom Party supporters on their way to a rally in Jabulani.

By KENOSI MODISANE

Twenty-seven people arrested and police confiscated 14 pistols, six AK-47 rifles, 11 revolvers, two Russian made automatic rifles, four self-made shotguns and five AK-47 magazine with 30 rounds of ammunition each

Police also discovered two coachloads of traditional weapons, including pangas, axes and spears.

A team of senior police officials, including General Johan van der Merwe, were specially flown from Pretoria to view the cache.

Addressing a Press conference at New Canada police station last night, Van der Merwe said the commuters were on their way to an Inkatha Freedom Party rally at Jabulani Amphitheatre.

Van der Merwe said the commuters, who were arrested between New Canada and Dube stations, were from hostels outside Soweto.

Soweto police spokesman Colonel Tienie Halgryn said the train was intercepted at Phomolong Station.

Halgryn said the IFP supporters were not allowed to proceed to the rally but were instead escorted back to New Canada Station where another search was carried out.

Injured

At the station a woman was arrested after she had shot and injured a policeman.

The policeman was reported to be in a satisfactory condition in hospital.

Meanwhile, police reported that a person was killed in Moletsane.

The body of another person who had been shot and set alight was found in Meadowlands Zone 5.

● See page 16

VAN DER MERWE

KLM launches third weekly flight to SA

KLM Royal Dutch Airlines has launched a third weekly return flight to SA using a Boeing 747-400 Combi aircraft, substantially increasing the air freight capacity on the Johannesburg-Amsterdam route. (269)

Cargo manager Ron Goertz says the new flight will arrive at Jan Smuts at 5.15am on Mondays and take-off for Amsterdam's Schiphol airport at 6.55pm the same day. B/Day 15/6/92

From November the schedule will change again when KLM extends two of its weekly flights to Cape Town from Johannesburg.

KLM has not seen any dramatic improvement in the market but, in the wake of the influx of other carriers, expects fierce competition on the local market.

This means KLM will have to adopt an aggressive marketing stance to win freight customers, says Goertz.

With a substantial portion of SA's perishable exports originating from the Cape, KLM's position in this air freight sector will be strengthened when it starts operating its Cape Town flights in November.

The airline recently received permission to operate daily flights between the Netherlands and SA if the market becomes big enough to sustain this frequency.

KLM also intends to strengthen its ties with the SA and southern African feeder air freight services, especially Safair.

"We are talking to Safair to see if their flights could be adjusted to slot in with our departures and arrivals in SA. If it works, then we will talk about expanding into the rest of southern Africa."

Goertz says the airline has "lots of plans" for future expansion in the region, but that the market would first have to develop in the medium to long term.

Cops find huge arms cache on train

18 JUN 1992

Weapons of terror

Sowetan 15/6/92.

269

POLICE yesterday intercepted a train at Phomolong station, Soweto, and found what they describe as the largest large arms cache ever confiscated.

The train was carrying hundreds of Inkatha Freedom Party supporters who were on their way to a June 16 rally at the Jabulani Amphitheatre, Soweto.

AK 47s, an Uzi machine gun and two coach loads of traditional weapons were found. Close to 25 people were arrested, including a woman who had a firearm hidden in her underwear.

This incident is the latest in the build up to June 16, with the Government and the ANC squaring up to each other.

By late yesterday it was evident that confrontation between the Government and ANC was unavoidable. The ANC will from tomorrow embark on a mass campaign while thousands of soldiers and policemen have been deployed to maintain law and order.

● Picture on page 3

Full report on page 2

A policeman inspects some of the weapons found on a train in Soweto yesterday.

Sowetan, your favourite newspaper, will not be published tomorrow, June 16. It will be back on the streets on Wednesday.

Flitestar wins the air route to Mombasa

B/Day 16/6/92 (269)

STEPHANE BOTHMA

FLITESTAR was granted permission by the National Transport Commission yesterday to operate non-scheduled flights to Mombasa in Kenya

The ruling ended a three-month legal debate between Flitestar and SAA — which strongly contested the application by the privately owned airline

Flitestar said the ruling was a watershed decision as it was the first time in years an opposed application had been granted The permission applies to non-scheduled flights which must include package holiday deals, and which were currently being negotiated with the travel trade, a Flitestar spokesman said.

Price details would be announced as soon as packages were finalised

SAA opposed the application on the grounds that its passenger loads to Nairobi would be affected if Flitestar was given the go-ahead Flitestar's research showed that it would attract a maximum of 5% of SAA's current passengers on the Johannesburg/Nairobi route.

Flitestar planned to start a weekly service to Mombasa in September, using a 130-seater Airbus A320.

It has also applied to fly to the Seychelles, Bombay, Delhi and Dubai — all applications contested by SAA No hearing dates have been set for the applications

Last month, Flitestar was granted permission to fly to Bahrain in the United Arab Emirates It was considering using Mombasa as a stop-over on this route

Air Supply MD Bradley Amoils, who also opposed Flitestar's Mombasa application, could not be reached for comment last night. SAA had no comment.

I'm not loco: It's just full steam ahead to stay on track — Spoornet official

CLIVE SAWYER
Staff Reporter

(269) ARG 16/6/92

SPOORNET Western Cape train services manager Mr William Smith hopes to build a new type of railway workshop — the kind where the future of rail preservation can be hammered out.

Still subject to management approval, he wants the workshop to include several private entrepreneurs who are pressing Spoornet for approval of various schemes.

Representatives of the Victoria and Alfred Waterfront, Transnet Museum and Railway Society of Southern Africa will be invited.

"This is not just about steam engines — preservation is the canvas, and steam engines can be the focus," said Mr Smith, who chairs a task group which is to set up the workshop

Since commercial steam operations on the Kimberley-De Aar line shut down on April 1, the only firm hope for steam lovers has been the establishment of a "preservation line" between George and Knysna

But this line cannot hold the axle load of many steam engines, leaving many celebrated locos in limbo.

The closure of the Kimberley-De Aar line, ironically announced during the 1991 Great Steam Festival, caused ire among steam enthusiasts around the world

Mr Smith warned against those who wanted to make fast money under the guise of being steam lovers.

"There are individuals, not necessarily from Cape Town, who come to us under the guise of being steam boffins who just want to pocket the money," he said.

This meant no money went into long-term preservation costs.

The costs of maintaining steam engines and rolling stock meant future operations would have to generate their own capital.

While track and trains could pass into private hands, Spoornet would be responsible for ensuring no ramshackle wagons rode the rails

"It would be pointless to preserve steam engines in isolation, because the full experience and historical context should be there, the architecture, uniforms, water columns, signal boxes, the whole experience," Mr Smith said.

The western Cape, which could accomodate all classes of steam locomotives — even the legendary Red Devil — offered a wide range of possibilities.

Lufthansa link to Durban

B/Day 17/6/96 Own Correspondent (269)

DURBAN — Lufthansa is planning flights to Durban.

The airline's African passenger routes' manager Andreas Prinz said in Frankfurt recently that the new bilateral agreement signed by SA and Germany in April made it possible for Lufthansa to fly to three SA cities and SAA to four German destinations.

"Our preposals are to extend the flights from Johannesburg to Windhoek on Mondays and Fridays, to Cape Town on Tuesdays and Saturdays and, possibly, to Durban on Thursday and Saturdays. If our board agrees we would start the new schedule in October."

Flights to SA would be increased to six a week.

The flying time — using the new Jumbo 747-400 and taking a direct route over Chad — had been cut by 45 minutes giving a non-stop flight of just over nine hours between Frankfurt and Johannesburg.

(b) R11 322 940-00,

(c) 2 044,

(2) no

Mr R M BURROWS Mr Speaker, arising out of the hon the Minister's reply, can he inform us whether all persons who were eligible to receive such a bonus did receive such a bonus, or whether the executive directors were selective in their distribution of these bonuses?

The MINISTER Unfortunately, Mr Speaker, I do not have that information available If the hon member wishes to have that information, I shall get it for him

†Adv J J S PRINSLOO Mr Speaker, arising from the hon the Minister's reply, may I ask him whether all the members of the profession had been informed of the intention to implement such a system before this system was implemented?

†The MINISTER Mr Speaker, I made it clear in my reply that this exercise did not apply to members of the teaching profession only but that it was an action launched by the Commission for Administration for the whole public sector, and as far as I know from my experience with my other departments, all the officials knew about it

Mr R M BURROWS Mr Speaker, further arising out of the hon the Minister's reply, could he inform us whether the executive directors have informed all the teachers in their departments that such a bonus has now been awarded?

The MINISTER No, Mr Speaker, I see no reason why they should have done that

Building of new schools: Cape/Parow School Board areas

*3 Mr K M ANDREW asked the Minister of Education and Culture

Whether approval has been granted for the building of any new schools in the Cape and Parow School Board areas, if not, why not, if so, (a) (i) what are or will be the names of these schools and/or (ii) where will they be situated and (b) when was the original decision made to build such schools?

B804E

†The MINISTER OF EDUCATION AND CULTURE

No The existing schools can at present still accommodate the pupils, although some already are under pressure and decisions regarding this will have to be taken in the foreseeable future in the light of available funds

(a) and (b) fall away

For written reply

General Affairs

Bus companies receiving State subsidies

245 Mr M J ELLIS asked the Minister of Transport (269)

Whether he will furnish the name and address of each of the bus companies in the Republic currently receiving State subsidies, if not, why not, if so, (a) what are their (i) names and (ii) addresses, (b) what total amount was paid to each in 1991, (c)(i) what is the longest subsidized route and (ii) what amount was paid per kilometre on this route and (d) what amounts have been awarded to contractors to operate bus services other than school bus services?

B578E

The MINISTER OF TRANSPORT

(a) (i)

and (ii) Bahwaduba Bus Services (Pty) Ltd
P O Box 1505
PIETERSBURG
0070

Boland Passenger Transport Ltd
P O Box 2393
CAPE TOWN
8000

Braatvedt Bros
P O Box 18
ESHOWE
3815

Bophuthatswana Transport Holdings (Pty) Ltd
P O Box 16719
PRETORIA NORTH
0116

City Tramways Ltd
P O Box 2393
CAPE TOWN
8000

Darnall Motor Transport
P O Box 97
MANDINI
4450

Durban Transport Management Board
P O Box 1746
DURBAN
4000

EAJ Transport Services (Pty) Ltd
P O Box 1666
VRYHEID
3100

Eastern Bus Lines (Pty) Ltd
P O Box 79
WITBANK
1035

Estate Late K H Maraj
t/a Doornkop Bus Service
P O Box 105
STANGER
4450

Gazankulu Transport (Pty) Ltd
Private Bag X4048
TZANEEN
0805

G Phadziri & Sons
P O Box 301
LOUIS TRICHARDT
1760

Ikageng Bus Service (Pty) Ltd
P O Box 5374
VANDERBIJLPARK
1900

Impendhle Bus Service (Pty) Ltd
P O Box 26
HOWICK
3290

Interstate Bus Lines (Pty) Ltd
t/a Jakaranda Bus Service
P O Box 1343
BLOEMFONTEIN
9300

Knysna Bus Service
P O Box 438
KNYSNA
6570

Kwazulu Transport (Pty) Ltd
P O Box 427
PIETERMARITZBURG
3200

Laeveld Bus Service (269)
P O Box 413
ELLISRAS
0555

Lebowa Transport (Pty) Ltd
P O Box 1839
PIETERSBURG
0700

Mabirimisa Bus Service
P O Box 50
LOUIS TRICHARDT
0920

Mats Trans (Pty) Ltd
P O Box 1319
NELSPRUIT
1200

Maphumulo Mail Service (Pty) Ltd
P O Box 105
STANGER
4450

Marinpine Bus Service (Pty) Ltd
P O Box 386
PINETOWN
3600

Mayibuye Transport Corporation
P O Box 1392
BISHO

Midland Bus Service CC
Poste Restante
PAULPIETERSBURG
3180

Northern Cape Bus Service
P O Box 593
KIMBERLEY
8300

PE Tramways Ltd
P O Box 225
PORT ELIZABETH
6000

Putco Ltd
Private Bag X3
WENDYWOOD
2146

Qwa Qwa Bus Service (Pty) Ltd
P O Box 141
WITZIESHOEK
9870

Risaba Bus Service
P O Box 96
LETSITELE
0885

(269)

South Coast Bus Service
P O Box 23052
ISIPINGO
4110

Southern Cape Passenger Transport
P O Box 225
PORT ELIZABETH
6000

Lenasia Bus Service
P O Box 71
RANDFONTEIN
1760

City Council of Brakpan
P O Box 215
BRAKPAN
1540

Washesha Bus Service
P O Box 118
ESHOWE
3815

Comuta Services (Pty) Ltd
P O Box 39355
BOOYSENS
2016

Davids Bus Service (Pty) Ltd
P O Box 10437
STRUBENVALE
1570

Chetty's Coach Lines (Pty) Ltd
P O Box 50845
RANDBURG
2125

Newtra Holdings (Pty) Ltd
P O Box 50845
LYNNWOOD RIDGE
0040

Johannesburg Transport
P O Box 1787
JOHANNESBURG
2000

Empangeni Transport (Pty) Ltd
P O Box 7050
EMPANGENI RAIL
3910

(b) The total amount paid to each in 1991 was as follows

	R
Bahwaduba Bus Service (Pty) Ltd	1 645 524,55
Boland Passenger Transport	1 910 993,90
Braatvedt Bros	416 021,45
Bophuthatswana Transport Holdings	97 957 118,95
Chetty's Coach Lines	1 425 541,58
City Tramways Ltd	43 717 136,43
Darnall Motor Transport	624 271,20
Davids Bus Service	1 422 801,24
Doornkop Bus Service	11 944,75
Durban Transport Management Board	43 822 993,94
EAJ Transport Services	2 134 204,25
Eastern Bus Lines	5 539 637,00
Empangeni Transport (Pty) Ltd	33 936 836,90
Gazankulu Transport	1 149 014,37
G Phadziri & Sons	1 218 532,75
Ikageng Bus Service	178 890 85
Impendhle Bus Service	1 174 113,06
Jakaranda Bus Service	17 081 639,85
Johannesburg Transport Directorate	172 205,37
Knysna Bus Service	9 026,73
Kwazulu Transport	49 402 117,80
Laeveld Bus Service	1 141 461,70
Lebowa Bus Service	14 942 336,32
Mabirimisa Bus Service	943 872,50
Mats Trans (Pty) Ltd	26 665 534,70
Maphumulo Mail Service	649 231 45
Marinpine Bus Service	625 227,00
Mayibuye Transport Corporation	1 554 00
Midland Bus Service	371 921,07
Newtra Holdings (Pty) Ltd	2 958 041,42
Northern Cape Bus Service	1 508 670,07
PE Tramways Ltd	10 474 377,60
Putco Ltd (including Comuta Services (Pty) Ltd)	192 933 190,66
Qwa Qwa Bus Service	5 771 651,32
Risaba Bus Service	1 181 670,50
South Coast Bus Service	1 375 125,10
Southern Cape Passenger Transport	25 004,00
Lenasia Bus Service	504 621,77
City Council of Brakpan	691 995 80
Washesha Bus Service	109 499,70

(c) (i) The longest subsidized route of 190,3 km is that of Putco, Pretoria, with the following route

(269)

Toitskraal—
Rathoke—
Uitvlught—Keerom—Vlak Plaats—
Driefontein (KwaNdebele)—Group
CCC (Pretoria)

(ii) The total subsidy paid out for this route cannot be determined easily, therefore the subsidy amount per ticket type is submitted

TICKET TYPE	PASSENGER FARE	SUBSIDY	TOTAL FARE
5 DAY	36 20	95 00	131 20
6-DAY	43 40	114 04	157 44
22 DAY	159,30	417 98	577,28
26-DAY	188 20	494 04	682 24

(d)

CONTRACT NO	CONTRACTOR	AMOUNT R
1/88	Comuta Services (Pty) Ltd	4 156 730,25
2/88	Davids Bus Service (Pty) Ltd	509 526,95
3/88	Comuta Services (Pty) Ltd	858 537,69
4/88	Davids Bus Service (Pty) Ltd	922 434,30
5/88	Comuta Services (Pty) Ltd	351 412,42
6/88	Newtra Holdings (Pty) Ltd	876 804,75
7/88	Chetty's Coach Lines	1 062 952,39
8/88	Newtra Holdings (Pty) Ltd	800 829,06
10/88	Chetty's Coach Lines	362 589,21
1/91	Empangeni Transport (Pty) Ltd	5 763 719,20
2/91	Empangeni Transport (Pty) Ltd	3 759 954,32
3/91	Empangeni Transport (Pty) Ltd	3 507 813,58
4/91	Empangeni Transport (Pty) Ltd	670 644,93
5/91	Putco Ltd	236 722,23
6/91	Putco Ltd	1 395 690,00
7/91	Johannesburg Transport Directorate	32 515,37
TOTAL		25 268 876,65

Your attention is drawn to the fact that all the above amounts are as yet unaudited and are therefore possibly not the final figures Final figures for each financial year are published in the Department of Transport's annual report

Conference: American and British ambassadors

263 Mr L F STOFBERG asked the State President †

(1) Whether he held a conference in the Republic in December 1991 in which American and British ambassadors were involved or during which such ambassadors were present at any stage,

(2) whether during this conference (a) certain ministerial portfolios were offered to three persons, whose names have been furnished to the State President's Office for the purpose of his reply, or (b) other similar promises were made to these persons, if so, (i) what are the names of these three persons and (ii) (aa) which portfolios were offered to them and (bb) what promises were made to them?

B628E

The STATE PRESIDENT

(1) and (2)

No The mere suggestion that the State President or the Government would involve themselves with such activities is far-fetched

Subsidies paid to companies transporting commuters

306 Mr W U NEL asked the Minister of Transport

(1) What total amount was paid out in subsidies to companies transporting commuters between (a) Qwaqwa and Harrismith and (b) Qwaqwa and Bethlehem for the 1990-91 financial year,

(2) how many commuters were transported on each of these two routes in this financial year? B763E

The MINISTER OF TRANSPORT

(1) (a) Qwaqwa to Harrismith—R1 796 208,70

(b) Qwaqwa to Bethlehem—R 170 522,75

(2) Qwaqwa to Harrismith—29 710 subsidized commuters per day (1 356 638 commuter trips during 1990-91)

Qwaqwa to Bethlehem—3 078 subsidized commuters per day (135 572 commuter trips during 1990-91)

(269)

HOUSE OF REPRESENTATIVES

QUESTIONS

†Indicates translated version

For oral reply

Own Affairs

Questions standing over from Wednesday, 10 June 1992

Provision of educational facilities/mobile units

*1 Mr P J BERGMAN asked the Minister of Education and Culture †

What steps he or his Department is taking in the interests of education in the Orange Free State regarding the (a) provision and erection of educational facilities and (b) (i) provision of mobile units in, (ii) transportation of such units to, and (iii) erection thereof in, areas where they are needed? C30E

†The MINISTER OF EDUCATION AND CULTURE

(a) At present a primary school in Welkom and a secondary school in Bloemfontein are being erected in the Orange Free State

(b) (i), (ii) and (iii)

Applications for mobile units are considered on merit and the availability thereof determines where and when such units are being provided As far as the Orange Free State is concerned, there are already 171 mobile units in use to address the education needs of this region

OFS school buildings made available

*2 Mr P J BERGMAN asked the Minister of Education and Culture †

(1) Whether the Department of Education and Culture of the Administration House of Assembly has made school builings in the Orange Free State available for use by his Department, if so, which school buildings,

(2) whether his Department has taken any steps to take possession of these buildings, if not, why not; if so, (a) how many school buildings (i) have already been and (ii) are in process of being taken over by his Department and (b) in respect of what date is this information furnished,

(3) whether he will make a statement on the matter? C31E

†The MINISTER OF EDUCATION AND CULTURE

(1) Yes Paardeberg Primary School and Tweespruit Technical School

(2) The Paardeberg Primary School Building has already been taken over by my Department but the offer for the Tweespruit Technical School has been withdrawn by the Administration House of Assembly This information is furnished in respect of June 1992

(3) No A statement is not deemed necessary

New questions

*1 Mr P A S Mopp—Local Government, Housing and Agriculture [Discharged]

*2 Mr P A S Mopp—Local Government, Housing and Agriculture [Discharged]

Education colleges: Coloured population group

*3 Mr A J ROPER asked the Minister of Education and Culture †

(1) What is the situation countrywide in respect of education colleges for members of the Coloured population group,

(2) what, with a view to the future, is envisaged in respect of the (a) Rand Education College in particular and (b) other education colleges under the control of his Department in general,

(3) whether he will make a statement on the matter? C38E

†The MINISTER OF EDUCATION AND CULTURE

(1) Presently there are 13 colleges of education countrywide under the control of the Department of Education and Culture Administration House of Representatives Of the 13 colleges, 11 are in the Cape and one each in Natal and Transvaal

cont →

(3) Yes

(4) The conditions for early retirement on full benefits are generally described in section 15 of the Education Act To qualify for a monthly pension, a teacher must have contributed to the pension fund for at least 10 years

The following early retirements qualify for full pension benefits

— discharge due to ill health;

— discharge on account of abolition of post, reorganising, or rearrangement of staff,

— discharge in terms of the "burnt out" clause

In short, persons who are compelled to retire through no fault of their own, qualify for full pension benefits.

HOUSE OF DELEGATES

INTERPELLATION

The sign * indicates a translation The sign †, used subsequently in the same interpellation, indicates the original language.

General Affairs: 269

Louis Botha Airport: investigations

1. Mr M RAJAB asked the Minister of Transport:

(1) Whether the Chief Directorate of Civil Aviation has completed its investigations into the technical and financial implications of the future of Louis Botha Airport, if not, why not; if so, what are its findings;

(2) whether he will make a statement on the matter?

D215E.INT

The MINISTER OF TRANSPORT Mr Chairman, with regard to the first part of the interpellation, the first report determining the technical constraints, shortcomings and potential of the Louis Botha Airport site was completed in November 1991 and has been distributed to interested parties

This report concluded that the shortcomings of the site were the surrounding topography and structures, and the fact that the present runway was too short for long-range aircraft taking off on direct international flights to destinations in Europe, the East and Australia Nevertheless, the report indicated that the site could be further developed to accommodate approximately 10 million passengers annually

However, the future of Louis Botha Airport does not hinge only upon the analysis of its site, but also on the other site available for airport development in the Durban region, namely the La Mercy site My Department is at present finalising a report which has as its objective the examination of various alternative strategies available for the development of State airports in the Durban region.

With regard to the second part of the interpellation, I shall be in a position to make a statement on this matter only once I have had an opportunity to study the report which I have just referred to

Mr M RAJAB Mr Chairman, I find it incredible that after 21 years, and at an estimated cost to the taxpayer of some R100 million to date, the Government has not yet taken a final decision on whether Louis Botha Airport is to be constantly upgraded or whether the proposed La Mercy Airport needs to be developed and completed on an urgent basis

It has been suggested by a spokesman of the Department of Civil Aviation that the delay in getting the La Mercy project off the ground was due to the economic recession and the consequent unavailability of funds Not only do I find this unacceptable, but I find that this displays a sense of false economy on the part of the Government, taking into account the present and future needs of the area, the ever-increasing costs involved and the millions of rands that have been lost or squandered, or provided by the Government for ill-conceived and/or badly planned projects such as Mossgas

Furthermore, I do not believe that Natal deserves to be treated like a Cinderella province

There is no doubt that with its present facilities Louis Botha Airport will be unable to accommodate the increasing numbers of aircraft and passengers in the next few years I think the hon the Minister alluded to that as well.

What is important, however, is that with the opening up of South Africa to tourism, as the Government has correctly mooted, Jan Smuts Airport will be not be able to cope with the increase in air traffic, and Durban can expect to become far more important as an entry port to South Africa. This means that Durban will eventually need a new airport to cope with this increase in tourism and a population of about 8 million by the year 2000.

The hon the Minister has indicated that Louis Botha Airport has various problems in respect of topography and size, which inhibit further expansion It cannot use and support the power running system that is increasingly being used around the world today The length of the runway is a problem, and being hemmed in by industry and a freeway, Louis Botha Airport does not have much potential for growth

On the other hand, the La Mercy site does not have any of these problems In view of this, and as an investment in the future development of the Greater Durban region, I would urge the hon the Minister to grasp the nettle and put an end to indecision I would like him to start developing the proposed La Mercy Airport on an urgent basis The site that was earmarked for the La Mercy Airport has been lying vacant and fallow for 21 years I indicated earlier that the total cost to the Government and the taxpayer is in the vicinity of some R100 million [Time expired]

The LEADER OF THE OFFICIAL OPPOSITION Mr Chairman, the hon the Minister has given us some interesting statistics according to which the Louis Botha Airport has a capacity for expansion to handle approximately 10 million passengers

269

I concur with the views expressed by the hon member for Springfield that South Africa is going to face a tourist boom We are going to be a strong country, since we will have to compete with other African countries in an effort to attract tourists to Africa Tourism is going to be a very important earner of foreign exchange for this country By now we should definitely have had a programme for the expansion of the facilities at Louis Botha Airport If that is not technically and financially possible, the Government must take an urgent decision as to whether the planned programme at La Mercy is going to go ahead

However, I want the hon the Minister to tell me honestly whether the Government is not struggling to get money to improve our airports I have heard from impeccable sources that the expansion of the facilities at Jan Smuts Airport

Mr T L GOUNDEN Name your source!

The LEADER OF THE OFFICIAL OPPOSITION That hon member is becoming the worst jester boy this House has ever seen!

In any case, I believe there is a serious shortage of funds The hon the Minister should tell us whether privatisation of our airports is being considered or, in the light of poor facilities and the inability of the Government to provide the necessary facilities required for the expansion of air traffic to and from South Africa, whether the Government is planning to privatise the airports

As far as the technical aspects are concerned, despite the fact that there have been recent improvements to certain facilities at Louis Botha Airport [Time expired]

Mr N SINGH Mr Chairman, to follow on the hon the Leader of the Official Opposition in so far as his alluding to financial resources is concerned, I think one should ask whether we have the financial resources to provide three international gateways in this country In this regard I would like the hon the Minister to tell this House whether international gateway status has been granted to any airport other than Jan Smuts Airport, and whether Louis Botha Airport has been granted international airway status

As far as the future of Louis Botha is concerned, the hon member for Springfield has given us an account of the shortcomings in developing Louis Botha Airport

He referred to the location of the N2 which is a severe constraint There is very little space for development The demand industries make on the land must also be considered

However, we have to weigh this up against the number of passengers that Louis Botha Airport handles at the moment From the statistics we find that in 1990-91 Louis Botha Airport handled a total of 1,8 million passengers, in 1989-90 1,98 million passengers, and in 1988-89 1,84 million passengers From these statistics we note that there was a decrease in 1990-91, which in my view was no doubt due to the prevailing economic and political climate in the country at the time

When one looks at the proposed La Mercy Airport, one sees that projected figures of R200 million have been bandied about, for which facilities will be provided to cater for up to 4 million passengers We must also look at the international status of this airport, and take into account countries overseas Heathrow handles in excess of 4 million passengers per month Jan Smuts Airport handles 2 million international passengers per year.

I think that in looking at any future plans for Louis Botha Airport or for the development of La Mercy Airport one must take into account the need for the development. [Time expired]

The MINISTER Mr Chairman, the hon member for Umzinto is correct He will recall that I made an announcement about six weeks ago, when we announced the new international air transport policy, that in the future there would be three gateways, namely the D F Malan, Louis Botha and Jan Smuts Airports Yes, Louis Botha has gateway status At the moment we have approximately 80% spare capacity on the international side of Louis Botha Therefore we would like to push more of the international flights through a place such as Louis Botha Airport

269

At the moment it is the policy of the Government not to interfere with the international airlines or to tell them where to go We would not like our international airlines to be told to go to Manchester or Edinburgh or anywhere else In the bilateral agreements between the countries the first step is that one can choose where one would like to go, east, west, south or north That we leave to the market At the moment foreign international airlines are not ready to fly to Cape Town and to Durban We are trying to convince them to do that, but they all prefer to enter and leave from Jan Smuts There are good reasons for that I told the mayor of Durban—he paid me a visit in that regard last night, with some of his members and other management members of the city council—please to help us, in conjunction with the local people as well as the provinces, to attract more flights to Durban I said the same to the city fathers of Cape Town I would like to come back to the hon member for Springfield [Time expired]

Mr M RAJAB Mr Chairman, I would not mind giving the hon the Minister extra time, but I would like to take the opportunity to ask him exactly what La Mercy Airport has cost the taxpayer to date Various amounts have been bandied about I mentioned a figure of R100 million, and the hon member for Umzinto mentioned a figure of R200 million All we know is that 21 years ago it cost R25 million If we add to that the holding costs, I am not sure what figure we will arrive at I would appreciate a reply in that regard

I was interested in the usage of the La Mercy Airport site in the interim period because, as I have indicated, that piece of ground is in fact lying idle, and I believe various interested parties have made representations to the hon the Minister's Department requesting the use of that piece of ground for particular purposes

One such purpose has been to allow this airport site to be used for market gardening for an interim period [Time expired]

The MINISTER Mr Chairman, I should like to come back to the hon member for Springfield We do not have the funds to develop a major airport That would cost a few of hundred million rand to develop The number of passengers has dropped over the past few years, specifically, as has been mentioned, because of the economy and other issues

I should like to say that, as I announced about six weeks ago, we are going to commercialise the State airports This will mean that they will stay in the hands of the Government, but we should like them to be run on the same lines as the airports in Singapore and at Dubai, although probably not to the same extent, because those airports have already been privatised Before they were privatised, however, they were also commercialised There are also a number of airports under the British airports authority in the UK that were put on the stock exchange As a first phase we are not going to do anything other than commercialise the airports In other words, we are going to bring in private capital to help us to develop the airports

For the next four to five years, the number of people and flights using Louis Botha Airport can easily be accommodated, so we have some time in which to make a final decision as to when to move We have to move at some time The big question is when it will be economical to invest a large sum of money in a new airport

I should like to tell the hon member for Springfield the money spent on the La Mercy site was not wasted It is the custom throughout the world, if one knows one is going to build a new airport or a new road, to buy the land, rezone it for that purpose, and keep it until it is economical to develop it, because it is much cheaper to buy land first and to develop it later on [Time expired]

Debate concluded

Mr Y M MAKDA Mr Chairman, I did not want to interfere with the time allocated to the interpellation I rise on a point of order The hon the Leader of the Official Opposition referred to

the hon member for Camperdown as a "jester boy" It is my considered opinion that that is unparliamentary

The CHAIRMAN OF THE HOUSE Order! I shall look into that, and I shall respond once we have concluded the day's business

QUESTIONS

†Indicates translated version

For oral reply

General Affairs

SAP· death in police custody of certain trade unionist

*1 Mr M RAJAB asked the Minister of Law and Order

(1) Whether the South African Police have undertaken an investigation into the recent death in police custody of a certain trade unionist, whose name has been furnished to the Police for the purpose of the Minister's reply, if not, why not, if so, (a) what is his name and (b) what were the findings of the investigation;

(2) whether he will make a statement on the matter?

D189E

The MINISTER OF LAW AND ORDER

(1) Yes

The deceased was not under arrest at the time of his death, but was questioned by the Police on information supplied by him regarding an armed robbery

(a) Simon Lekula Sieema

(b) On 19 May 1992, an autopsy was carried out on the body of the deceased by the Senior State Pathologist His report was forwarded to the Attorney-General of the Transvaal, whose decision is not yet known

(2) No

Mr M RAJAB Mr Chairman, arising out of the hon the Minister's reply, I want to say to him with great regret that his reply has a ring of *déja vu* about it We have heard about these mysterious deaths in the past I shall not take that matter any further, however

The question I want to ask the hon the Minister is when the Attorney-General's decision is expected

The MINISTER Mr Chairman, I do not know what the implication of the hon member's first remark was [Interjections] Was the idea that we do not care whether people die or not? If so, I take exception to that hon member's insinuation [Interjections] I am answering a question now

Mr M RAJAB [Inaudible]

The MINISTER Unfortunately the hon member cannot answer my questions, but I must answer his question

We are concerned about all people in South Africa who lose their lives, whatever the situation may be Whether they die in detention or in the unrest, as we have seen now, they remain our concern

As far as the second part of the hon member's question is concerned, that is not something that is under my jurisdiction That falls under the hon the Minister of Justice and of the National Intelligence Service The documentation has been sent to the Attorney-General of the Transvaal and we will just have to await his decision

Mr M RAJAB Mr Chairman, in reply to the hon the Minister's question and in reaction to it

The CHAIRMAN OF THE HOUSE Order! Does the hon member have a supplementary question arising from the hon the Minister's reply?

Mr M RAJAB Yes, Sir Further arising from the hon the Minister's reply is he not aware that in our very recent past too many people have died under mysterious circumstances, either in detention or while in the custody of the SA Police?

The MINISTER Mr Chairman, if the hon member is making the allegation that through foul play people are dying in the custody of the SA Police—that is what he is suggesting at the moment—then I repeat that I take the strongest exception to that If the hon member has any information regarding foul play in the SA Police, I would be only too happy to investigate the

matter However, I do not think it is fair to the SA Police to spread rumours of that nature

*2 Mr M Rajab—Defence [Question standing over] See col 1449 for reply to this question

Geological tests: Lenasia Extensions 9 and 10

*3 Mr D K PADIACHEY asked the Minister of Local Government and National Housing

Whether, with reference to his reply to Question No 3 on 1 April 1992, the geological tests conducted in Lenasia Extensions 9 and 10 to establish whether the area is suitable for residential development have been completed, if not, (a) why not and (b) when is it expected that the test results will be available, if so, what are the findings? D195E

The DEPUTY MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING

The geological tests have been completed and it was established that the area is not suitable for residential development

Mr D K PADIACHEY Mr Chairman, arising out of the hon the Deputy Minister's reply, would he tell us what will happen to the people who are in the transit camp in that area at the moment?

The DEPUTY MINISTER Mr Chairman, I am not in a position to answer that question at the moment

Incorporation of certain areas into Lenasia

*4 Mr D K PADIACHEY asked the Minister of Local Government and National Housing

(1) Whether his Department has made any approaches to the Johannesburg City Council to incorporate into Lenasia proper certain areas situated to the south-east of Lenasia; if not, why not, if so, what are the relevant details,

(2) whether he will make a statement on the matter? D196E

The DEPUTY MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING

(1) No The Transvaal Provincial Administration, in its own right, is dealing with this matter

(2) No

INTERPELLATION

The sign * indicates a translation The sign †, used subsequently in the same interpellation, indicates the original language

Own Affairs

Regional school hall in Merebank· decision

1 The LEADER OF THE OFFICIAL OPPOSITION asked the Minister of Education and Culture

Whether, with reference to the reply by the Minister of Housing and Agriculture to Question No 2 on 6 May 1992, a final decision has as yet been taken on building a regional school hall in Merebank, if not, (a) why not and (b) when is it anticipated that finality will be reached, if so, (i) what is the estimated cost and (ii) what progress has been made in the provision of this hall? D214E INT

The MINISTER OF EDUCATION AND CULTURE Mr Chairman, a policy decision has been taken by the Department to erect a regional school hall in Merebank The final decision is dependent on the availability of funds for capital works The estimated cost is approximately R5,674 million

Consultants, architects, engineers and quantity surveyors have been appointed to design and document the proposed hall The documentation has been brought to tender stage and the tender month is June 1992 My Department has submitted representations for funds to complete the building programme

The Department has been severely handicapped by funding cutbacks over the past four years Nevertheless, the department's policy of providing regional school halls is continuing as our schools and communities need the facilities to provide indoor sporting facilities and cultural and social amenities, especially in the areas where Government mass housing has been erected

The LEADER OF THE OFFICIAL OPPOSITION Mr Chairman, I appreciate the hon the Minister's placing these facts on record, but I want to ask him certain questions

The first is, when the hon the Minister says his Department has submitted representations and that his Department's policy of providing these

Cont —>

APARTHEID BAROMETER

W/Mail 12/6 - 18/6/92 (269)

CRIME

A TOTAL of 2 160 stolen vehicles have been recovered in Soweto since the beginning of the year. The motor vehicle [illegible] field d[illegible] alone had [illegible] recovered 717 stolen vehicles since its inception in July 1990. The squad had also made 317 arrests, found 14 AK-47 rifles and worked 11 800 hours overtime.

W/Mail 12/6 - 18/6/92

relations. No black person is employed as a pilot in t[illegible]

Faster city to UK flights

(269) ARG 18/6/92

Staff Reporter

NEW non-stop flights between Cape Town and London, to be introduced by British Airways in November, will knock nearly two hours off the airline's 13-hour flying time between the two cities.

Cape Town BA manager Mr Ian Petrie said today the decision was testimony to British Airways's confidence in the Cape's growing status as a prime destination.

"We predict that the new service will be popular both with holidaymakers and business people, who have already demonstrated — in the south-bound route particularly — a dramatic upsurge of interest."

Time saved on the route by eliminating the Johannesburg stopover would be an added encouragement to passengers, he said.

The new flights will replace the existing Friday night service from London and the Saturday service from Cape Town which are routed via Johannesburg. The Monday flight will continue to stop over in Johannesburg

SA, UK to sign new air agreement soon

B/Day 19/6/92 (269)

LINDA ENSOR

CAPE TOWN — The renegotiated agreement between the SA and UK governments over air services was likely to be signed early next week and would introduce new flexibility and freedom to fare setting, British Airways GM Malcolm Freeman said in an interview yesterday.

The second and final round of talks between the UK's Civil Aviation Authorities and the SA Department of Civil Aviation begins in London on Monday. Representatives of airlines other than BA and SAA who were interested in servicing the route between SA and London would be present.

Freeman expected the agreement to take immediate effect.

"The new agreement will give us a lot more freedom to charge market-related fares. The downside will be that air fares will fluctuate on a daily basis," Freeman said.

Under the new agreement, BA would be able to sell seats at slashed prices in off-season periods.

Freeman said, in terms of the new agreement, proposed fares would be disallowed only if there was a double disapproval by both governments, a clause rarely applied.

The existing inter-government agreement, which limited air traffic to SAA and BA and fixed BA fares at SAA levels, had to be renegotiated when Virgin Atlantic applied for rights to fly between SA and London.

BA announced yesterday that it was to introduce a non-stop flight between Cape Town and London from November 1, reducing flying time by about two-and-a-half hours.

The new overnight flights will replace the existing Friday night service from London and the Saturday service from Cape Town, which are currently routed via Johannesburg. The Monday flight will continue to stop over in Johannesburg.

Freeman said advance booking from the UK to Cape Town was growing rapidly, with increases as high as 20-30% on some flights.

□ Sapa-Reuter reports from Kuala Lumpur that Malaysia and SA signed an air services pact yesterday and were negotiating a shipping agreement, officials said.

The airlines would initially operate two weekly fights between Kuala Lumpur and Johannesburg.

Malaysian Transport Minister Ling Liong Sik did did not say when the service would start and SAA officials said there were no plans yet to start the Kuala Lumpur service.

JAN SMUTS AIRPORT FM 19/6/92 (269)

Flying into trouble

You're flying overseas out of Jan Smuts on a Friday night First you're pushed and jostled as you struggle to find the right queue. Then there's the interminable wait to be checked in Finally you're cooped up downstairs with 1 300 other travellers waiting for four other flights — jumbo-jet flights, not the 40-60-seat piston-powered flights for which the room was designed

Now for the bad news. It's going to get a lot worse as more airlines and more travellers flood in And the R100m-plus expansion now under way is not going to help much

The Department of Transport, which operates the airport, does promise "a much enlarged first floor comprising check-in desks, passport control, a holding lounge with duty-free shops that is 50% larger than the present ground floor lounges " The international departures section is expected to be completed in December, with the rest of the upgrade finished by the following December, says Stewart Huckwell, the department's director, airport systems and development

The project should enable Jan Smuts to handle 11m travellers a year, but the feeling of most of the airline industry is that the improvements will be inadequate

Pimo Mueller, Lufthansa's station manager, who was chairman of the Tokyo Airline Operators' Association when Narita airport opened, says. "It is chaos on Friday nights when several jets leave within a very short time of each other The airport won't be a model of perfection when the improvements are done, but it will be better than it was "

Singapore Airlines' Jenny Kearney shudders when even thinking of the airport

SA Airways, taking a diplomatic line to avoid antagonising the department, concludes that, "a number of steps will still have to be taken before the country's airports (not just Jan Smuts) measure up to their international counterparts, and before it (Jan Smuts) will be ready for an unprecedented influx of tourists "

Even Transport Minister Piet Welgemoed doesn't see Jan Smuts coping This is why he opened both Durban and Cape Town as airline gateways to SA

Nevertheless, British Airways' SA manager Malcolm Freeman is "not prepared to criticise Jan Smuts until it's finished " He adds. "We fly 10 jumbos a week out of Jan Smuts and get at least 365 passengers through that maze, on board, on time every night, and we can't say that about too many of the international airports If we have one 15-minute delay a week, it's been a bad week "

Huckwell believes that, with the improvements, Jan Smuts will be able to handle the traffic increases for the next 10 years

Jan Smuts' traffic is now already halfway towards the new 11m capacity In 1991 it handled 5,5m passengers — down on the 5,8m the year before, probably because of the airline recession worldwide — but well up on the 4,1m in 1987

Central Statistical Service figures show a steady rise in international passengers, from 1,4m in 1987 to just under 2m last year The latest SA Tourism Board statistics show a 30% increase in overseas tourists who arrived by air in the first two months of this year, to 110 600 To this must be added the 26 400 who arrived by air from Africa, 23% up on January and February of last year.

In the past year, 11 new airlines have begun flying to Jan Smuts and several more are expected to start services This year's figures from the high season for overseas tourism, which begins in October, will provide a good indication of how fast traffic will grow in the years ahead

Welgemoed's answer to the coming crunch is to commercialise Jan Smuts and the State's other airports because government does not have the money to bring them up to standard (*Business & Technology* February 28) His plan calls for the State to retain ownership of the terminal buildings but lease them to private companies to run He has called for a report and will make an announcement in the next few months

He is not short of offers One two-year-old proposal is from Meridien Projects Meridien would take a head lease on Jan Smuts, spend R600m on upgrading the terminal, and put up a high-rise building where the open-air car park is, says MD Errol Friedmann That building would be divided into a conference and international exhibition section, a four-star 400-room hotel, and offices for the airlines It would also provide covered parking for 5 000 cars

Huckwell says the department's planning is based on 7% growth in passengers each year "Airports are enlarged incrementally Either satellites are developed around the main terminal or the main terminal is enlarged in a linear way I hope that by 2003 we can build another terminal "

He concedes, however, that "in real life we have constantly to monitor the situation " He says aircraft take-offs and landings fell from 97 593 in 1990 to 82 441 last year, but are recovering The airport is handling 55 more a week this year than it did last year, due largely to the start-up of Flitestar

There is little or nothing wrong with Jan Smuts on the flying side, it can handle a lot more aircraft Its peak periods are 6 am-8 am and 7 pm-9 pm, when a large jet takes off every four minutes and one lands in between During off-peak hours, usage tails off, leaving room to accommodate many

more flights

But carriers prefer the peak times because the temperature is cooler, which allows older-model aircraft to take off with bigger loads than they can during the day, when the air is hotter and thinner And airlines flying to Europe favour departures during peak hours to arrive at their destinations at times that suit their passengers

But modern aircraft can take off fully laden in hot weather, even at midday, as SAA flights to the Far East do So as more modern aircraft come on stream, Jan Smuts may be able to space out its departures more efficiently ■

ROADS

Looking for a pot of gold

As hauliers well know, SA's roads are deteriorating rapidly Funding has been slashed over the past few years, with maintenance of the old roads suffering and new roads not getting off the drawing board.

So Piet Welgemoed is reviving an old idea that died under P W Botha — a government fund dedicated to road repair and construction, with the money coming from a fuel levy Welgemoed says he has "started a debate" with Finance Minister Derek Keys on reinstating such a fund Keys hasn't ruled it out.

Welgemoed signalled his intention to push for a fund in his budget speech in April, when he said "I fully appreciate other priorities, like housing, health and education, but we will have to investigate new sources of money for roads "

The transport industry, of course, heartily supports the Minister's initiative Bad roads cost the industry millions of rands each year in extra maintenance on its vehicles and in lost time in making deliveries There are some roads, particularly in Natal, where the tar was removed because there was no money to retar them And reinforced bridges would allow trucks to carry heavier loads

SA's roads were well maintained until

BA plans fast, cheap city flights

CT 19/6/92 (269)

Business Editor

BRITISH Airways (BA) will slash the cost of flying to London, and cut the time from Cape Town by two hours, its regional manager in South Africa, Mr Malcolm Freeman, announced yesterday.

He told Cape Town travel agents that BA would charge "competitive, market-related fares" as soon as the route was deregulated And it would hold "seat sales" at bargain prices in slack periods

The Saturday evening flight from Cape Town and the Friday evening flight from London, which now travel by way of Johannesburg, will be replaced by direct non-stop flights in November. They will take 11 hours compared with 13 at present

Since 1945 only BA and SA Airways have provided scheduled flights between Johannesburg and London, under an agreement signed by both governments The price had to be approved by the South African Department of Transport

Mr Freeman pointed out yesterday that the department had fixed prices "to protect its national carrier"

"We would not have been allowed to reduce our costs, even to fill empty seats," he said yesterday

But now, he said, BA was preparing to compete with Mr Richard Branson's Virgin Airlines and with Flitestar when the route was deregulated soon

At present BA and SAA charge nearly R13 000 for a first class return flight to London Mr Freeman said there were rarely vacant first class seats

The cost of flying business class is R9 000 Economy class flights can vary between R5 000 and R3 100

● Picture — Page 10

High-flying Comair aiming at low fares

ARG 20/6/92 (269)

■ The competition between airlines on the domestic routes in South Africa is hotting up Comair, the newest addition on the Cape Town-Johannesburg route, says it can lease an aircraft and crew from SAA and still undercut fares offered by the national airline and Flitestar.

WILLEM STEENKAMP
Weekend Argus Reporter

COMAIR, the newest addition to domestic carriers between Cape Town and Johannesburg, is set to give South African Airways and Flitestar a run for their money on the popular route

Ironically, Comair offers the lowest fares on the route, although it is using SAA crews and an SAA Boeing 737-200.

Comair's fares have been hailed in a country where the economy is on the brink of collapse and consumers face increases almost daily in the price of food and services

But commuters have been surprised by the fact that an airline like Comair finds it possible to undercut SAA's fares even though it has to hire its aircraft and crew from SAA

They believe Comair is either committing financial suicide or has a brilliant business sense Alternatively, SAA has been ripping off the ordinary traveller

SAA has remained tight-lipped on the issue, except for confirming that Comair does hire a Boeing 737-200 from the airline

Mr Pieter van Hoven, managing director of Comair, said there were various reasons why his airline could offer lower fares.

"We're hoping to achieve an eighty percent load factor on this route. If we can achieve that — and we know we should draw enough passengers with our lower fares — it becomes possible for us to maintain these fares

"Also we believe we use our own infrastruture more effectively on this route than do the other two airlines We have our own service to handle the transfer of all baggage to and from our aircraft and at a much cheaper rate than that charged by SAA

"We're intending to run a no-frills service. This means passengers will pay for their drinks and the food will be very simple But the fares will be low. We're positive we'll be succesful"

And if Comair is successful there are plans to increase its fleet on this route. Mr Van Hoven admitted that it was quite possible for any other firm to hire a number of aircraft from SAA and to undercut the national airline's fares on the domestic routes while still making a profit

A single fare on Comair will cost R339, while the return fare will cost R678. The service is to begin on August 3

Rennies reveals links between freight firms

(269)

B/Day 23/6/92.

RENNIES' freighting subsidiaries Renfreight and Manica have come into the open about their relationship after years off pragmatically covering it up during the sanctions era.

Manica, which celebrated its 100th anniversary this year, historically marketed its freighting service exclusively outside SA and built up an extensive southern African network encompassing more than 40 locations north of SA's borders It invested more than R100m in assets in Africa when many other international concerns were pulling out of southern region

Its links with SA and sister company Renfreight were covert. Manica brochures omitted SA completely and its head office had a London address.

The new Renfreight was formed through the merger of the air and sea operations of Renfreight Air Cargo and Renfreight Forwarding in April this year. They have concentrated on the SA market for over 150 years

Although concentrating on different markets, the two companies always worked together but it is only recently that they have been able to publicise and capitalise on this fact

Renfreight CE Eddie Stead says the reason for coming out into the open was the groundswell of demand for effective support by SA businesses wanting to trade in southern Africa. This was reinforced by African and international attitudes to SA with the changing political climate in SA and the southern African region

Manica CE Gary Hopcroft says the restructuring would have taken place whether SA was reaccepted internationally or not. The group made a business decision to concentrate its efforts on freight management However, political developments made it easier to do this by deepening the Manica-Renfreight relationship.

He says there are no plans to merge the two companies into one as both have strong, well-known images in their respective markets.

Manica will continue to focus north of SA, while Renfreight will target the local market Their collaboration will continue but be more openly marketed as a plus to clients, in SA and southern Africa

Agreement

Overseas clients doing trade with southern Africa, including with SA, are targeted through an international agency agreement with LEP International, one of the world's leading freight forwarders and other foreign agents.

Stead says the two groups have positioned themselves to follow the international trend to expand freight forwarding to embrace all aspects of freight management.

They will still be involved with traditional clearing and documentations functions, but not in isolation. Traders are no longer satisfied with such a limited service, but rather want a total freight management package tailor made to their specific commodity, he says.

Besides clearing freight, Renfreight will consult on packaging and transport from point of supply to consumption.

Manica and Renfreight's extensive presence on the ground in all southern African countries means they are aware of economic and political developments affecting freight such as forex freezes, sabotage of railway lines or changes in customs regulations.

As experts in their field Manica and Renfreight deal with all these concerns on a client's behalf.

Hopcroft says while there has not been a visible increase in cargoes yet, he believes regional trade has grown. Renfreight has seen a marked increase in queries from SA businessmen wanting to trade in Africa

Hopcroft says there has also been a tremendous increase in operations in Zimbabwe through the Open General Import License which promotes rehabilitain by industry. Manica is moving heavy machinery and equipment needed for the rebuilding

He says Renfreight and Manica's main opportunity is in managing export goods, ranging from agricultural products from Malawi and Zimbawe, to copper from Zambia and Zaire

Another large opportunity lies in the management of aid projects. Hopcroft believes aid bodies will start looking to SA to ensure effective distribution of aid.

The largest short-term prospect is the distribution of food aid especially to Mozambique, Zimbabwe, Malawi and Zambia

Stead says astronomical volumes of maize are involved and while Renfreight is glad to be involved in its management, all SA resources are going to be stretched by the aid programme In fact the entire region's infrastructure will be taxed

He says this is just one example where regional collaboration is vital.

The region needs to decrease dependence on aid and pull together to make the region work

Hopcroft has the same sentiments "We need regional solutions."

New US airline prepares for take-off to Africa

(269) B/Day 23/6/92

SIMON BARBER

US AFRICA Airlines (USAA), a start-up company whose founders include former US Assistant Secretary of State for Africa Chester Crocker and which proposes to provide direct service between the US and SA, has crossed an important hurdle in the tortuous process of getting airborne

The US transport department issued a "show cause" order on Friday giving would-be competitors 10 working days to challenge its naming USAA as the sole US carrier authorised to serve the route

Assuming there is no challenge, USAA will end SAA's North American monopoly by launching a thrice-weekly 747 service between New York or Washington and Johannesburg towards the end of the year, the airline's president Mike Meszaros said yesterday.

Although further conditions still have to be met, Meszaros said the department's order meant "we are no longer just a tremendous business plan but a viable operation"

USAA must still satisfy the department that it has sufficient US-origin financing and must also obtain final certification from the Federal Aviation Administration (FAA), a process that cannot be completed until that airline has completed a dry run without passengers to Johannesburg.

The company has spent $400 000 developing the documentation required by the FAA

USAA, whose principals include several retired senior airline executives, was founded in 1990 as a niche carrier to serve southern Africa, which it regards as "the last significant under-served US international market".

Its business plan calls for a multimillion-dollar publicity blitz to sell SA as a destination, dwarfing SAA's own US advertising budget.

The company had hoped to start flying in April, but was hindered by investor disenchantment with the airline industry and fears about SA's economic prospects.

Meanwhile, STEPHANE BOTHMA reports that SAA and west African-based Air Afrique this week agreed to launch a joint air service between Johannesburg and Dakar, Senegal.

An SAA spokesman confirmed the agreement, but said details still had to be finalised.

Air Afrique CE Yves-Raland Billecart is in SA and further talks between the airline and SAA are expected.

In terms of the agreement, SAA and Air Afrique — a consortium of west African airlines — will operate flights between Johannesburg, Brazzaville, Congo, Abidjan, Ivory Coast and Dakar.

Finalisation of the agreement depended on obtaining permission from the civil aviation authorities in the countries involved, the SAA spokesman said

After Air Egypt and SAA, Air Afrique is the largest airline in Africa. It is also the continent's most profitable private airline.

Last week, SAA was granted a licence by the National Transport Commission to operate scheduled flights to Luanda.

Drought: Spoornet rolls to the rescue

(269) B/Day 23/6/92

SPOORNET will spend more than R20m to move the millions of tons of maize which will flow into drought-stricken southern Africa in what has been called the biggest ever food and aid relief transportation exercise

But Spoornet international traffic manager Andre Heydenrych worries that funding will run out by year-end and leave SA in debt.

"Spoornet is spending millions in good faith but it is a risk," he says.

Spoornet can only hope the international donor community will realise the large investment being made by companies like Spoornet and sister company Portnet and be "liberal" with its handouts, he says

Exclusively

Spoornet will spend most money on bringing an extra 5 000 rail trucks out of mothballs to be used exclusively to transport the estimated R1,5bn worth of maize, says Heydenrych

It will also have to hire or buy suction machines to off- and on-load maize, instead of using cranes. It will use as many of its 150 000 pool of rail trucks as possible to distribute the maize,which is being sent mainly from the US and Argentina

Heydenrych says that so much maize is involved that every transport corridor in the region will be used to the maximum

Already Spoornet is running up to six trains a day across Beit Bridge to distribute maize to Zimbabwe. Heydenrych says this is the first time SA trains have been able to go straight into Zimbabwe and turn around there rather than at the border.

About 2-million tons of maize is expected to go to Zimbabwe and about 800 000 tons to Malawi

Zambia will receive 900 000 tons and SA is expected to buy 4,5-million tons of maize and import at least R50m of wheat.

All maize destined for Malawi will be taken to Zimbabwe, bagged and then taken by road

Transport systems will be stretched to capacity to distribute the millions of tons of maize relief

Railways hold the key to region's economic health

(269)

B/Day 23/6/92

A HEALTHY transport system is a sine qua non for southern Africa's economic revival, says Spoornet international traffic manager Andre Heydenrych

The railway network is vital for international trade, development work or investment

It the backbone of the economy, he says

Already about 60% of trade in the region involves rail transport, with the rest using roads

A serious drawback is the minimal rail interconnection between neighbouring states in the region, says Heydenrych

Only about 7% of trade in southern Africa is internal Most takes place with overseas countries, so rail routes have traditionally been export-orientated, linking towns with ports, rather than with other towns

Colonies

Zimbabwe, SA, Botswana and Zambia are linked only because they are all former English colonies

Heydenrych says the last major road project in the area was the line between Gaborone and Walvis Bay. Nowadays there is no money to finance major new routes Rather, existing ones will have to be rehabilitated and expanded if possible

Heydenrych says Zimbabwe has always been SA's main area of operation About 40% of SA's imports from Africa come from Zimbabwe

Asked about Zimbabwe's clamp on trade with SA, Heydenrych says Spoornet has continued dealing with other African countries for more than 30 years, despite politics The main difference was that this co-operation could not take place openly

Heydenrych says he would like to see all 10 railways in the southern African region incorporated into a single organisation and to work as an integrated system with no changeovers at the borders

Streamlined

This would enhance rail's competitive edge over road, offering clients a streamlined and co-ordinated service and a single body to deal with

But other railways in the region fear Spoornet's strength, believing it would take over their operations, he says

This could be avoided by giving each railway an equal ownership in the joint corporation

"We have no desire to dominate but would rather lead from the centre We are part of the continent and realise we need to all work together"

He believes that with time distrust of SA will break down But he admits the idea of a regional railway is "very much a dream"

Even if agreement were to be reached, it would probably take up to 20 years to become a working reality

The practicalities of making it happen would be very difficult given the disrepair and destruction of lines over the years

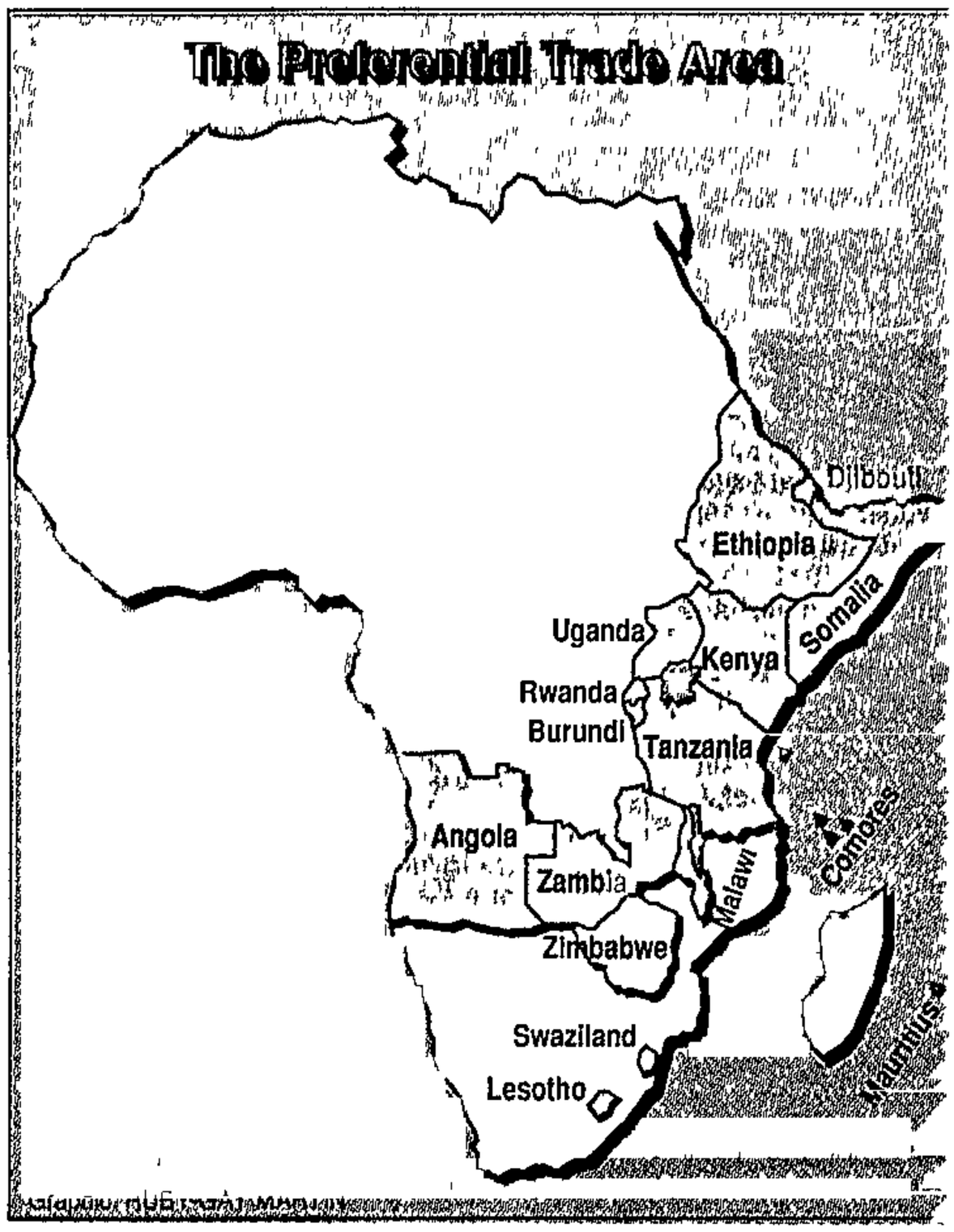
Heydenrych says Zaire, Malawi and Angola's rail lines are in the worst state

The Benguela line, between Zaire and Angola, alone would need hundreds of millions of dollars to rehabilitate

The line between Mozambique and Malawi is out of commission

The Maputo-Zimbabwe link is being rehabilitated but this work and running of trains is seriously hampered by Renamo activities, he says

While the north-south route is in reasonably good condition, there are areas of disrepair such as the Victoria Falls bridge



Drought: Spoornet rolls to the rescue

B/Day 23/6/92

SPOORNET will spend more than R20m to move the millions of tons of maize which will flow into drought-stricken southern Africa in what has been called the biggest ever food and aid relief transportation exercise

But Spoornet international traffic manager Andre Heydenrych worries that funding will run out by year-end and leave SA in debt

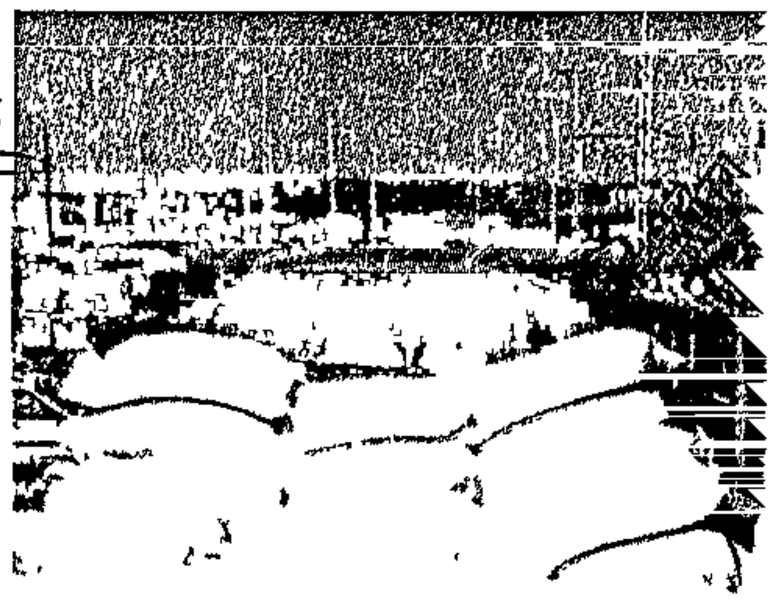
"Spoornet is spending millions in good faith but it is a risk," he says

Spoornet can only hope the international donor community will realise the large investment being made by companies like Spoornet and sister company up to six trains a day across Beit Bridge to distribute maize to Zimbabwe Heydenrych says this is the first time SA trains have been able to go straight into Zimbabwe and turn around there rather than at the border

About 2-million tons of maize is expected to go to Zimbabwe and about 800 000 tons to Malawi

Zambia will receive 900 000 tons and SA is expected to buy 4,5-million tons of maize and import at least R50m of wheat

All maize destined for Malawi will be taken to Zimbabwe, bagged and then taken by road



Transport systems will be stretched to capacity to distribute the millions of tons of maize relief.

New era in air travel

(269)

Sowetan 25/6/92

Sowetan Correspondent

SOUTH AFRICA is set to enter a new era in air transport as negotiations for liberalised air treaties with Britain and other countries take off.

A Department of Transport team is in Britain for a second round of negotiations that could soon open the skies to competitors of South African Airways and British Airways, the only two carriers allowed to fly between the two countries.

A new system of tariff agreement could also mean immediate benefits for travellers.

Transport deputy director general Mr Japie Smit said yesterday that his team, fresh from Malaysia where they had similar negotiations, were in London for a second - and hopefully final - round of talks.

After that they would visit Prague, capital of Czechoslovakia.

He said the negotiations "illustrate the importance of our liberalised policy".

begin today

and could hurt their chances of

Africa (Nocsa) ruling after its meeting this weekend.

the Third World for 30 years, has been a leadership for the 1992 Nobel peace prize. — Sapa-Reuter.

ARG 25/6/92 (269)

'Reluctant' RSC agrees to R10-m bus subsidy

CLIVE SAWYER
Municipal Reporter

BUS services are to get a R10 million subsidy from the Western Cape Regional Services Council — but the council says it is giving the cash reluctantly, as a one-off

A task group is to be set up to probe a takeover of bus passenger services "or aspects thereof" by the RSC, said chairman Mr Piet Loubser.

The RSC said future subsidies would be given only if new sources could be found to fund them

This comes after a meeting last week called by local government MEC Mr P J Schoeman, attended by Mr Loubser, deputy chairman Mr Louwtjie Rothman, land usage and transport planning chairman Mr Clive Keegan and RSC chief executive Mr Chris Mocke.

The subsidy, to stave off cutbacks in the bus services, comes after a Department of Finance request for help.

In yesterday's budget debate, finance committee chairman Mr Dick Friedlander warned that the subsidy could affect the RSC's ability to provide infrastructural services.

He and land usage and transport committee chairman Mr Clive Keegan had earlier asked Mr Loubser to say that the subsidy was given under protest.

However, Mr Loubser limited the wording of an official statement on the subsidy to say the money was given "reluctantly".

Mr Loubser confirmed that Tollgate Holdings had proposed in October 1991 that the RSC take over the bus services, which were troubled by government subsidy costs and operational problems.

When the bus service was sold to Golden Arrow, talks with the RSC were suspended

Golden Arrow's decision to rationalise services in the Peninsula and stop some of its operations in the Boland led the RSC to ask the Department of Transport to help keep services going

The Department of Finance asked the RSC to give R10 385 735 to subsidise the bus service.

Mr Loubser said the RSC agreed because a cutback in bus services would have "negative social and economic consequences".

● See page 2.

Air Seychelles widens service

B/Day 25/6/92

Business Day Reporter

AIR Seychelles is planning to expand its service to SA with a second weekly flight on its Johannesburg route.

The airline has acquired a new Boeing 757-200 for the flights, which are likely to be scheduled for Saturdays and Wednesdays.

Air Seychelles southern Africa sales manager Yolandé Weaich said yesterday the Johannesburg route, started in August last year, was doing well despite the recession and the current low season. (269)

She said the airline would aim its marketing at business travellers as well as tourists Fresh produce and banking were already important areas of business between the Seychelles and SA and there were also growing market opportunities for manufactured products, she said.

New SA era in air travel set for takeoff

(269) ARG 25/6/92

STEFAANS BRÜMMER
Staff Reporter

SOUTH AFRICA is set to enter a new era in air transport as negotiations for liberalised air treaties with Britain and other countries take off.

A Department of Transport team is in Britain for a second round of negotiations that could soon open the skies to competitors of South African Airways and British Airways, the only carriers allowed to fly between the two countries

A new system of tariff agreement could also mean immediate benefits for travellers.

Transport deputy director-general Mr Japie Smit said his team, fresh from Malaysia where they had similar negotiations, were in London for a second — and possibly final — round of talks.

After that they would visit Prague, capital of Czechoslovakia.

He said the negotiations "illustrate the importance of our liberalised policy".

Key elements of the new air services agreement being negotiated with Britain include

● Multiple designation.

Previously the British and South African governments could each designate one national carrier to fly the route. In future they will be be able to nominate more than one carrier, opening the way for, among others, Virgin Atlantic, whose owner, Mr Richard Branson, recently rocked the market with claims that he would offer single flights between London and Johannesburg for about R500.

● Double disapproval.

Previously both governments had to agree to an air fare proposed by a designated carrier. Under the new agreement both governments would have to disapprove the fare within a week of proposal by the airline.

Mr Smit said "The whole idea of the liberalised policy is to enhance competition .. One has to accept that if there are more carriers on the route, there will be more competition."

He said it would presumably mean better deals for travellers

TABLE 26

Air Seychelles denies SA ties

VICTORIA - Air Seychelles denied yesterday that South African Airways had bought about 40 percent of the Indian Ocean island's national carrier

(269)

Executive chairman of Air Seychelles, Mr Conrad Benoiton, said the state-owned airline would not rule out foreign and private investment but said there was no truth in local Press reports that South Africa's carrier was being considered as a partner.

Sowetan 26/6/92.

Air Seychelles is currently operating a Boeing 767 on a long contract from California-based International Lease Finance Corporation. It also has three flights to Europe a week and one each to Singapore and South Africa

The airline, vital for the islands' mainstay tourism industry, is widely believed to be running at a massive loss -*Sapa-Reuter*

SHIPPING FM 26/6/92

Looking ahead

(269)

SA's merchant fleet is getting a taste of things to come Revenues are good — owners are getting the best charter rates for some time — but competition is increasing with the influx of new flags to SA ports The pressures are heightened by the international recession which is holding back growth in world trade

The SA fleet, comprising largely the Unicorn and Safmarine lines, will have to look beyond the recovery to investing in technology which will result in safer, larger, faster and more fuel-efficient vessels with smaller crews That is according to Unicorn deputy chairman Mike Meehan who believes new technology should be exploited to address some of the problems now faced by the industry worldwide

These include.

☐ A surplus of all types of vessels including tankers, bulk carriers and container ships;
☐ Escalating repair costs (20% a year),
☐ Increased insurance premiums and growing problems in marine insurance,
☐ EC plans to withdraw shipbuilding and operating subsidies;
☐ New anti-trust legislation planned by the EC,
☐ Minimal increases in freight rates,
☐ Intense competition, particularly for East-West trade (major lines on the North Atlantic run could lose up to US$250m this year), and
☐ Growing shortages of officers and skilled ratings

He says more than 50% of the world's tanker fleet is more than 15 years old and should be scrapped within five years Theoretically, this should reduce the size of the fleet and push up charter rates But, though scrapping levels have risen — more ships (4,5 Mt) were scrapped in the first three months of this year than the whole of 1990 (2,6 Mt) — it is far below the 30 Mt scrapped in the 1986 trough and probably won't influence charter rates

The concern is that reluctance to scrap vessels could be indicative of a breakdown in the replacement cycle Meehan says replacement cost of the world fleet by the year 2000 will be more than US$200bn He predicts that, in the circumstances, "only exceptionally financially sound shippers will be able to borrow to replace vessels "

The problem he adds is that investors see ships more as assets than providers of a continuing cash-flow stream "Profits are possible, assuming a high residual value, only by selling a ship at market peaks " This established practice among bulk-carrier owners reduces their ability to service clients "Unfortunately, the practice is now creeping into the liner trades where it could severely impair a line's operating ability "

Against this backdrop Meehan feels technology could help to solve many of the industry's problems Considerable research has gone into this aspect of maritime technology Friction and the law of diminishing returns make significant speed improvements difficult to achieve on conventional hulls Meehan believes the solution could lie in revolutionary new catamaran designs, the Swath (small water plane area twin-hull design) and submarines

"Submarines are the most futuristic and interesting because the power source will be an electromagnetic current which uses sea water as its power source Speeds of 45 knots are being suggested for all these vessels — as against their present limit of 20-24 knots." ■

FM 26/6/92 (269)

TRANSNET FM 26/6/92

Forging links

(269)

Transnet, the government-owned multimodal transport giant, is trying to reduce its size and, at the same time, expand its influence in southern Africa

The word MD Anton Moolman uses for the reduction process is "rightsize" Transnet is in the fourth successive year of falling traffic volumes "We have 20% less traffic now than we had in 1989 and have to reduce costs It was easy to do that in the first and second years of the downswing, more difficult in the third year, and there's very little flab left to cut now" Most of Transnet's short-term costs are fixed

With little hope of the economy recovering soon, he believes there is no alternative but to reduce Transnet's size. "We must accept that our core business is transport That's where our future lies and that's what we must concentrate on"

He says Transnet is closing its uneconomic catering units and will sell those that are more profitable to the private sector, possibly to employees It is looking at a management buyout of its laundry services "And," he says, "we closed down more than half of Connex (Transnet's travel agency) because it wasn't making money"

An immediate problem — and opportunity — is the transport of maize to Zimbabwe to supplement drought-depleted domestic stocks Transnet will make a modest profit but is spending millions it hasn't budgeted for It had to repair thousands of trucks that had not been maintained for years because they were destined for scrap "We had to replace their bearings, fix them properly and resort to uneconomic working For example, many of our employees will have to work overtime."

But the maize lift provides an opportunity to promote regional integration Transnet has been negotiating for integration, for some years, with regional railways, but opposition has always come from Zimbabwe

The 9 Mt maize lift is believed to be the biggest transport operation mounted to relieve hunger (Only 2 Mt was shipped to Ethiopia) With the only transport system in Africa that can cope with the quantities — the millionth ton was landed last week — Transnet has demonstrated the advantages of co-operation.

The process will take a step forward in September when Transnet opens a London office to attract business This outlet will be an additional inducement to rail companies of neighbouring states

"We don't want to run the other systems," says André Heydenrych, Transnet's manager of international traffic, "but we want all customers in the region to perceive they are dealing with one railway system"

He sees revenues being shared among the various rail companies and a free flow of information enabling customers to track their consignments

Railway authorities to the north have relied on Spoornet for many years It has been repairing their rolling stock, selling them spares and training their personnel On any day, even when there is no maize lift boosting the figures, there are between 6 000 and 7 000 Spoornet goods wagons north of the Limpopo. Zambia and Malawi leased a further 500 each in May Zambia last week asked for another 1 000 In addition, Zambia leases nine Spoornet locomotives, Zimbabwe 10, Zaire seven, Botswana six, Swaziland six and Malawi four ■

Deal opens way for more airlines on UK-SA route

B/Day 26/6/92. (269)

STEPHANE BOTHMA

THE 50-year-old bilateral air services agreement between the UK and SA enshrining British Airways' (BA's) and SAA's duopoly on scheduled flights between the two countries came to an end yesterday

The move will allow UK-based Virgin Atlantic Airlines and the local Flitestar to apply for permission to fly the lucrative route.

A general agreement that there was enough capacity to increase the frequency of flights on the route finalised week-long negotiations between the UK and SA governments about the drafting of a new bilateral agreement.

SAA, BA, Flitestar and Virgin presented their arguments at the negotiations in London

Details of the redrafted agreement could not be obtained, but a source confirmed that it would break the SAA-BA hold on the route.

BA and SAA each currently had permission to operate 10 flights a week — a frequency which would eventually be increased to 15 flights per country.

SAA indicated at the talks that it would increase its flights to 12 — leaving three flights to another SA airline — probably Flitestar

BA indicated Virgin would be given the opportunity to operate the five additional flights allocated, the source said

Virgin's strategy and route planning director Ed Hullah said from London last night his airline was "quite pleased about the move"

Virgin flights would probably commence later this year or early next year, said Hullah

However, Virgin would still have to apply to the SA Directorate of Civil Aviation for permission to fly the route, a source said.

It was widely believed that Virgin would not experience problems in obtaining permission, following discussions between Virgin's president Richard Branson and SA Transport Minister Piet Welgemoed earlier this year

At the time Branson announced discounts of between 20% and 60% on fares for flights between the two countries.

The announcement was welcomed by Welgemoed, who indicated that flights at discount fares could increase tourism to SA.

Virgin had already received permission from UK civil aviation authorities to fly the route, it was earlier reported

Flitestar director Joggie Vermooten last night said his airline has already lodged an application to alter its current international operating licence. Flitestar was definately interested in flying the route.

SA civil aviation authorities were expected to consider Flitestar's application next month, he said.

Flitestar had also applied to fly to Germany.

SAA last night said it had no details of the agreement reached by the two governments and could therefore not comment at this stage

BA said in London last night that it would increase the number of its non-stop flights. The airline also hinted at a possible decrease in fares from next week, but an announcement about the move was expected early next week, a source said.

Mayor wants to quit RSC role

(269)

CLIVE SAWYER,
Municipal Reporter

ARG 26/6/92

MAYOR of Cape Town Frank van der Velde, angered by the Western Cape Regional Services Council agreeing to pay a R10 million subsidy to the bus service, is to hold urgent talks with fellow city councillors on withdrawing from the RSC

He might, depending on the outcome of the talks, table a motion at next Tuesday's monthly city council meeting that Cape Town pull out from the controversial body.

With huge cutbacks in Department of Transport subsidies, the RSC grant was adding insult to injury, he said.

Mr Van der Velde told The Argus today: "This demonstrates once again how absolutely unaccountable the RSC is to the people it was meant to serve."

The city council is a major contributor to RSC funding

It has four representatives on the RSC, who chair all the most significant committees, apart from the executive committee.

Mr Van der Velde did not believe Cape Town or the region should pay the subsidy, and blamed government planning for high transport costs because workers lived so far from the city.

The government recently turned down city council appeals for funding for critical transport problems such as the Vanguard Drive/Voortrekker Road interchange

Mr Van der Velde opposed city council participation in the RSC when it was set up in 1986.

"Now my personal view is that we should withdraw, and on Tuesday I shall either put a motion on the order paper (the council agenda) or councillors will debate the matter when we discuss the RSC report-back," he said.

He warned that a precedent could be set for local government to subsidise rail passenger transport as well

UK-SA air route now open to all

(269) CT 26/6/92

From CHRIS BATEMAN

LONDON. — The stranglehold by British Airways and South African Airways on the world's most profitable airway route (Britain-SA) was broken yesterday when civil aviation authorities threw it open to all carriers.

The deregulation came after two days of meetings, attended by Flitestar officials, between Britain's International Aviation Directorate and South Africa's Department of Civil Aviation

This means fares will plummet and that

● By late December or early January next year Virgin Airways will begin operating five non-stop return flights a week from London to Johannesburg.

● On October 25 British Airways will introduce a new weekly non-stop flight between Cape Town and London (The present twice-weekly Cape Town flights are by way of Johannesburg).

BA's overall weekly return flights will increase from nine to 11

● Flitestar are seriously considering entering the market

It was reliably learnt that SAA intend increasing weekly return flight frequencies from 10 to 12 this August

The first salvo in the coming air fare war was fired by BA where reliable sources yesterday broadly hinted at fare reductions as early as Tuesday next week

Clean up the mess!

FRANS ESTERHUYSE
Weekend Argus
Political Correspondent

TRANSPORT Minister Dr Piet Welgemoed has a political responsibility to help in clearing up the financial and administrative mess left by the MMF corruption and fraud debacle.

■ An opposition critic pinpoints government responsibility in the MMF scandal while a key Cabinet minister remains tight-lipped.

This is the view of Democratic Party transport spokesman Mr Robin Carlisle who has urged the minister to find ways of cutting down an estimated R248-million rake-off by the legal profession from outstanding third-party insurance claims over the next few years.

Mr Carlisle said lawyers had made R54-million in the past financial year

He has also called for the resignation of Dr Welgemoed's predecessor, Mr George Bartlett, from the Cabinet. Dr Welgemoed had "inherited the maladministration of his predecessor".

In an interview, Mr Carlisle said that in addition to the Melamet commission's recommendations, Dr Welgemoed had an "unfinished responsibility" to recover as much of the misappropriated funds as possible

It was also the minister's responsibility to monitor "the considerable number of prosecutions which should flow from the investigations".

"In other words, he's got to make sure that all the people who should go to jail will go to jail. That is a political responsibility. He must not leave matters to the Attorney-General only"

Mr Carlisle said that in fairness to Dr Welgemoed the present Minister of Transport had "inherited the maladministration of his predecessor and now has to clean it up"

Real responsibility for the debacle seemed to be largely on the shoulders of former Mr Bartlett, now Minister of Mineral and Energy Affairs.

"Mr Bartlett has now presided over two immense disasters," said Mr Carlisle "The first was the investment of the Rail Commuter Corporation in the now bankrupt Cape Investment Bank where R300-million was invested in an irresponsible manner and far in excess of the laid-down limits The second disaster is this one — the debacle of the Multilateral Motor Vehicle Accident Fund (MMF)"

The Melamet Commission's report on its investigation into MMF's affairs, tabled in parliament last week, revealed large-scale corruption, fraud and maladministration in South Africa's third-party insurance system which had been created to provide financial relief for victims of road accidents. The fund was found to have an accumulated deficit of R2,1 billion, and a further R2,5 billion owing in outstanding claims

Abuses by attorneys, doctors, assessors and insurance companies were reported to have been uncovered

Mr Carlisle said the two "disasters" put together made up a financial scandal equal to or in excess of the Development Aid debacle

"There could be no question that Mr Bartlett is honour-bound to resign from the Cabinet. That's where political responsiblity lies"

Another area of concern was "the deafening silence" of the legal and medical professions who, Mr Carlisle believed, were ethically bound to investigate their own members for any culpability referred to in the commission's report.

Attention had also been focused on certain MMF matters on which the fund's external auditors had not commented. These included the removal of a provision for outstanding claims at the end of the 1988 financial year

In addition, the external auditors had not found anything wrong with about 300 claims they had allegedly examined and from which many defects were now emerging.

On this issue, said Mr Carlisle, the Public Accountants and Auditors Board had an obligation to investigate and to advise the public of any action they would take in respect of the firm of auditors concerned.

"A key question in all this is: where will the money come from to meet the outstanding claims of some R2,5 billion? Will the motorist be expected to foot the bill?"

This week Dr Welgemoed declined to answer questions from Weekend Argus on grounds the matter was now in the hands of the police and the Office for Serious Economic Offences at the Department of Justice

A spokesman for the Transport Ministry said more than 200 files had been sent to the police and "more are added every day". Eventually as many as 1 000 cases might be investigated for fraud

Among questions Weekend Argus submitted to Dr Welgemoed this week were

■ Who is now controlling the affairs and activities of the MMF?

■ What immediate steps have been taken to stop the irregularities and misuse of public money reported by the commission? Are you satisfied that none of the irregularities reported by the commission are continuing at present? If not, what steps will be taken, and when, to protect the public from further losses?

■ Are any of the attorneys, doctors, assessors and insurance companies who allegedly benefited from fraudulent claims or any other irregularities, as reported by the commission, still involved in MMF affairs? If so, what action has been taken to prevent a recurrence of their corrupt practices?

■ What action has been taken to prevent the disappearance or destruction of files or other records containing evidence of malpractices reported by the commission?

■ To what extent will the political head (minister) of the department responsible for MMF administration at the time of the alleged malpractices and irregularities be held responsible and accountable for such practices? Can you give taxpayers and the public an assurance that everything possible has been done to ensure it will not happen again?

R10-m bus grant not their ticket

■ The Western Cape Regional Services Council seems to be straying from its original brief with grants to bus services and black local authorities, made at government behest. Now, adding to its woes, Cape Town's Mayor Mr Frank van der Velde is lobbying for the city council to pull out.

CLIVE SAWYER
Municipal Reporter

PROPOSING the adoption of a budget does not have to mean you agree with it.

Western Cape Regional Services Council finance committee chairman Mr Dick Friedlander demonstrated this when he said there was "deep concern" about how a R10 385 735 grant to bus services would affect the RSC's ability to do its job

That job was to provide infrastructural services.

"RSCs were created to provide relief to needy communities," Mr Friedlander said this week.

Typical infrastructure projects include "pipes and pavements" spending and funding dams, reservoirs, sewers, streetlights and bridges.

Observers remember that the controversial bodies were set up as part of the tricameral system in the P W Botha era — to widespread suspicion.

They are structured on racial lines, voting power is allocated according to services, in a body meant to channel funds to wherever they are most needed in a region

Since the setting up of the Western Cape RSC, infrastructural projects totalling R701 million have been approved of which R593 million has been allocated.

In his budget speech, chairman Mr Piet Loubser said some local authorities had submitted applications for projects for which planning was not completed, creating a backlog.

He announced too that the RSC was to get tough with those eligible to pay levies by setting up a new inspectorate to track down defaulters.

Plunging this week's R730 711 611 operating budget into controversy were two items of spending — a R10 million bus subsidy and R17 million to prop up beleaguered black local authorities, themselves a tricameral creation.

Indications are that there could be further controversy over attempts to get local government to shoulder the bus burden

MEC Mr P J Schoeman called a meeting on June 18 of the executive committee of the Association of Regional Services Councils to discuss "possible entrustment of the bus passenger function or some aspects thereof to RSCs".

A task group was set up after the meeting to probe the idea.

Mr Friedlander and land usage and transport planning committee chairman Mr Clive Keegan pressed Mr Loubser to say in an official statement that the bus subsidy was given under protest

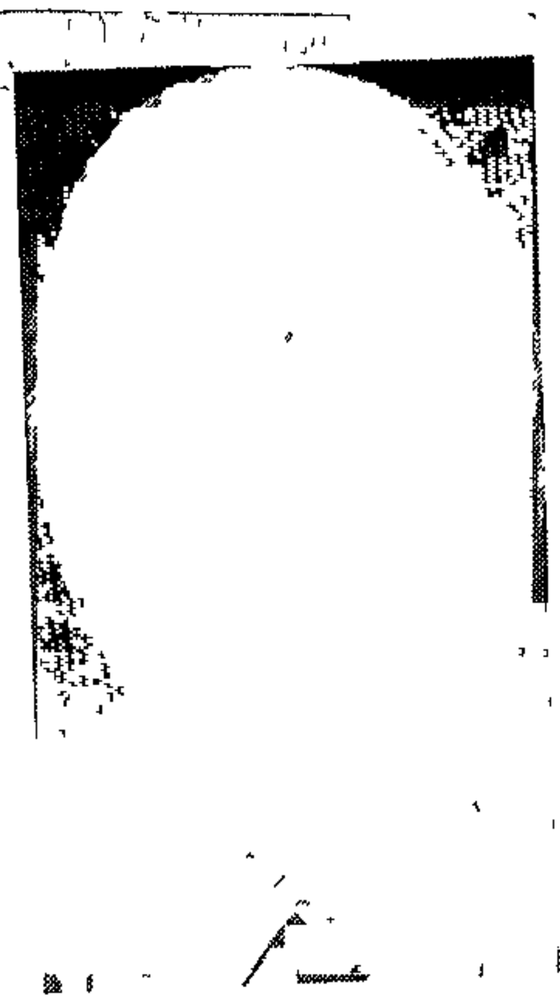
Turning this down, Mr Loubser said he thought saying it was given "reluctantly" was more appropriate.

The subsidy sparked Mr Van der Velde's fury.

In an interview, the mayor said he was "absolutely appalled" that the RSC had agreed to give the money when the government had created the problem of high transport costs — and had let down the region by cutting subsidies for transport.

Mr Van der Velde said the city council should pull out of the RSC.

Action on the matter could come as soon as Tuesday's monthly city council meeting, either through a motion or debate on the RSC report-back.



Mr Dick Friedlander

If Cape Town pulls out of the RSC, it will deal the body a massive blow

Mr Van der Velde slammed its "lack of accountability" to the people it was meant to serve.

"The people of Cape Town, particularly the business people, contribute considerable sums to the RSC," he said.

He accused the RSC of building up a "power empire".

Mr Van der Velde said the granting of the subsidy was partly the result of a government appointee, Mr Loubser, chairing the RSC

Mr Loubser said the subsidy was given reluctantly, as a one-off grant.

The RSC had called for national transport policy to be formulated urgently, he said.

Further "subventions" would be considered only if new sources of income could be found, Mr Loubser said.

● The city council has four representatives on the RSC who chair all the most significant committees apart from the executive committee.

They are Mr Dick Friedlander (finance), Mr Louis Kreiner (works, amenities and services), Mr Clive Keegan (land usage and transport planning) and Mrs Eulalie Stott (priorities).

(269)

ARG 27/6/92

Train 'corruption': conductors call for independent inquiry

269

SOUTH 27/6 - 1/7/92

ALLEGATIONS by Transnet that train conductors pocket up to R250 a day from fares without issuing tickets have led to calls for a commission of inquiry.

The South African Railways and Harbours Workers' Union (Sarhwu) and Transnet's Coloured Staff Association (CSA) are now calling for an independent commission of inquiry into the allegations by the commuter authority

The dispute between the conductors and Transnet centres around a loss of R27,5-million, most of which Transnet alleges, was stolen by train conductors

Two weeks ago, about 250 train conductors went on a four-day strike after Transnet confirmed a report in the press which claimed that conductors pocket fares without issuing tickets

A document making these allegations was leaked to the press by conductors "fearing for their jobs", said Mr Pieter Albertus, general secretary of the staff association

He said ever since equal opportunity had been introduced at Transnet, allegations like these were made by people "wanting to cause trouble".

Sarwhu and the CSA are demanding a public apology from Transnet and full wages for the four days of the strike.

Sarwhu spokesperson Mr Ndanele Tilela said if the demands were not met, workers would call for an independent commission of inquiry to the missing millions.

Another concern of workers is the lack of security for passengers on trains.

In accordance with a five-year plan, launched by the South African Rail Commuter Corporation, the presence of police on trains and stations is gradually being increased, together with an upgrading of stations, partly aimed to improve ticket inspection

Transnet spokesperson Mrs Yvette Olwage said the Simon's Town line was being upgraded The upgrading of the Khayelitsha line was complete, she said.

JOHANN VAN TONDER

investigate.

(269)

Jobs for pals as transport consultants?

ARG 27/6/92

WILLEM STEENKAMP, Weekend Argus Reporter.

IRREGULARITIES possibly involving millions of rands of taxpayers' money could rock the already beleaguered Department of Transport.

Weekend Argus can today exclusively disclose that Transport Minister Dr Piet Welgemoed has launched an urgent investigation into the granting of contracts by the Department of Transport to so-called consultants and other technical advisers.

The allegations follow hard on the heels of the massive third-party MMF corruption debacle report tabled in Parliament earlier this month

In the past financial year more than R60 million was spent by the department on so called consultants and Weekend Argus has reliably learnt that this figure could be much higher

Miss Elsa Kruger, spokeswoman for Dr Welgemoed, said the minister was gravely concerned about the allegations and had appointed a group to investigate. She could not say how long the investigation would take.

She said Dr Welgemoed had doubts about the effectiveness and neccesity of certain contracts concluded with consultants.

The minister declined to comment further on the issue. Miss Kruger said that Dr Welgemoed had initiated the investigation himself as he had identified the system of using consultants as a possible "problem area"

It has been claimed that some of the so-called consultants had previously been employed by the Department of Transport and that their hire was a case of "baantjies vir boeties". ("jobs for the boys").

Dr Skippie Scheepers, appointed director-general of the department in March, said he could neither deny or confirm the claims because he had not been at the department long enough.

He said one of the major problems identified was that the dividing line between some of the department's administrative functions and the consultants' functions of consultants had become vague and in some instances nearly disappeared altogether.

"Obviously this is of concern to us. We have to take a hard look at some of the functions and services of consultants to establish if the funds used for these services were used correctly.

"We are also concerned about the basis and the way in which contracts were granted to consultants. We want to be sure this was done in a fair and orderly way. We want to ensure that certain companies are not advantaged above others."

Dr Scheepers stressed that the investigation should not be seen as a witch hunt against civil servants employed. It was intended to ensure effective and sound management principles.

FARE FREE-FOR-ALL FROM SA TO UK

Open skies start now

(269)

S/Times (BUSS) 28/6/92

PRICE cutting of fares on SA's major air link with the rest of the world starts this week.

By MANDY JEAN WOODS and IAN HOBBS

British Airways (BA) and SAA agreed this week that price fixing on the route — one of the world's most lucrative — would go with immediate effect.

They also agreed to increase the number of flights between London and South Africa and allow other carriers to enter the market.

This is expected to double the number of seats available on the route and lead to a major price war

By April 1994 there could be 21 large airliners flying the route each week, six landing daily at Jan Smuts or Heathrow airports

BA has a press conference scheduled for Tuesday morning at which it is expected to fire the first salvo in a fare war

Although no figures have been mentioned, it is believed that BA will offer "significant" savings on its flights to London Currently BA's cheapest fare to London is R2 795 and SAA's is R2 930

BA South African manager Malcolm Freeman says "British Airways welcomes competition We will compete in SA just as we do on most of our other routes throught the world

"With deregulation we will for the first time be able to charge market-related fares and be more flexible in our pricing"

A London spokesman says BA will aggressively exploit every traditional advantage it has It is confident of outflying any competition on the lucrative SA route

"We will be very imaginative and very, very competitive We are not in the tiniest bit afraid of competition We welcome it."

None

Virgin, which unashamedly claims credit for forcing an open market on the SA route, is confident it will become significant by any standards in the world in the longer term

Director of strategy and route planning Ed Hullah says Virgin is prepared to top any imaginative marketing or price-slashing move by BA or other operators and will provide a service "second to none"

Virgin has also said no more about a promised one-way promotional London-Johannesurg fare of R495 on standby

Mr Hullah promises that the launch fares will be "sensational — absolutely dramatic"

He says all efforts are concentrated on getting Virgin's SA service rolling as soon as possible

"If it goes smoothly we could be up and running by Christmas — if not the service will be operational in the early new year"

Mr Hullah says all the luxuries that have won Virgin awards and success on even the crowded transatlantic route will apply to SA

They include Virgin's now standard upper-class touch of free collection limousines within about 70km of Heathrow and Jan Smuts airports, luxurious flight lounges and bars and videos for 50 seats

BA carries more than 3 500 passengers on its 10 flights a week. SAA carries as many on its 10 direct flights a week.

In terms of the agreement signed this week, a maximum of 15 flights each way between the two countries will be allowed and will gradually increase in the next two years

BA will maintain its number of flights and Virgin will pick up the slack Virgin has already applied to fly five scheduled flights a week to Johannesburg.

SAA is contemplating increasing its flights by two to 12 a week, but this will happen only later in the year and will depend on demand, says a spokesman

Flitestar is widely expected to pick up the route slack on the SA side and has applied to change its licence to allow it to fly to London.

SAA has been active in meeting the Flitestar challenge head-on in the domestic market But spokesman Zelda Roux says it has no immediate plans to offer large discounts on its London routes

"We won't enter into a price war, but will allow the market demand to dictate fare levels"

"SAA already offers several discounts on that route. We don't want to become a discount airline"

State airports to be commercialised

B/Day 30/6/92

STEPHANE BOTHMA (269)

The commercialisation of state airports and air traffic and navigation services was approved by government yesterday

The Cabinet accepted a recommendation to form two public companies — the Airports Company and the Air Traffic and Navigation Services Company — with the state as sole shareholder, to take over the services currently provided by the Transport Department, Transport Minister Piet Welgemoed announced in a statement

The policy would be implemented by April

The two companies would function within a commercial framework and be responsible for the operation of the nine state airports and the provision of air traffic and navigation services respectively.

New employment contracts would be offered to existing personnel.

The broad objective of the move was to render these services financially viable by implementing the principle of charging users

30/6/92

"Government will therefore be relieved from the burden of providing and subsidising these services," he said

The move followed recommendations by a task force policy document submitted to and accepted by the Cabinet

The task force consisted of representa-

☐ To Page 2

Airports

B/Day 30/6/92 (269)

☐ From Page 1

tives of all departments currently involved in providing the services. Together with private consultants Price Waterhouse Meyernel and Lexetran, it worked in conjunction with the Transport Department to formulate the policy

Welgemoed stressed that the commercial approach to the operation of the facilities should not jeopardise the general interest of the state, nor the essential functions carried out by the state at airports such as customs, immigration and health controls.

In terms of the new policy, the Transport Department would retain responsibility for

☐ All aspects related to inter-governmental relations and negotiations,

☐ The implementation of broad government policy on airports and air traffic and navigational services, including the promulgation of the International Civil Aviation Organisation's standards and recommended practices and the designation of airspace, and

☐ The licensing of airports and personnel involved in the rendering of the services

The two companies would submit a five-year business programme, as well as a detailed annual budget and management plan

The relevant Minister would have limited but specific powers to ensure that the companies were being operated on a sound commercial basis

A regulating committee would also be established to take responsibility for the economic regulation of the companies However, the committee would not be able to intervene in the day-to-day running of the companies' affairs, Welgemoed said

Independent boards of directors, appointed by the state, would manage the companies with the mission of maximising returns on capital while providing a non-discriminatory, cost effective and market-related service to customers.

Govt wants airports to be viable

STAR 30/6/92

(269)

By Michael Sparks

The Cabinet has approved a policy which will commercialise the country's airports and navigation services, Transport Minister Dr Piet Welgemoed announced yesterday.

The aim of the policy is to make the companies economically self-sufficient and no longer dependent on State subsidies for their daily running, although the State will remain the only shareholder.

The Government hopes to implement the plan by April next year, with an independent board of directors to be appointed by the State.

The companies will have to provide detailed budgets to the shareholder as well as a management plan and a five-year business programme.

In order to provide funds for the running of the companies, user fees will be introduced, charging airlines and passengers for services used

These will include fees for navigation facilities and air traffic control which are currently provided free

Acting chief director of Civil Aviation Stuart Huckwell said these fees would bring South Africa into line with most other countries

Airports 'going public'

(269)

STAR 30/6/92.

Two public companies are to be formed before April next year to operate the nine State airports and provide air traffic and navigation services on a commercial basis, according to Transport and Posts and Telecommunications Minister Piet Welgemoed.

In a statement yesterday, Mr Welgemoed said the Cabinet had approved two bills enabling the formation of the Airports Company and the Air Traffic and Navigation Services Company

The broad objective of forming the two companies was "to implement the principle of user-charging with the resulting benefit that revenues generated by the companies" could be used for providing their required services, he said

The State would be the sole shareholder in both companies, but the companies would be run on a commercial basis and the government would be relieved of the burden of providing and subsidising these services. — Sapa.

ANC seeks new transport policy

B/Day 30/6/92.

(269)

EDWARD WEST

COSTS in the transport industry had risen disproportionately to inflation resulting in declining gross domestic fixed investment in the sector, ANC spokesman Jane Barret said at the Annual Transport Convention in Pretoria yesterday.

She said the state should adopt a clear policy on transport which would form part of a broader economic policy.

Such a policy should develop new transport infrastructure supporting economic development, reduce the cost of transport, ensure the narrowing of regional imbalances and regulate the industry regarding wages and working conditions

Backlog

Labour had to be assisted by providing accessibility to employment sites, training and research support

Barret said the transport sector accounted for about 6,5% of GDP and taking into account the contribution of ancillary transport, possibly as much as 10% About 5,6% of the workforce was engaged in transport in some form

Identifying areas in which new transport policy was required, she said, in spite of the relatively high proportion of GDP spent on road construction, there remained a massive backlog of rural road infrastructure.

The loss of nearly all off-peak bus markets to the taxi industry and government's cutting of subsidies had plunged the bus industry into crisis. The effective disinvestment of bus companies — for example Putco's R81m dividend payment to shareholders in 1991 — further compounded the crisis

She said the decentralisation of commuter transport planning and funding to regional authorities left unanswered questions about how revenue would be raised even to meet scaled-down subsidisation

In the context of an overall tax review, she questioned whether licensing and fuel tax revenues should not be channeled into a dedicated transport fund rather than into general state revenue coffers.

Barret also argued for the development of low technology multi purpose vehicles for SA's subsistence and semi-subsistence farmers whose transport needs were neglected.

Two-stroke engine vehicles modelled on a type produced in Taiwan could improve the quality of life and productivity of subsistence farms.

She also mooted the subsidisation of agricultural vehicles.

Manufacturing distribution costs added up to 25% of the cost of some products. She said that through relatively simple modification to heavy vehicle design, up to 16% fuel savings could be achieved.

Diesel-saving innovations would also have to be accompanied by the encouragement of the use of diesel vehicles because SA had an oversupply of diesel due to the imbalance between diesel and petrol demand.

Barret said as much as R100m a year could be saved by supermarket chains if they adopted more efficient delivery systems, such as centralised warehousing, roller pallets and improved information technology.

However, the savings would be passed on to consumers in the form of lower grocery prices. A policy on the conglomeration of businesses and on food prices would come into play in this regard, she said

to hold commemorative meetings | a march to Parliament

Outcry over ANC's 'police escort'

STEPHANE BOTHMA

THE Goldstone commission will be asked to investigate an alleged police-escorted ANC march into an Inkatha stronghold in the Natal midlands this weekend which preceded several attacks on Inkatha — leaving four dead and 12 injured

Inkatha was also considering asking for redeclaration of the Richmond, Natal district as an emergency area and for redeployment of the SAP's internal stability unit in the area, Inkatha spokesman Kim Hodgson said yesterday

The move followed a march last Friday by about 200 ANC supporters carrying spears, pangas and other weapons to Patheni outside Richmond

"The SAP, allegedly under instruction from station commander Lt Lombard, escorted the impi into the Inkatha area This act has been described by Patheni residents as a blatant act of provocation," Hodgson said A formal complaint was being drafted and would be submitted to the Goldstone commission today

The march into Patheni was followed by an ambush in which ANC youths allegedly ambushed and gunned down 11 Inkatha supporters, killing two men and injuring nine at Gengeshe outside Richmond on Saturday, he said On Sunday two men died and three were injured when Inkatha supporters at Patheni were attacked by a large group of armed youths

Violence also erupted in Durban's Umlazi township. The dead included a three-year-old child who was burned in a petrol-bomb attack on a house in the township.

The body of a policemen who had been stabbed was found in Empangeni, police said. B/Day 30/6/92

Sapa reported that the latest violence had led to an exodus from the area, with unrest monitors reporting a possible refugee crisis in the Port Shepstone area on Natal's south coast.

Three people were killed in fighting between Inkatha and the ANC in Murchison, on the south coast, police said yesterday.

Their unrest report said the body of a man who had been shot was found in Katlehong, near Germiston, on Sunday

☐ The ANC's Stanger branch in Natal has broken off talks with the local town council, citing the political crisis triggered by the Boipatong massacre. They were to meet today to discuss demands

Dutch airline puts SA flights on hold

AMSTERDAM — Dutch charter airline Transavia said yesterday it was postponing a planned new service to Durban because of renewed unrest in SA (269)

Parent company KLM Royal Dutch Airlines said it did not rule out changes to its own recently expanded programme.

"In the light of the political situation and the reactions of tour operators we see no basis to begin flights," said a Transavia spokesman B/Day 30/6/92

Transavia had been due to start the weekly flight on December 1.

A KLM spokesman said "We don't rule out changes but we hope to fly as planned."

KLM, which has an 80% stake in Transavia, plans to extend its twice-weekly Johannesburg run to Cape Town from October 27.

No one was available to comment at Martinair, which also just won extra SA landing rights KLM also owns a minority stake in Martinair. — Sapa-Reuter

PUBLIC SECTOR - TRANSPORT - GENERAL

1992

JULY - SEPTEMBER

BA slashes London return fares in 'seat sale'

B/Day 1/7/92 (269)

MARCIA KLEIN

BRITISH Airways has cut return fares to London to 1989 levels in a special "seat sale" following last week's air deregulation treaties between Britain and SA.

The airline yesterday announced a sale of 8 000 seats at R1 992, bringing the Johannesburg-London return fare down to less than the R2 000 mark "as a celebration of the new era of deregulation in SA".

BA SA manager Malcolm Freeman said this was substantially below normal or even special fares to the UK, which had recently been as low as R2 750.

Seats have to be bought in July and used between mid-September and the end of November. Bookings cannot be changed and there is a 50% cancellation charge.

Freeman said the new fares marked the beginning of greater freedom for the airline industry operating flights to SA

He said this would not be the last special sale announced by BA

In terms of the sale, BA would cut the cost of flying from Cape Town to London to R2 392 and from Durban to R2 212.

Meanwhile, Richard Branson's Virgin Atlantic airline has been granted permission to fly to SA five times a week.

Virgin spokesman Will Whitehorn confirmed yesterday that the airline had won government permission in terms of last week's bilateral UK-SA treaty.

The UK would each week run 15 flights, 10 of which were operated by BA.

Virgin was trying to obtain slots at Heathrow for its flights

The commissioning of flights to SA would depend on when slots became available. He expected this to be some time between December and next October.

Scramble for cheap seats

STAR 2/7/92.

(269)

British Airways introduced a cheaper fare from Johannesburg to London this week. MICHAEL SPARKS looks at whether a price war is looming and what it would mean for passengers and the airline industry

LAST week South Africa and Britain signed a new air treaty which freed up competition on routes between the two countries, effectively allowing airlines to charge any price for their airline tickets

This prompted British Airways this week to announce a return air fare from Johannesburg to London of R1 992, which has prompted a significant response from the public, according to travel agents and British Airways

The airline has been inundated with calls and by noon on the day bookings opened, all the cheap seats for the first 10 days had been sold

British Airways general manager Malcolm Freeman noted that planes flying to London were traditionally up to 40 percent empty during the October/November off-season, when the cheap seats would be available.

"We have estimated the number of empty seats on these flights, and have been filling them with people with cheap tickets Once the number of cheap seats is sold, all other seats on that flight are then sold at the regular price of R2 750 We are only selling the empty seats cheaply," Mr Freeman said

He added that the airline was not entering a price war with other airlines, but the new treaty meant British Airways was now capable of falling into line with practices around the world of trying to fly with full planes

Responding to criticism that the cheap-seat offer would not attract new travellers but would merely draw regular business from other airlines, Mr Freeman maintained that many people who would not traditionally be able to fly were now able to do so

"We have had a number of bookings from people on fixed incomes who might not have been able to fly otherwise," he said

Rennies Travel marketing manager Kathy MacWhirter said the offer had generated so much interest that people from branches in its Cape Town office had had to help out at the main office in the Mother City

She said one of the reasons for the new marketing strategy was probably economic pressure, because additional airlines as well as extra flights plied the route.

Besides, she said, tourism to South Africa had not increased and was unlikely to improve in the present political climate This meant the airlines were reliant on people flying from this country

"Effectively it means there are more seats chasing after the same number of people who could fill them,' Mrs MacWhirter said

She echoed the opinion of many travel agents that a full-blown price war — as had happened in the United States — would in the long run affect passenger safety

"It can lead to airlines going bankrupt because there is so much pressure on them to fly full and to keep the planes in the air earning money

"Because profit margins (in the US) were so low, the level of service declined and so did safety levels There, deregulation worked against the passengers," she said

Mr Freeman denied that BA would compromise passenger safety standards, adding that other special offers would be introduced for a proportion of seats on certain flights

South African Airways media manager Leon Els rejected prospects of a price war, saying SAA would not introduce matching fares since it had had introduced various special offers in recent months

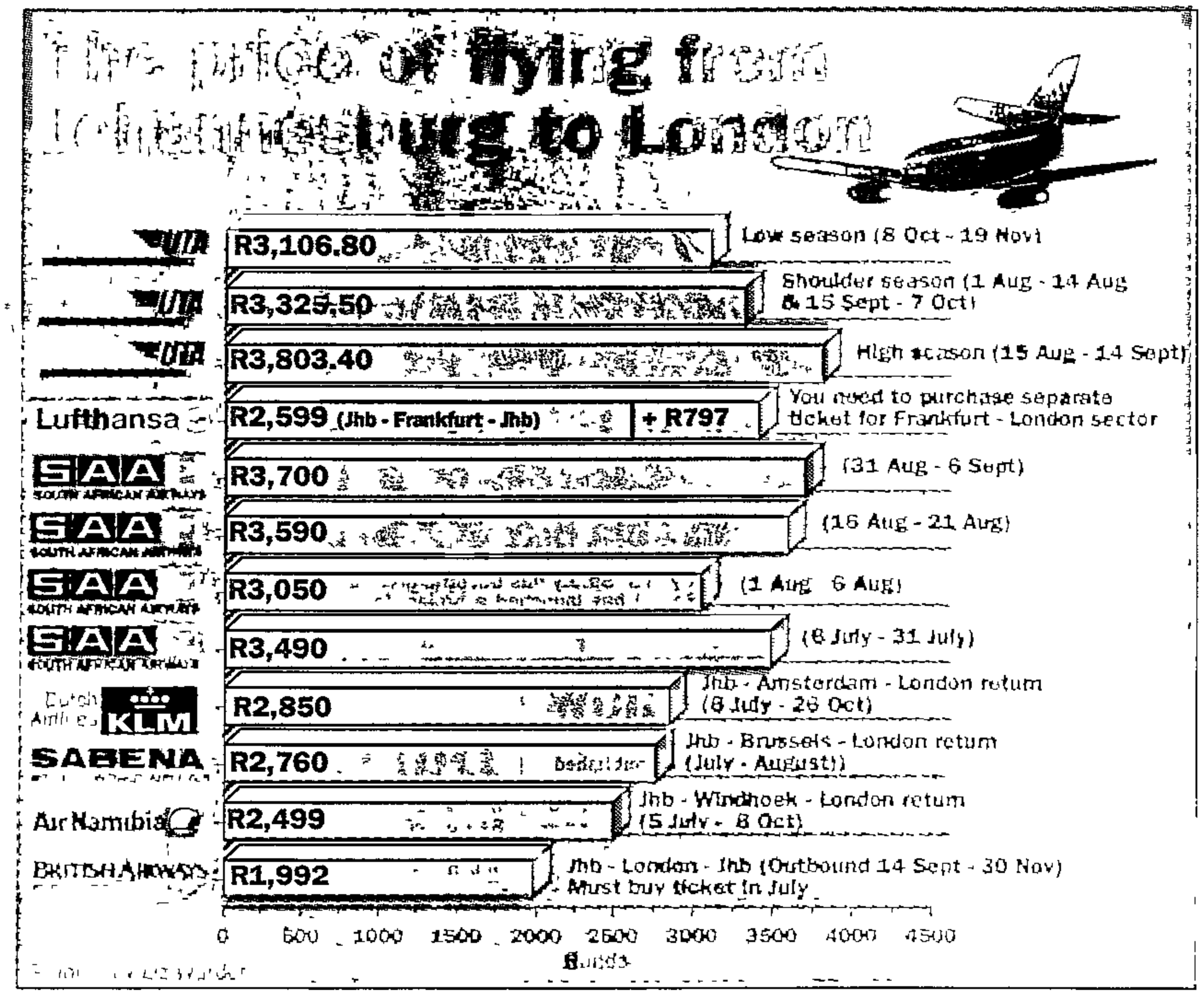
Mr Els said SAA would not compromise its high safety standards in order to offer cheaper fares

He said no airline could fly with an aircraft full of cheap fares, adding that a certain number of full-paying fares were needed to ensure the airline remained profitable

Stuart Huckwell, acting head of Civil Aviation, also reassured passengers that safety would remain of paramount importance.

Mr Freeman rejected the suggestion that British Airways' cheap fares were an attempt to undercut Virgin Airlines, which has vowed to offer cheap fares when its services are introduced in South Africa

"Virgin are now saying they will only start their flights to this country between December and October next year This offer ends in November, so it really has nothing to do with Virgin," Mr Freeman said □



Motor industry takes on tow operators

RAY HARTLEY

B/Day 3/7/92

THE Motor Industries Federation is to introduce regulations to curb tow operators who swoop on car accidents "like vultures" and charge exorbitant fees

MIF spokesman Cor Faling said the regulations, drawn up by the MIF and consumer, motor and insurance bodies, had been approved by government

Operators who register with the MIF will be required to maintain proper business premises, provide adequate storage facilities for towed vehicles and operate during normal business hours and not only after hours or on weekends

Faling said the MIF also wanted to control towing and storage charges to prevent the "exploitation of people in distress"

Consumers will be able to avoid fly-by-night operators by asking prospective towers for proof of their MIF registration before agreeing to have their vehicles towed, he said

The regulations have also been submitted to the government for approval under the Harmful Business Practices Act and have been given the nod by the AA, the SA Consumer Council and the SA Institute for Traffic Officers

SA Consumer Council spokesman At Meyer said his organisation received a "sustained flow of complaints" about tow operators Most complaints came from drivers whose vehicles had been towed without their permission.

Airlines avoid entering price war as BA sells 3 000 discount tickets

B/Day 3/7/92 (269)

STEPHANE BOTHMA

AIRLINES serving Europe from SA will not enter a price war after British Airways announced a limited offer of return fares to London at 1989 levels

SAA, the only other airline serving the Johannesburg-London route, also said it would not be drawn into a price war

BA recently offered 8 000 seats at R1 992 for a return fare on the Johannesburg-London route, R2 392 from Cape Town and R2 212 from Durban

Bookings opened on Wednesday and by early yesterday morning an airline spokesman reported that 3 000 seats — on offer for use between mid-September and the end of November — had already been sold

Lufthansa said it had no immediate plans of lowering its fares, pointing out that a special "birthday offer" introduced by the airline earlier this year was still holding.

Spokesman Karin Lambson said the R2 599 offer stood from the end of this month, through the traditionally costly high season, and ended on December 31 The offer included departures from Cape Town and Durban

However, discount fares could be announced later this year to coincide with the introduction by Lufthansa of new destinations, she said

KLM also said its earlier announcement of special fares at R2 595 were still on offer

"We do what the market demands," spokesman June Crawford said

In October, KLM would start flying out of Cape Town and the public could expect some "creative" introductory fares An announcement was expected next week, she said

A spokesman for Belgian airline Sabena, said it was too early to react to BA's offer, while Swissair spokesman Simon Widmer said his airline's policy was one of flexibility and to follow market demands

AIRFARES FM 3/7/92 (269)

Dogfight over Jan Smuts

Airlines and travel agents, which until recently competed under the gentlemanly Marquis of Queensbury rules, are turning into scrappy street brawlers as deregulation of the domestic and international skies cuts into their once safe profits and commissions

It's already war out there. More airlines than ever before are flying into and out of SA and prices are dropping to reflect increased competition. On domestic routes, too, passengers now have a choice of carriers When no-frills Comair starts operating on the Johannesburg-Cape Town route on August 3, it will charge R339 one-way economy, compared with R430 on SA Airways and a similar fare on Flitestar

The discounts are cutting so deep that travel agents are even taking cuts in their sacred commissions, which are 7% on domestic and 9% on international flights

Williams Travel World MD Bob Williams says many travel agents are bleeding because of reduced commissions on discounted fares He predicts that "many of them will go to the wall before there's a recovery"

Discounted fares started becoming available a year ago on European routes when SAA and its pool partners, accepting that nothing is as unsaleable as an empty seat on a plane that has taken off, began offering discounts in order to increase their loads in off-peak seasons Spokesman Zelda Roux claims that SAA was the first airline to introduce a discount fare when it began offering a superpex fare last year

The current discounting was kicked into overdrive in January when KLM announced an Early Bird return airfare of R2 595 to Amsterdam, and offered to match any lower fare to a European destination of an equivalent distance SAA's immediate response was to undercut KLM's fare by R95. Those fares were almost R1 000 cheaper than the cheapest on offer a year earlier.

In April, Lufthansa decided to celebrate its 30th year of flying to SA by reducing its return fare to Frankfurt to R2 599, but it is available only when there are empty seats and there are other restrictions Tickets can be bought only until the end of the month and may be used only until the end of the year, says spokesman Karin Lambson. Lufthansa uses Flitestar to fly passengers from Cape Town, Durban and Port Elizabeth to Jan Smuts, at no extra cost, because SAA did not want to join the promotion.

This week, British Airways announced a special fare of R1 992 return between SA and the UK. But, as with all special offers to Europe, it doesn't plan to sell all the economy seats in its 10 Boeings a week to London at the discount Those fares are available only when there are seats unfilled by full-fare (R7 468) paying passengers In addition, tickets must be paid for and seats booked in July, and the fare is valid only for travel between September 14 and November 30

But it is R8 less than Transport Minister Piet Welgemoed's dream of a Johannesburg-London return fare of R2 000.

SAA, which is expected to show a substantial loss this year, hasn't reacted yet to BA's new fare But it has little option but to follow suit or lose passengers SAA's superpex fare, which ranges from R2 930 to R3 970 depending on the date of departure and availability of seats, is way out of line.

Nevertheless, by matching KLM's offer and the specials of its Far Eastern pool partners, SAA has shown that it is learning the rules of the game It sold 3 000 seats on aircraft flying between September and March to a UK travel club called Friends of the Lion The club in turn is selling tickets to members for £495 (R2 600).

As for travel to the Far East, discounts are available year-round, not just when high-priced seats remain empty. With a six-day minimum stay in Singapore, the return fare on Singapore Airlines or SAA is R3 350, a massive R6 489 — or 66% — saving on the normal economy return fare of R9 839

That option has become so popular, says Singapore Airline's spokesman Jenny Kearney, "that we hardly sell any economy class tickets anymore"

The normal economy class fare to Hong Kong is R10 241, but both Cathay Pacific and SAA offer passengers a year-round return fare of R3 734. For an additional R265, says Jeff Naylor, Cathay Pacific marketing manager for SA, his airline also offers five nights' accommodation in Hong Kong

More passengers fly between Europe and SA, which is why so many economy class fares are still sold, but competition may become so fierce that airlines operating on those routes may be forced to offer genuine, year-round discounts, or face extinction, because of the signing in London last week of a bilateral agreement between SA and the UK

More flights to London

The agreement allows Britain and SA to nominate two carriers each, and it increases the number of flights from 10, each way per week, to 15 for each country. That will open the door for Virgin Atlantic Airways, which, it is believed, will get the additional five British flights BA's new promotional fare is a clear signal to Virgin that it can and will undercut competitors to keep passengers From the SA side, it is believed that SAA will increase its frequencies from 10 a week to 12 a week and Flitestar will operate the other three.

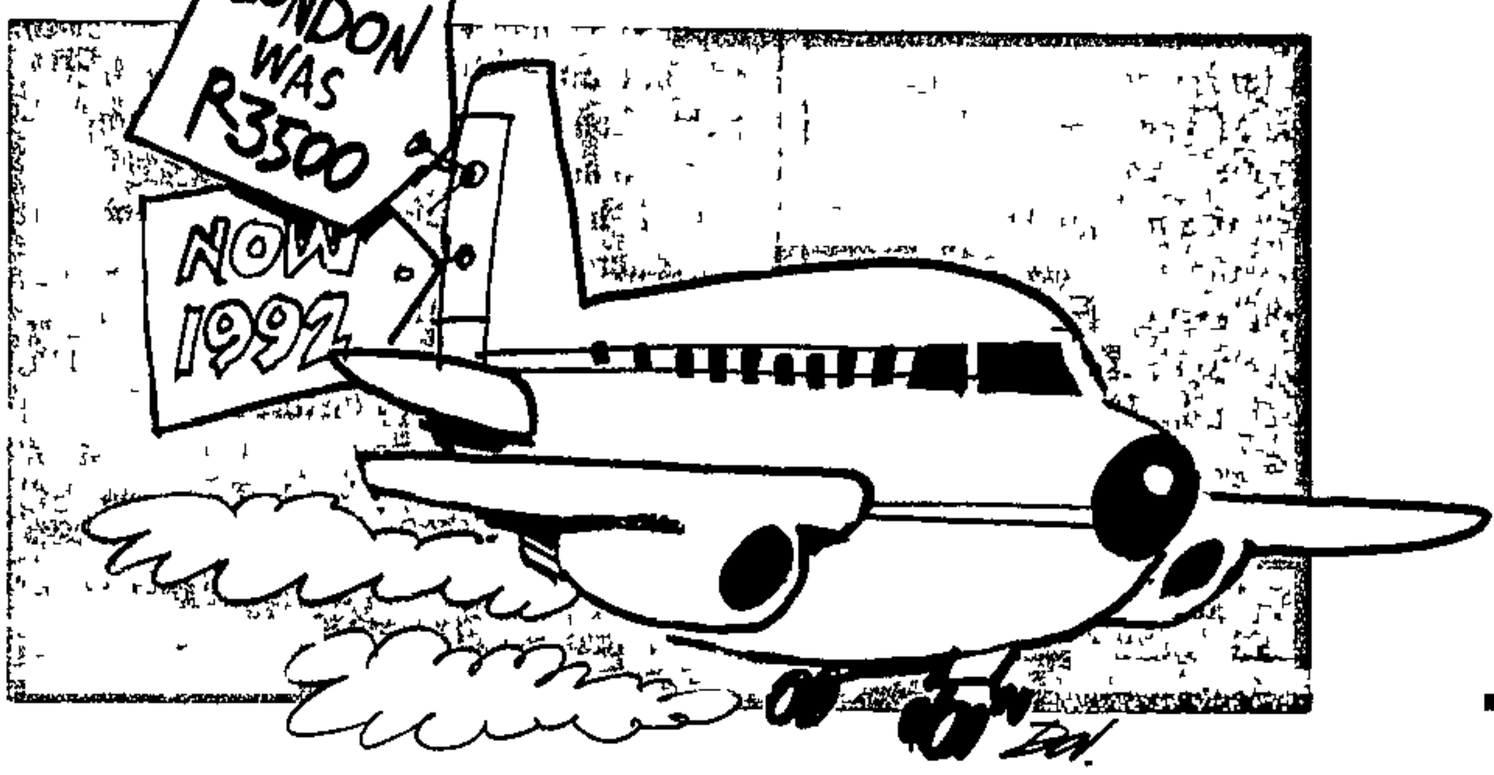
The deregulation also means that both governments will have to reject a proposed fare before it can be disallowed Now, one government alone can veto a fare

Williams, the travel agent, says the deep discounts mean deep reductions in commissions The difference in the commission between one of BA's new promotional fares and a normal economy class return fare to London is nearly R500. "We, of course, hope that the reduced fares will stimulate passenger growth, but the volumes aren't there yet, and we're making 1982 profits and having to meet 1992 expenses There is no longer a place for momma and poppa agencies"

Lilian Boyle, MD of Rennies Travel, the biggest travel agency in SA, agrees, and predicts it will take a long time before travel picks up sufficiently to benefit airlines and agencies.

Naturally, the proliferation of discounted fares does not please Laurie Wilkinson, president of the Association of SA Travel Agents And he doesn't think passengers are aware of the risks "There are big cancellation fees and a delay can mean a flyer will have to pay for another full fare"

Indeed, passengers will have to be willing to fight for a bargain and work to avoid the risks of airline deregulation ■



Small airports to take on big rivals

B/Day 3/7/92 (269)

STEPHANE BOTHMA

SMALL airports in the PWV are gearing up to compete with Jan Smuts in the local and international cargo and passenger flight market — believing they could provide a faster and more localised service.

Grand Central Airport this week made the first move in taking on Jan Smuts by obtaining full international status and announcing scheduled flights between Johannesburg and Durban from early next year

The airport's location in Midrand provided easy access to passengers from Pretoria and Johannesburg's northern suburbs The developers believe they have found a niche for business travellers

Monthly passenger levels at Grand Central are expected to increase from 4 500 to 20 000 within two years and the airport could be expanded in the near future to handle up to 50 000 passengers, developers said.

The Vereeniging City Council was upgrading its Transavia Airport facilities, council spokesman Soon van Rensburg confirmed

Transavia served the Vaal triangle and one of the council's priorities was to handle large amounts of cargo in addition to more passengers.

Germiston's Rand Airport has spent millions on upgrading facilities, including navigation equipment and extensions to its runway, manager Gordon Wright said

Rand has customs and passport facilities to accommodate passengers from neighbouring countries and the homelands The airport currently handled only charter flights but a separate terminal building was being erected to handle scheduled flights.

Wright did not envisage handling big airlines like Flitestar and Comair at this stage, but he had targeted smaller operations like the safari and game park trade and businessmen flying from Nelspruit, Phalaborwa and neighbouring countries

A 15-minute drive from Johannesburg, Rand was ideally situated for businessmen who could not afford the delays at a major airport like Jan Smuts, Wright said

Discussion between private airlines and management of Wonderboom Airport, north of Pretoria, about the introduction of scheduled flights have taken place, an airport spokesman said.

Wonderboom, which has passport and customs control facilities, did not intend competing with Jan Smuts but management believed passenger potential could justify the introduction of limited scheduled flights

FM 3/7/92 (269)

CIB FM 3/7/92

Blocked deposits (269)

The SA Rail Commuter Corp came within a whisker of switching a R200m deposit from the former Cape Investment Bank (CIB) to Prima Bank after Prima took over the ailing CIB, which was subsequently liquidated. Had this deal been allowed to proceed, the State-funded corporation would have avoided heavy financial loss

Prima Bank MD Johan Bellingan signed for and accepted corporation short-dated bills to replace the R200m deposit which the corporation had invested with the CIB However, two days before the Reserve Bank withdrew its own R300m deposit from CIB, Bellingan claims he was stopped by the Bank

After the Reserve Bank withdrawal (unknown to the Commuter Corp), CIB was put into liquidation on April 11 last year and, during a secret arbitration recently, the Commuter Corp was denied its claim against the Bank for the losses (see *Current Affairs*).

This information has emerged from taped telephone conversations between Bellingan and Commuter Corp GM Willem Louw and formed part of an internal investigation into the losses which occurred at the corporation

The *FM* has a copy of the document — on a Commuter Corp letterhead — on which Bellingan had signed for R200m short-dated bills (*sikluseffekte*) issued to Prima Bank. The document, dated April 2 1991, was co-signed by Louw and another Commuter Corp official, Kobus Smit.

According to further information, the deal relating to the short-dated bills was proposed by Bellingan to Louw on March 26 when the Commuter Corp investment with CIB was discussed The document was, however, dated April 2 to give Bellingan time to discount the bills on the money market

On March 28, in a telephone conversation with Bellingan, Louw again raised the matter But he was told by Bellingan that the Reserve Bank had instructed him not to change the deposit situation of CIB. At that stage, an amount of R103m — part of the Commuter Corp's deposit with CIB — was due to have been paid out to the corporation

Bellingan told Louw that he had discussed the Commuter Corp payment (which was due) with the Bank "(They) phoned this morning and told me that I may not pay back the deposit " said Bellingan

Later, on the same day, Louw phoned Bank official Karel Oosthuizen to discuss the corporation's deposit Oosthuizen reiterated what had been told by the Bank to Bellingan and said that the Bank was waiting for an auditor's report and that "no changes must now take place "

However, documents show that Oosthuizen had been present on March 18 at a CIB board meeting which heard that liabilities exceeded assets by R110m.

When Louw raised the matter of R103m which was due to have been paid out (on that day) to his corporation, Oosthuizen told him to roll it over. Later, during a liquidation application, Deputy Registrar of Deposit-Taking Institutions Christo Wiese admitted in a sworn statement that "Oosthuizen had convinced" Louw to roll over the payment which had been due to be paid out

Louw, in another telephone conversation with Bellingan on April 11, the day of CIB's liquidation, described a breakfast meeting which he and Kobus Smit had with Wiese and Registrar Hennie van Greuning, at the Burgerspark Hotel in Pretoria, on December 13 1990. He told Bellingan that Van Greuning had told him not to withdraw the Commuter Corp's deposits because "CIB would be taken over, (and) that there will be a bank merger "

Despite Wiese's affidavit and the conversation between Louw and Oosthuizen (on March 28), Van Greuning, in a *Rapport* interview three weeks ago, denied that he or any other Bank official had ever made such a request (not to withdraw its deposit from CIB) to the Commuter Corp. He also denied that he at any time assured the Commuter Corp that the Bank would stand surety for any possible losses which the corporation may suffer through its deposits with CIB

At one stage during his conversation with Louw, when Louw asked him what could be done (to save the deposit), Bellingan said that he would have to listen to a few taped telephone conversations (between himself and the Bank) "to hear what undertakings I have received."

However, he added: "As far as I am concerned, you should also get your money back, but don't quote me because I am involved with sensitive discussions with them (the Bank)."

Eddie Botha

The great mass transport hijack

STAR 4/7/92 (269)

THE Johannesburg Metropolitan Action Group says public participation in the city's future mass transport system could be an exercise in futility. ANITA ALLEN reports.

PUBLIC participation in planning a future mass transport system for Greater Johannesburg could be an exercise in futility, says the Johannesburg Metropolitan Action Group (Jomag).

The council began the public participation phase in the planning of a mass transport system this week and has set aside R1,5 million to accomplish this by diverting funds allocated to highway construction

Jomag spokesman Trevor Pengelly, who has just completed an analysis of the Department of Transport's R7 million Masstran report, highlights its recommendation that a Masstran Authority be established under the Central Witwatersrand Regional Services Council. Once this is in place, the planning, implementation and funding of a transport system for Greater Johannesburg will be out of the council's hands

Pengelly refers to a meeting in Orange Grove on June 10 when councillor Paul Asherson, transport and utilities chairman, acknowledged that the establishment of the Masstran Authority was on the cards, but said the council would retain the right to veto decisions Jomag contests this on the grounds that there is nothing in the RSCs Act that allows for vetoes by local councils

Not answerable

"The RSC thing goes against the norms of local government," says Pengelly "No one is elected, so no one is answerable to an electorate

"It is a machiavellian step, where the council — like the prince — will be able to step aside and say they are not responsible," says Pengelly, adding that the Johannesburg City Council is "desperately trying to set up the Masstran Authority"

He refers to statements by Graham Pirie, director of the Metropolitan Planning Department (MPD), at the press conference on February 24 at which the Masstran report was released Pirie said that the "body needs to be established and be in place by July 1 1992"

Jomag believes the council's integrity is being compromised "The only way for the council to establish its bona fides is to publicly state that it will not set up a Masstran Authority until the public participation phase in the planning of a mass transport system has been completed," says Pengelly

Jomag also contests a statement by Karen de Beer, communications manager of the MPD, in Saturday Star last week in which she gave categorical assurances that no decisions regarding the implementation of the Masstran report had yet been taken Pengelly believes that the Johannesburg council has already decided to implement light rail transport (LRT), and that the current round of public participation will have limited influence.

To support this contention, he refers to talks given by management committee chairman Ian Davidson, MPD executive director Ian Symon, and Asherson at the February 25 press briefing. Davidson at one point said "It is thus important to realise that the implementation of a light rail system will meet more than one objective" Asherson was even more explicit "Councillor Davidson mentioned three resolutions taken at the meeting of the management committee held on February 10 1992 I will mention a fourth ... it was resolved that mass transit in the form of a light rail system must form an integral part of the city's future public transport system."

Symon's talk was entitled "What is a light rail system?".

Jomag, Pengelly stresses, is a disinterested party. It is trying to advance the cause of public transport and has been involved in discussions since the start of the Masstran feasibility study. Its 40-page analysis of the final report is due to be released next week and is critical of the LRT recommendations

Jomag's analysis reveals a bias in favour of LRT due to flaws in some of the technical data. LRT looks like a viable option, but once these discrepancies are corrected, says Pengelly, a pure benefit cost ratio rules out any consideration of LRT

He also dismisses De Beer's statement that the sixth round of public participation in the Masstran study was cancelled for financial reasons

The Jomag analysis states "Towards the end of the public participation process prior to the release of the study, a most peculiar thing happened Various officials under the leadership of councillor Paul Asherson disappeared to the Far East and returned with a hastily compiled dossier on LRT in other lands."

Cancelled

"The timing was most unfortunate," says Jomag At that stage the fifth round of public participation talks had been completed and there was consensus on a strategy of improving existing modes of public transport, with light rail as a possibility for the future Thereafter the sixth and final round was abruptly cancelled, and when the Masstran report appeared, the LRT component was projected as the preferred strategy

Jomag concludes. "We were left with the feeling that the matter was taken out of the hands of the Masstran consortium by vested interests, because it looked like the feasibility study would not emphasise any form of rail system as an option"

Despite its shortcomings, the Masstran report should be taken seriously, Pengelly stresses It is the most far-reaching report to date and should be read in conjunction with the Jomag report

● The Jomag analysis will be circulated free to all its affiliated ratepayer associations. A small fee will be charged to anyone else wanting a copy Contact Trevor Pengelly at 782-7639, 8823

All aboard for the sake of the future

STAR 4/7/92 (269)

COUNCILLOR PAUL ASHERSON REPLIES: I dispute that public participation in the mass transport system for Greater Johannesburg could or will ever be an exercise in futility

It will take the brains, trust and goodwill of this entire region to ensure a future transport system that will enable residents and citizens to be mobile through to the year 2000 The disparate decision making process of the past, where a municipality made decisions in isolation and only having self-interest or local need, is a planning strategy of the past.

The regional services council (RSC), together with the Metropolitan Chamber, is seen as the logical vehicle for metropolitan-wide activity. Pengelly's contention that the RSC can simply bulldoze any recommendation past its constituent members is arrant nonsense.

Johannesburg, as the RSC's largest constituent member, has a 48 percent voting strength Section 11 of the RSC Act provides that any proposal must secure a 66,6 percent majority in order to be passed. Johannesburg has used this veto in the past and would not hesitate to do so again were a decision not in the interests of its residents.

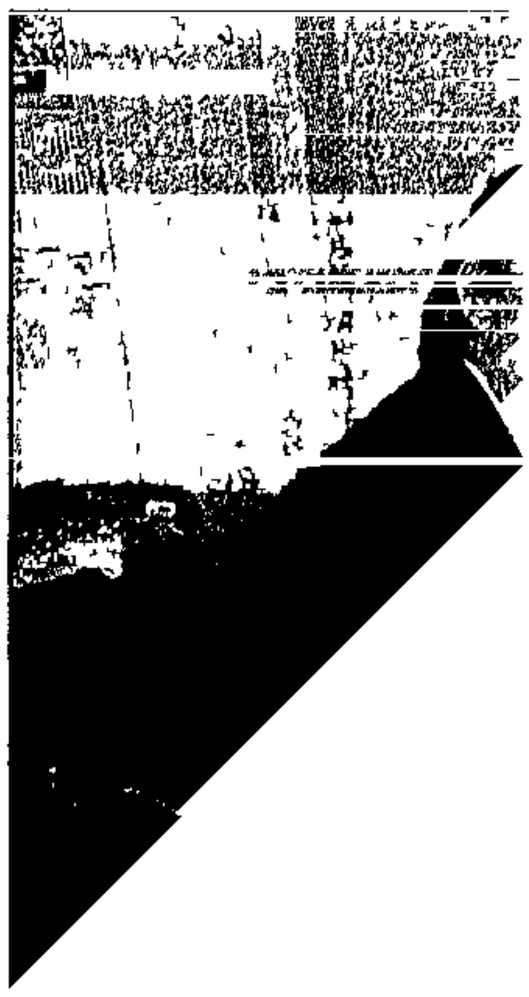
The creation of a Masstran Authority or Passenger Transport Authority has become a matter of urgency We, in this region, are not in a position to take over passenger transport subsidy without ensuring that the government of the day transfers revenue sources to cover this and to enable us to rationalise a costly and uncoordinated effort currently conducted by the Department of Transport

Only a little dynamic thinking and some tough decision-making will ensure the continued economic growth of this most important hub of South Africa. Pengelly must not kid himself that thousands of people in the city are not keen on a rail-based system Investors, businessmen and property owners in the CBD — the single biggest income generator in this region — are waiting in anticipation for some radial route system within the CBD area to distribute commuters

In most of its statements, Jomag shows itself to be anything but dispassionate. Their reference to a most vital Far East trip (on which we did not "disappear") shows their disingenuity. The multidisciplinary team which travelled with me spent the majority of its time studying transport-related activities in a wide field Jomag's conclusion that the matter was taken out of the hands of the Masstran consortium is pure conjecture and from our working knowledge as members of the committee is incorrect

From this month moneys provided for public participation will be well utilised

Johannesburg and the RSC are committed to a public transport system for all the residents of this region, on a nonracial, cost-effective and efficient basis Jomag has the choice It can either become a constructive player in the debate — or it can continue as the flat-earth society and perish on the scrap-heap of white racist self-interest.



MACHIAVELLIAN: Jomag's Tre

Ratepayer

STA

RATEPAYERS' protests are increasing as ordinary people demand to be involved in city government decisions

Randburg's City Council has for weeks been besieged by residents furious about the Zevenfontein squatter issue

A week ago, Sandton residents made their point clear when they walked out of a Sandton Town Council meeting after an unpopular decision was taken

On Tuesday, during a monthly Johannesburg City Council meeting, residents of Johannesburg's northern suburbs joined people from Mayfair and Pageview and civic association leaders in a silent protest against the planned A3 highway

A banner reading "A3 — undemocratic council wrecks communities" was unfurled in the council chamber, startling city councillors

Deputy mayor Les Dishy al-

Children pou

CHILDREN at Mayfair Convent are trying to succeed where their parents have failed — to prevent the Johannesburg City Council bulldozing a multi-million-rand road through their school They have sent about 400 heart-rending letters to mayor Jan Burger asking him to stop the controversial A3 highway.

The project has been slammed by residents' associations because of the disruptive effects the road is expected to have. But angry meetings with the council got them nowhere, and now the children believe it's their turn.

Colourful drawings accompanied by simple messages, letters laboriously written out as

mass hijack

(269)

Action Group y's future n exercise in

n, MPD executive Symon, and Asher- February 25 press ridson at one point ius important to re- he implementation il system will meet one objective." as even more ex- uncillor Davidson three resolutions ie meeting of the it committee held

form of a light rail system must form an integral part of the city's future public transport system."

Symon's talk was entitled "What is a light rail system?"

Jomag, Pengelly stresses, is a disinterested party. It is trying to advance the cause of public transport and has been involved in discussions since the start of the Masstran feasibility study. Its 40-page analysis of the final report is due to be released next week and is critical of the LRT recommendations

Jomag's analysis reveals a bias in favour of LRT due to flaws in some of the technical data LRT looks like a viable

MACHIAVELLIAN: Jomag's Trevor Pengelly says the council is desperately trying to set up the Masstran Authority.

Masstran report, highlights recommendation ... I will

hard but a lesson

ANNA COX

house in Yeoville to pro- and the income is used

Head-on clash in R10m bus battle

ARG 4/7/92 (269)

Don't you like my face? RSC chairman asks mayor

■ Western Cape Regional Services Council chairman Piet Loubser has lashed out at Cape Town's Mayor, Frank van der Velde, over his call for the city council to pull out of the RSC — going so far as to suggest Mr Van der Velde does not like his face. But the mayor has given as good as he got.

CLIVE SAWYER
Municipal Reporter

SALVOES of words are being fired between RSC chairman Mr Piet Loubser and Mayor of Cape Town Mr Frank van der Velde over a Weekend Argus report in which the mayor slammed the non-accountability of the RSC.

Central to the row is a controversial R10-million subsidy for bus services and the RSC itself

This week Mr Loubser faxed to Weekend Argus copies of a letter he had sent to Mr Van der Velde a day before the monthly city council meeting

At the meeting lawyers were appointed to probe whether court action could be used to stop the subsidy and to stop further entrustment of functions to the controversial body

The council resolved it was improper for the RSC to be allowed to widen its functions until the future of local government in metropolitan Cape Town had been sorted out

In the last-minute appeal Mr Loubser asked Mr Van der Velde to disclose "facts" to the council meeting which would "lead to a resolution that takes account of all important perspectives and the best interests of your council's taxpayers as well as that of the less privileged inhabitants of your area of jurisdiction".

□ Mr Frank van der Velde

□ Mr Piet Loubser

The "facts" included.

■ Department of Transport subsidies were not cut in monetary terms but in real terms because they did not take account of inflation.

■ Mr Loubser challenged the mayor's claim that the RSC was not accountable, saying the RSC gave account of its financial affairs monthly to its finance and executive committees and it held regular talks with organised commerce and industry.

"It is flattering to my ego to learn but you could not have been serious when you expressed the opinion that the granting of the subsidy was partly the result of a government appointee, Mr Loubser, chairing the RSC"

■ In terms of the 1985 RSC Act the body can appropriate funds to pay for the infrastructure and running of transport services

■ The RSC gave large sums to the city council which would otherwise have come from rates

"It is regretted that you are of the opinion that the city council should pull out of the RSC

"Even if you don't like my face and even if you and the majority of members of your council do not support the government, the track record of the WCRSC proves it is indispensable, especially for the less privileged inhabitants of our region," Mr Loubser told Mr Van der Velde

But the mayor described Mr Loubser's statements about the subsidies as "utter nonsense"

Subsidies from the National Transport Commission had been dropping steadily so that diminished funds allowed only keeping up existing projects

Mr Van der Velde said he had been part of a delegation to get money from the Department of Transport for regional projects, and the government had been given a list of projects according to priority

Nothing had happened and the RSC had accepted the role of paying bridging finance for the State.

As for Mr Loubser's claims of accountability, Mr Van der Velde said it seemed the RSC chairman did not know what the term meant. He said Mr Loubser was not an elected representative and was accountable only to parliament

As for not liking Mr Loubser's face, he said "Of course I like his face In fact, he has been called *Heidi se Oupa*"

But the fundamental point was that the RSC gave "patronising handouts" and was merely the agent of money collected from member councils' ratepayers

Much of this money came from Cape Town ratepayers, particularly the business community

Mr Van der Velde said Cape Town was criticised for high rates, most recently by the SA Property Owners' Association, but this was because the city redistributed wealth.

"The fact the RSC is the agent for handing out money does not make it Father Christmas," he said

The situation was similar to that of the House of Representatives, which was given money to dole out to buy acceptance.

"Dr John Sonnenberg said correctly during this week's debate that the RSC has legality but not legitimacy," said Mr Van der Velde

"Apartheid was legal, the Group Areas Act was legal, the Population Registration Act and 180-day detentions were legal, but that does not mean they were legitimate."

During this week's council debate Mr Clive Keegan, Deputy Mayor and RSC land-use and transport planning committee chairman, said it was "highly undesirable" to suggest Cape Town's representatives should pull out of the RSC.

This would lead to even greater secrecy in the way it was run, he said.

■ In the debate Mr Llewellyn van Wyk appealed to the Press, frequently critical of the city council, to give the RSC a turn under the harsh spotlight.

uly 5 1992

Transnet staff accuse bosses of bungling

269

S/Times 5/7/92

THE 18 000-strong transport union, Salstaff, this week urged President FW de Klerk to set up an independent commission of inquiry to investigate the alleged mismanagement of Transnet.

By HEATHER ROBERTSON

In a telegram to President De Klerk, the salaried staff union claimed senior Transnet officials were incompetent and were remiss in financial planning

"There are many instances of prolific spending notwithstanding the economic situation of the company," said the telegram

Salstaff president John Benwell said although employee numbers had been reduced from 280 000 to 160 000, top management had not shown a similar trend.

He said that during wage negotiations which closed on July 1, Salstaff had to settle for a year-long moratorium on retrenchments and no salary adjustments because it was told Transnet could not afford increases

"Staff were granted only R125 across the board to compensate for the shift to a more expensive private medical aid scheme," he said.

Wastage

Mr Benwell accused the government-appointed directors of Transnet of turning a profit of R174-million in the 1988 book year into a multi-million rand loss since the organisation was commercialised.

Citing examples of gross wastage, Mr Benwell said there were several floors at the old Paul Kruger head office in central Johannesburg which were unused and 50 percent of the plush new Autonet office in Parktown was vacant.

"Despite the fact that Autonet is virtually bankrupt, Transnet is wasting existing space and spending exorbitant amounts on new office rentals."

Three-quarters of office space in the Union Square building and half the space at South Station was empty, he claimed.

Salstaff also claimed fleets of company-owned cars stood idle.

"Senior officials are given car subsidies and petrol allowances but they use the pool cars and the subsidised cars are kept for private use," said Mr Benwell.

Salstaff also questioned Transnet's employment of business consultants to show management how to manage while hundreds of workers' jobs were on the line.

Mr Benwell said he could not understand why the finance department hired 26 private chartered accountants when there were people employed to do the job

Work

Even though Transnet was supposed to be on the way to being privatised, when employees tried to compete in the private sector they were told they could not.

He said staff at the Transnet Salt River workshop in Cape Town managed to secure private contracts, but were told they could not fulfill them.

"The staff are prepared to get the work to keep the company viable, but the government is stopping them," said Mr Benwell

SA exile's airline set to fly to Jo'burg

B/Day 6/7/92

(269)

THEO RAWANA

US AIRLINE Pegasus Air International, headed by former SA exile Nape Maepa, was preparing to start direct flights between New York and Johannesburg in a few months time, Maepa said at the weekend.

Maepa said from New York the Pegasus' board of directors was not perturbed by rivalry on the route posed by US-Africa Airways (USAA), a company co-founded by former US assistant secretary of state for Africa Chester Crocker.

USAA has also said it is poised to service the southern Africa region.

Maepa said Pegasus was in the final stages of financial negotiations with a US backer, and a $25m deal should be sealed in weeks.

Handling finance arrangements for Pegasus were two US companies — Doley Securities, a black-owned company with a seat on the New York Stock Exchange, and Worldwide Investment Services, whose chief financing officer was Otis Winfield and chairman James Simkins.

"We have added another $10m in line of credit to make sure we start on a sound footing," Maepa said.

Maepa, chairman of the Pegasus board, studied electrical engineering and computer science after leaving SA as a political refugee 25 years ago. He was now a US citizen.

Earlier this year Maepa said his operation would begin with three flights a week to Johannesburg, using a Boeing 707. Pegasus, which had teamed up with the National African Federation of Transport Organisations in SA in the venture, began negotiations for leasing aircraft from a US carrier last November.

CHARLIE PRETZLIK reports that after an absence of five years, Air Canada has decided to re-open its office in Johannesburg.

Air Canada did not operate flights from SA in the past and a spokesman said there were no plans to do so in the future. The new office should make it easier for travellers to arrange connecting flights to Canada from other parts of the world, he said.

Full steam ahead with 'new' passenger coaches

ARG 6/7/92

(269)

CLIVE SAWYER
Staff Reporter

THE first of a series of reconditioned coaches, painted in the original South African Railways colour scheme, will come into service on the George-Knysna rail preservation line this week.

Transnet is to meet town councils and tourist associations from George, Wilderness, Sedgefield and Knysna this month to discuss the future of the preservation line.

The line is the last in the country to have swing-door passenger coaches in daily service.

The spokesman said the coaches had been in service for many years, but had needed little maintenance, being kept clean and roadworthy.

The repainted coach is a combination first-class passenger coach and guard's van.

Restoration, done at a Port Elizabeth depot, was being supervised by the Transnet Museum and several other coaches were scheduled for revamping.

Class 24 steam engines pull the daily mixed goods and passenger trains. Two Class 19 locomotives have been transferred to the line and are expected to be in regular service soon.

A Transnet Museum spokesman in Johannesburg said the financing of the preservation line would depend on how various Transnet properties along the line were handled.

NEWS IN BRIEF

B/Day. 7/7/92

Focus on dry docks

PORTNET is talking to private companies about stimulating the ship repair industry. 269

It was hoping for a new deal for Durban's dry dock, Portnet said yesterday. It was found recently that Durban's ship repair facilities had a 72% utilisation and East London's 36%.

Portnet hoped to put the facilities under a management body which would encourage competitiveness and bring in forex.

Airfare war extends to US

STEPHANE BOTHMA

AIRLINES serving the US from Europe are taking advantage of the special offer by British Airways on its Johannesburg-London service by offering connecting flights to New York that are cheaper than the direct SA-US flight.

Continental Airlines, which flies out of London to the US, said yesterday that "fare wars" on the Johannesburg-London route made transAtlantic travelling to North America extremely viable.

Travellers flying to New York via London in October, using a combination of BA's limited-period R1 992 fare and Continental's low season fares, would be able to beat the next best price of R3 480 by about R300, a Continental spokesman said.

BA yesterday said its fares from London to New York matched those of Continental and SA travellers could book BA flights from Johannesburg to New York via London for about R3 200.

SAA, which earlier indicated it was not going to enter into a price war with BA on the lucrative Johannesburg-London route, said the transAtlantic option had always been open to travellers.

The route was used mainly by those who wished to spend a few nights in London.

However, a spokesman for SAA said travellers should remember that flying to New York via London often meant being forced to spend a night in a London hotel, which could inflate the cost of a trip.

SAA's direct flights to New York had not been affected by BA's offer, she said.

SAA would start operating a fourth weekly flight to New York next month.

(269)

B/Day 21/9/92

SAA chief to take on Transnet post

STEPHANE BOTHMA

SAA CE Gert van der Veer has been appointed one of two Transnet Ltd deputy MDs as part of moves to decentralise authority in the state-owned transport company. B/Day 8/7/92 (269)

Van der Veer would remain CE of SAA until March next year when he would be succeeded by Spoornet group GM Mike Myburgh, Transnet chairman Marius de Waal announced yesterday

Spoornet CE Barry Lessing has been appointed a Transnet deputy MD

De Waal said the decentralisation of Transnet into business units, which commenced during the formation of the company, would be extended on August 1 when the appointments take effect.

"This will be implemented to improve management autonomy and establish the decentralisation of authority," De Waal stated.

The appointment of two deputy MDs was neccessary for the management of the more decentralised structure.

Van der Veer and Lessing would function — in conjunction with Transnet MD Anton Moolman — as chairmen of the management boards of the more than 20 Transnet business units, said De Waal

Myburgh was appointed deputy CE of SAA in the interim, while Braam le Roux would replace Lessing as Spoornet CE.

Happy landings

New airport set for Cape

(269)
ARG 8/7/92

WILLEM STEENKAMP
Staff Reporter

CAPE TOWN could soon have another airport big enough to cope with the Boeing 737 and later the Airbus A 320.

Cape Town businessman Doug de Lange has bought Fisantekraal airfield in Durbanville and begun a comprehensive five-year plan to upgrade it.

Plans provide for a flying school, flight simulators, a workshop, a terminal, a flight tower, a restaurant and night landing and other facilities.

Mr Piet Niemand, the manager of the airport, said the runway and existing facilities had been bought from the Department of Transport for about R350 000.

"We are very excited about the potential of this airport. It was built during World War 2 to handle large cargo planes.

"Boeing 737s can land on the 2 km runway and I have no doubt we could in future upgrade the facilities to handle aircraft up to the modern A 320 Airbus

"Such plans would obviously be developed only if there was a need and we would have to have negotiations with D F Malan airport authorities, SAA, Flitestar and other companies that might be interested.

"Fisantekraal will be developed on the lines of a tourist attraction," said Mr Niemand.

"We are specifically looking into opening the west and south coasts for chartered safaris.

"There are several small airstrips in these areas just a couple of hours away from Cape Town. Through liaison with country inns and guest houses we foresee a great potential for these outings.

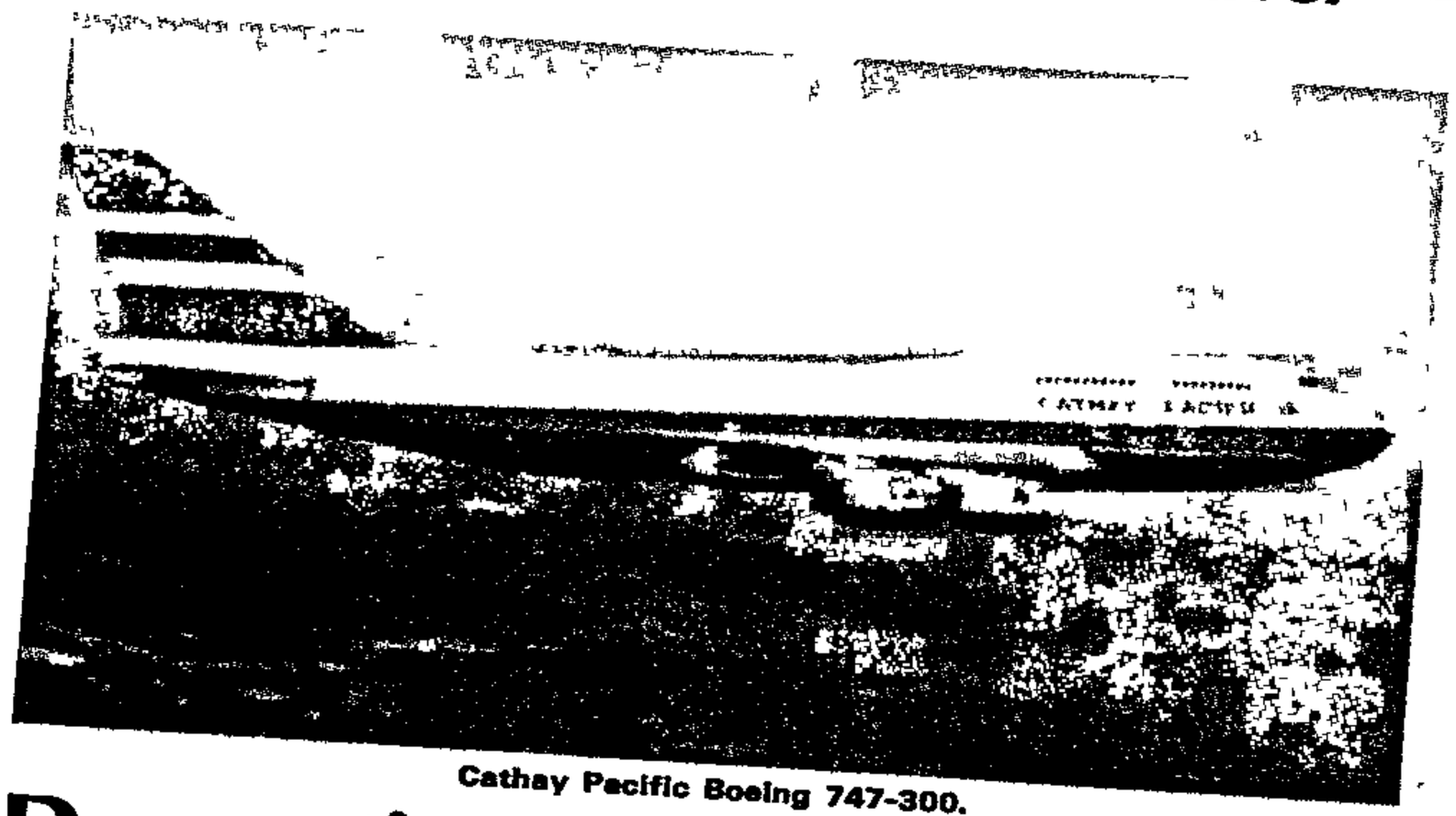
"With Cape Town undoubtedly the most popular tourist destination in Southern Africa, we have no doubt there is a need, particularly among visitors with limited time, for these excursions," said Mr Niemand.

Mr Eddie Fivaz, mayor of Durbanville, welcomed the news of developments at Fisantekraal.

"I have always found it quite ridiculous that aircraft had to be turned away from Cape Town because of heavy fog at D F Malan with Fisantekraal on our doorstep.

"I have no doubt that if Mr De Lange developes the field along the right lines and promotes tour packages it could be a very exciting development.

"About two years ago the municipality was offered Fisantekraal, but we are not in competition with private enterprise and decided against buying it. If Mr De Lange can develop Fisantekraal to its full potential, it would most definitely benefit Durbanville"



Cathay Pacific Boeing 747-300.

Sky's the limit for Cathay Pacific

B/DAY 9/7/92 (269)

CATHAY Pacific has reported a successful first year of operations on its non-stop Johannesburg to Hong Kong route.

Cathay Pacific manager for Southern Africa Angus Robson says it has had a steady 65% load factor.

"There are 363 seats in our 747-400 aircraft, so we think a 65% load factor on the route with a once a week operation is pretty good," he says

About 50% of the passenger traffic is generated in SA and Robson says the need now is to stimulate more inbound traffic from Hong Kong and Japan

"The main target must be the business sector From the tourism point of view, Hong Kong people are interested in shopping and eating and the Japanese are extremely security conscious So on these counts SA is not a recognised tourist destination," says Robson.

"With four airlines serving the Far East — Cathay, Singapore Airlines, China Airlines and SAA — and Qantas back on the Australia route, the competition for passengers is particularly keen

"We are hoping that this competition will in itself help to stimulate inbound traffic, but that will take time," says Robson.

On the question of a second weekly flight on the SA route, Robson says his Hong Kong head office is monitoring the situation carefully and when the demand justifies it, the extra flight will be added

Domestic air rates are lower despite airlines' higher costs

B/DAY 9/7/92 (269)

LOCAL airlines have often been accused of charging more in their captive SA market than their overseas counterparts

However, Flitestar MD Jan Blake says South Africans enjoy domestic services at a rate often considerably lower, despite the fact that local airlines have a higher cost structure

Charges

He points out that a flight from Brussels to London is roughly the same distance as from Johannesburg to Durban, but the London-/Brussels service costs 250% more

Says Blake "Our costs are higher than what you would have in Europe or America We are far from any of the aircraft manufacturers so any part that we have to get here must be imported, with all the attendant freight charges and duties It is costing a substantial amount over and above the normal price from the manufacturer

"In addition, as we are so far away that the time required to obtain a part is longer and that means we must have a larger stock of spare parts That is more capital tied up and more space we must rent in which to store the spares

"The European carriers are nearer to their sources of supply and they have numerous other airlines from which they can borrow parts should the need arise."

He points to the high local fuel price, which is about 30% more expensive for SA airlines than European carriers

Insurance is another high cost, he says

Despite the excellent operating record enjoyed by local airlines, they are classed with the rest of Africa and must pay more

Blake says it is easier to move higher volumes of people and fixed costs can be spread But SA volumes are small

Limited

"Large volumes enable you to cut back on airport services and frills For example, in America a carrier like South West Airlines is one such operator They have a limited reservation system and less administration

"The passenger goes to the airport without a booking The airline runs an hourly shuttle service and the passenger takes the first available seat

"Passengers are issued with receipts which are also tickets and boarding passes The charges are low as the airline has high density seating and high volumes. We do not have the volumes to justify such a system in this country and business travellers require reservations"

He points out that SAA is small by world standards

JAN BLAKE

Standards must be improved to keep people coming back

B/DAY 9/7/92 (269)

ATTRACTING tourists to SA is one thing, but to keep them coming back the country will have to improve the standards of its infrastructure and service

Says British Airways manager SA Malcolm Freeman· "Some SA hotels meet the standards required, while others are cast into the shade by the hotels and service on offer in the major centres around the world"

He believes even the top hotels should look at accommodation and service

Says Freeman· "The prices are attractive and this will help sell SA as a destination if there is no loss of quality experienced by the traveller."

Flitestar MD Jan Blake agrees SA needs to brush up

most beautiful game parks and beaches if the service does not come up to standard We would be rated one or two notches lower," says Blake.

Southern Sun has always been regarded by many as offering top accommodation and service. However, group MD Ron Stringfellow is not complacent and points out that a tourist boom will require investment in staff training

"One decent sized hotel will require around 300 quality people at all levels. This does not just mean theoretical training in a hotel school, but also on-the-job experience," says Stringfellow

Encouraged

SA has to make all-out overseas advertising effort

B/DAY 9/7/92

IF SA is to create the tourism boom which it hopes will generate jobs and foreign exchange, it is going to have to promote itself overseas.

SA has enjoyed a tiny fraction of the world's tourism market, mainly because of its adverse image

Now an all-out effort will be required to make tourists think of SA as the place in which they most wish to spend their holidays, rather than as a place with political disturbances

Flitestar MD Jan Blake says "To produce the boom in tourism, we need really a major drive overseas as far as advertising is concerned. The government and Satour will have to play a major role We have to bring SA to the average European and other world travellers

"The qualities which SA has to offer are well known all over the world We need to bring home to them that this is a safe destination, they can come here and they will not be attacked in the middle of the road.

"I am not saying it is pointless to promote SA until the violence has ended. There will still be tourists who choose SA as their destinations, but a lot of people will not come as long as SA is perceived as dangerous"

Southern Sun MD Ron Stringfellow says that promoting SA on a worldwide basis is going to be an expensive business

"The cost of running, for example, an effective television campaign in the US is extremely high and would require huge state backing

"While even the government now accepts that tourism is a high priority for future growth, it hasn't got the funds or the foreign currency to throw that sort of money at it," says Stringfellow.

Gradual

He suggests that promoting SA be carried out on a more gradual basis, working through the various private sector interests around the world

He says the hotel group, along with other tourism orientated companies, attends travel and tourism trade shows

"We go to the travel trade shows and we talk to tour operators. They in turn put SA into their brochures and those brochures go into the travel agencies."

There is a need to make the most of available funds He suggests targeting specific markets such as the UK, Germany, Italy and France.

He says there is an urgent need to promote charter flights to SA

There are a number of charter operators which have applied for licences to make flights into SA. However, the approvals are for two of SA's busiest months and Stringfellow would like to see such flights coming into SA all year round

"If they receive their licences, and I expect they will, it will mean four flights a week into both Durban and Cape Town. That is eight flights with around 3 200 people each week If they are staying for two weeks that is 6 400 people to accommodate

"That is why going through the existing channels in the world travel industry can be the most effective route If the tour operators can see a profit in flying people to SA they will promote it as a destination And they can get to the end user very quickly," says Stringfellow

India: destination with a difference

(269)

B/DAY 9/7/92

DIRECT flights between SA and India could dramatically boost trade and tourism between the two countries

Thomas Cook India GM Gita Choksi says "The Indian Government is committed to promoting trade and tourism with SA and is doing all it can to speed up the paperwork and the granting of permits Negotiations being carried out to open up the route are very encouraging

"However, until direct flights start to Bombay, travellers can make use of SAA, Kenya Airways, Zambia Airways and Air Mauritius, which fly indirectly to India, providing connections with onwards flights via other destinations"

Rennies Travel GM marketing and sales Kathy MacWhirter says that depending on the number of entries, visas can take up to two weeks to be granted Their validity period has been extended from seven days to a maximum period of up to six months for business and tourism.

Appealing

Says MacWhirter "An appealing feature for the SA corporate traveller to India is the fully equipped business centres strategically positioned in the main business districts, offering meeting rooms, conference facilities and communications equipment

"These offices can be hired for as little as R60 a day"

She believes India also offers the incentive of a destination with a difference

Classical Indian dancers.

KLM staff quiz will help put SA on map

(269)

BIDAY 9/7/92

KLM Royal Dutch Airlines has embarked on an ambitious programme to make its 30 000 employees around the world aware of SA's potential as a tourist destination.

The investment follows the airline's launch of a third weekly flight to Johannesburg. In October it will begin flights to Cape Town.

The selection of Cape Town as one of KLM's more than 150 destinations follows intensive market research.

Marketing manager June Crawford says: "A major objective is to make it easier for European tourists to get to the Cape. We expect this traffic to complement the first- and business-class travel we will generate when we link the Cape into the KLM global network."

Awareness

Part of the employee awareness campaign is a quiz on SA, with trips to the country as prizes.

Crawford says the strategy is intended to educate and excite KLM's staff about SA.

"Once staff are sold on the destination, they quickly convey their enthusiasm to customers," says Crawford.

KLM offices around the world will distribute special promotional material to support the drive and SA will feature in the many magazines KLM hands out to travel agents and potential tourists.

The airline will also help sponsor workshops on SA for tour operators in Scandinavia in October and November.

"KLM offers a highly convenient routing to and from Scandinavia due to the frequency of our connections from Schiphol. This is an area where we maintain a strong presence, and we are now playing a part in persuading Scandinavians to rediscover SA," says Crawford.

ANC takes on 'new apartheid' at station

CT 9/7/92 Staff Reporter (269)

THE ANC looks set to win an easy victory this morning when it defies what it calls "the new apartheid" at Cape Town station by going through the first-class station entrance on third-class tickets.

Mr André Harrison, the metro manager in Cape Town, declined to say yesterday how the defiance would be handled, but said they did not want a confrontation.

The "first-class" side of Cape Town Station had not been designed for a mass flow of people.

Separate entrances and exits were in accordance with the principle of different facilities for different prices, he said.

An ANC statement said the third- and first-class entrances had always been used as apartheid's black and white entrances. "So in spite of claims that station apartheid is dead, nothing much has changed."

ANC 13

The commission consists of three advocates — Lewis Skweyiya, Gilbert Marcus and B Mabandla

Sapa-Reuter reports the ANC yesterday formally handed over to the Tanzanian government its camps and farms there

The handover in Mgorogoro marked the ... ing party

"It was the people of Tanzania who made a great sacrifice for the liberation of southern Africa It is only fair that the complexes be handed over to them and not to CCM," civil rights lawyer Mabere Marando said — Sapa-Reuter

Taxi 'war' over Zimbabwe route

THEO RAWANA and WILSON ZWANE

SA's taxi operators were using strong-arm tactics in an attempt to force Zimbabwean bus companies to abandon the Beit Bridge-Johannesburg route, a source said yesterday.

These tactics included abduction and intimidation. B/Day 10/7/92.

SA Long Distance Taxi Association (Saldta) president Peter Rabali said he could not say if Saldta members were involved, but confirmed his northern Transvaal region had been in dispute with Zimbabwean bus operators.

Rabali gave the names of three Zimbabwean bus companies involved on the route as Shoeshine, Countryboy and Matambanazo.

The source, who wanted to remain anonymous, said taxi operators had attacked Zimbabwean bus drivers in central Johannesburg three times this week. Three days ago, a Zimbabwean bus driver and his conductor were abducted by taxi operators, while another attempted abduction was foiled by police intervention on Wednesday.

Rabali was non-committal on the incidents, but said Zimbabwean bus operators had reneged on an agreement with his organisation.

This agreement stipulated that only one bus should run the route each day.

"Now the Zimbabweans have flooded the market and left our men with no fares on a route they initiated," said Rabali.

Forum cancelled after police raid

ADRIAN HADLAND

THE proposed establishment of a joint negotiations forum including the Pretoria City Council and the Central Transvaal Civics Association (CTCA) was cancelled this week after a police raid on the parish church of CTCA president Father Smangaliso Mkhatshwa.

Mkhatshwa, who is also general secretary of the Institute of Contextual Theology, was awarded R25 000 by the Law and Order Minister in 1988 following allegations of torture B/DAY 10/7/92

Civic representatives said at a Central Witwatersrand Metropolitan Chamber meeting this week that the raid on Monday, as well as alleged intimidation of other civic leaders in the PWV region, was threatening the local government negotiation process.

Civic leaders in the Metropolitan Chamber said they had asked government officials to put pressure on the police to stop the alleged victimisation of civic leaders.

CTCA general secretary Star Vilakazi said up to 50 police officers and soldiers had taken part in the three-hour raid on the St Charles Lwanga Catholic Church in Soshanguve

He claimed a number of people had been assaulted

A police spokesman said a pistol and ammunition had been found in the living quarters of a Catholic church in Soshanguve after a raid on Monday afternoon.

There had been no arrest during the incident, he said, although police were looking for the owner of the weapons

SAAF takes off to help in Angolan election

B/Day 10/7/92

STEPHANE BOTHMA

THE first of several SA Air Force aircraft, which would assist the Angolan government with an air structure for that country's general election in September, left Waterkloof in Pretoria yesterday

The three Hercules C-130s and two light planes would prepare the installation in Angola from where the SAAF would operate before a contingent of about 60 members with helicopters and light aircraft joined them, an SAAF spokesman said

The operation was the largest assistance task conducted by the SAAF to an African country, he said

The SAAF would assist officials in registering voters living in remote areas The move followed a request by the Angolan government supported by the UN representative in Luanda, Margaret Anstee.

The SAAF's task mainly would consist of communication flights. The contingent would be rotated monthly.

The election on September 30 would be conducted under UN supervision and great effort was being made to get voters registered in time

Railway land offers great potential

(269)

By Meg Wilson STAR 10/7/92

In the current market, an income growth forecast of 37 percent a year from any property portfolio may seem somewhat ambitious.

However, the property management team at the South African Rail Commuter Corporation (SARCC), is confident that this is achievable — for the next five years.

The portfolio, inherited from the old SA Railways and Harbours in 1987, is estimated to be worth R1,5 billion to R1,7 billion, although haphazard record-keeping during a long history still makes it almost impossible to assess its exact worth or income potential

Dirk Ackermann, SARCC senior general manager in charge of the property management division, says however, that his team has now managed to accurately document some 60 percent of the holdings and to identify what it believes to be 30 percent of the development potential over the next five years.

He told delegates to a Property Owners' Association meeting yesterday that the division, formed in February 1991, had also raised income from some 4 000 leased properties to R28 million in its first year of operation, from around R12 million the previous year.

Compared with the R1 billion-plus spent on subsidiation of commuter rail services, the amount is, though, hardly significant — and that, says Mr Ackermann, increases the motivation to maximise the potential of the portfolio

However, he says, the methods for doing so are likely to be different from those of other large property owners

"The major reason is that the corporation's holdings are in many cases 'strategic', in the sense that they are in critical urban positions This makes it a custodian of 'people's land', which should not necessarily be developed solely for (its own) gain."

The division aims to balance development imperatives with the principle of economic empowerment — "spreading a little sunshine throughout the property sector" by maximising co-operation with the private sector, through franchising and networking with other business practices.

It has in its favour expropriation rights, possible tax exemptions and "influence with local authorities", but there are, of course, obstacles

One is the need for the SARCC to maintain its "right of way" over much of its land, which makes development planning extremely complicated.

Another, and perhaps more serious, one is that many of the holdings are complex precincts, due to the way SARH properties were divided upon privatisation

Simply, those holdings where there is more commuter traffic than goods usage belong to the SARCC, and those where goods traffic is predominant fall under the control of Propnet, the property manangement arm of Transnet

This may yet be too much for all but the most sophisticated of private sector developers interested in doing a deal on "railway" land

BUS INDUSTRY (269)

Ready for the tourists?

How good are the R1m locally made luxury coaches? Tour bus operators say the quality is poor and they want the duties scrapped on the cheaper — and they say better — imported coaches. But local coach builders say that, while they may cost more, their products meet a high standard and they want the effective 88% tax on imports left alone.

The operators took the issue to government a few months ago and Trade & Industry Minister Derek Keys cut the 110% tariff in half. But the gesture doesn't mean much because, after the import surcharge and VAT are added, imported coaches still cost about R300 000 more than those made locally The operators plan to plead their case for a second time with Tourism Minister Org Marais FM 10/7/92

But Keys, who must approve all tariff changes, is not expected to reduce the protection further, he believes that the tourism-industry jobs created by more satisfied overseas travellers would not offset the jobs lost if SA stopped making the small number of coaches it produces now. For the time being, however, most operators are not buying locally made coaches, instead they're hanging on to their ageing fleets and hoping that soon they'll be able to buy European, American or Japanese units.

The debate is important because, if the impasse isn't resolved soon and operators don't begin buying more coaches, they may not be able to cope with the flood of overseas tourists expected after October when Europeans flee south to escape their winter, says Riccardo Dell'Erba, MD of Springbok Atlas, one of the biggest operators.

Hotels, now operating at about 50% occupancy, and other under-used tourism facilities, will not be strained by an influx of tourists. But according to the National Association of Automobile Manufacturers of SA, there are only about 400 coaches on the roads in SA now, probably not enough to cope if hordes of British and German tourists, with their hearts set on Garden Route or wine country tours, materialise.

"Unfortunately, some operators own outdated and unreliable fleets and will not cope with the demand when tourism picks up," says Christo Bester, GM of Autonet's Coach Express, a Transnet subsidiary and probably the biggest SA touring-coach operator "Those that have been updating their fleets continuously will cope with any increase in demand "

Dell'Erba says Springbok Atlas's business was up 90% in the first quarter of this year, compared with the same period last year, "and 99% of those who boarded our buses were from overseas." The SA Tourism Board's latest figures show a 20 990, or 15,6%, increase in the number of overseas visitors in the first quarter of the year, compared with the same period last year. It expects a 12% increase in overseas visitors overall this year This outlook has dimmed slightly in recent weeks because of the wide international publicity given to the Boipatong massacre and the ANC's break off of talks at Codesa; some visitors may decide to cancel their trips

Dell'Erba would like to buy European coaches, at R650 000-R700 000 apiece. But the duties put the imported price out of reach. "We would have to charge fares that would be unacceptable to foreign tourists, and certainly to local tourists, to get a decent return "

But he doesn't see an alternative in buying locally made coaches "There isn't a coach in SA that a European would regard as a luxury coach. They are luxurious by SA standards, but not by European standards, and tourists compare them with what's available overseas.

"Our products are poor adaptations. We cannot expect people skilled in building commuter buses to be skilled also in building luxury coaches. And the chassis they use here for our semi-luxury buses are meant for other uses and have been modified "

He says five coaches that Springbok Atlas had built in SA were too heavy over their front axles and had to be redesigned and rebuilt. A competitor's locally built double-decker touring coaches don't have enough luggage space, so they haul trailers. Builders say this is because the vehicles were built for inter-city commuter work, not to take tourists around game parks.

His scathing criticism has understandably met with a fierce reaction from builders, who construct the coaches over chassis and engines supplied by manufacturers such as Mercedes-Benz. Rob Duff, MD of Dorbyl Transport Products, which owns Busaf, the biggest coach builder, says the local industry makes coaches that are every bit as good as any imported used coach — which he fears tour operators will buy if duties are eliminated — "and very close to the quality level of any new imported coach "

He adds: "Considering the small local demand, the industry has taken quantum leaps forward in its own quality levels."

Neville Roome, a spokesman for Mercedes-Benz SA, says that, though the bodies obviously differ, a large percentage of overseas coaches "are built on the same Mercedes-Benz 0303 chassis we use in SA."

ERF MD Di Davies agrees that price is an obstacle to buying locally made coaches, that's why he believes operators want to import used equipment. Builders say they could reduce their prices if they had greater volumes.

"However," Davies says, "the vehicles the industry is producing now are far superior to the older coaches that tour operators are offering to tourists." Springbok Atlas's fleet, for example, is three to 12 years old

Coach Express, for its part, is siding with the locals — last week it took delivery of 12 new locally built units. Says Bester: "Their quality has improved so much that they now compare favourably with the imported products " ■

Myburgh

Le Roux

FM 10/7/92 (269)

Le Roux is the quiet man of the pack. He joined Sats in 1963 and busied himself with engineering matters until he moved into his current position in January 1990 ■

ENGINEERING FM 10/7/92

Turn of the screw

Three years of recession have cut thousands of engineering jobs and forced hundreds of metal companies to go under And a looming general strike has industry officials braced for more bad news.

Increasing exports are helping some companies survive, but the world economy is weak and not enough is being exported to boost the sector, which is why "we're still falling and can't see the bottom," says Michael McDonald, chief economist of the Steel & Engineering Industries' Federation of SA (Seifsa).

Seifsa says metal industries — it does not differentiate between heavy and light engineering — can expect to turn over R55bn this year, up 10% from last year But production will be down in volume terms

Says McDonald. "In the year to date, 700 of the 10 000 metal industries' companies went bankrupt. In the first five months of this year, 14 000 workers were retrenched These are the worst figures since the recession started in 1989, when the industry retrenched only 5 500 in the first five months. It retrenched only 8 500 in the first five months of 1990 and 11 000 in the first five months of last year There has been no let-up, 2 500 to 3 000 workers are still being laid off every month "

Adds Dorbyl group CE Dawid Mostert: "The industry has only 1 200 first-year apprentices, 2 600 second-year apprentices and 3 400 third-year apprentices These figures show we took on more than twice as many last year and nearly three times as many in 1990. The industry will run into skilled manpower problems when the recession ends."

Most heavy engineering companies are suffering because construction of Mossgas, SA's controversial fuel-from-gas project, is ending and the go-ahead has not yet been given for two other huge projects, the R4,5bn Alusaf smelter and the R4bn Columbus stainless steel mill

McDonald sees foreign trade delegations troop through Seifsa's offices regularly and make "the right noises about investing in SA," but they have been waiting for local investors to get the ball rolling

He estimates that the metal industries now employ 330 000 to 350 000 workers and predicts that, in good times, at peak production, employment will stabilise at about 380 000. "It won't go above that because of better methods and rationalisation. The industry employed 80 000 fewer people at the end of 1988 than it did in 1981, when 454 000 workers were employed, though production was just as high."

As times get rougher, industry executives are taking a closer look at labour costs "Labour is now expensive and the industry is much more critical of the size of its labour force," McDonald says "There has been an increased use of robotics, particularly in the automotive field, where it isn't being used merely because robots don't go on strike, but also to meet international quality standards." But he also sees a return to politics by the trade unions as an important factor. "There is a swing to technology rather than labour because of the increased militancy of the work force "

cont →

Transport costs 'block SA export growth'

B/DAY 10/7/92 (269)

EDWARD WEST

THE cost and availability of transport is rated as a major obstacle to SA's export growth, a recent SA Foreign Trade Organisation (Safto) survey has found.

The survey, which polled SA's leading exporters, also cited uncompetitive prices, lack of foreign demand and the unfavourable rand exchange rate as obstacles to export growth.

Some exporters complained that inadequate physical infrastructure added to their transport costs Future investment in infrastructure would be critical to long-term export growth if likely future trends in the distribution of SA's external trade were taken into account.

National Association of Private Transport Operators executive director Andre Jacobs said the transport sector had not been utilised effectively to maximise export-led economic growth Protectionist policies had allowed too many inefficiencies. A cohesive strategy was needed to export at as low a cost as possible.

SA's transport input costs were among the highest in the world. Factors which contributed to the sector's 28%-30% annual inflation were taxes, labour costs, and vehicle costs which had doubled every three years.

Road Freight Association spokesman Mike Alistoun said monies collected from fuel and other transport taxes were not reinvested in transport infrastructure. Nothing short of subsidisation could lower the cost of transport to the coast.

Jacobs said Transnet had also adopted a strategy to maximise its returns in the transport of commodities where there was no other competition A ton of coal could be mined for R12-R13, but cost R15-R16 to rail to the coast from the Transvaal

☐ The transport of goods by non-government institutions during February 1992 fell 2,6% against February 1991, latest Central Statistical Service figures show. The number of carrier units fell 8,9%, the number of operating days fell 3,3% and the number of employees fell 7,3%. However, the total number of kilometres travelled increased 19,3% and total transport earnings rose 13,2% to R376,5m from R332,5m

Russian cargo planes and crews set to do business

STAR 10/7/92

By Melody McDougall (269)
Vereeniging Bureau

The first of six Russian-built Antonov 32 cargo planes, which will hopefully soon be available for lease in South Africa, landed at the Vereeniging airfield earlier this week

The aircraft — the first of its kind ever to land on South African soil — will be on display at the airfield until the end of the month

The idea is to make the Antonov 32 available for carrying all sorts of freight in South Africa. It is a joint venture by the Johannesburg-based Aviation Sales company and the Russian Aeroplus company.

According to Peter Henderson, sales manager of Aviation Sales, the aircarft can fly at a speed of 500 km/h and carry a load of up to 7 tons.

The Antonov 32, which comes equipped with a full Russian crew, is also designed to carry out short-field landings and take-offs Mr Henderson said the cost of one plane was about $6 million (some R16 million) — about one-third less than an equivalent Western aeroplane

The Antonov 32 will be available for demonstration while on display.

Free avos fed many

More than 50 charitable organisations benefited from The Star's free distribution of avocados and tomatoes — which is now over.

The 31 tons of avos — too small for export — were given by Paradise Fruits of Tzaneen, and 9 tons of tomatoes by farmer Hans Scheepers of Pietersburg.

The Star is indebted to Nissan Truck Hire and Elite Truck Hire, who loaned transport for delivery; Danie Lewis of Contract Staff for manpower; and Record Storage and Management managing director Sidney Hart for R200 for boxes.

AWB man rearrested

STAR 10/7/92

A member of the Afrikaner Weerstandsbeweging, charged with possession of explosives, was rearrested yesterday after successfully applying for a passport

Jeremia Jesaja Bezuidenhout (22), of Pretoria West, was rearrested after he applied for a passport from the Department of Home Affairs.

Magistrate Mr J H Bekker extended his R600 bail on condition that he surrender the passport, not apply for another passport and that he report daily to the Pretoria West police station

The case was postponed to August 6 — Court Reporter.

FM 10/7/92 (269)

SAA AND SPOORNET FM 10/7/92

Setting a new course (269)

SA Airways and Spoornet, both at a crossroads in their long history, will be getting new bosses in the next few months Gert van der Veer, CE of SAA, and Barry Lessing, CE of Spoornet, will become deputy MDs of Transnet, the holding company for the two transport companies.

Spoornet group GM Mike Myburgh will take over at SAA next April 1 and Braam le Roux, senior GM railway operations, will take over from Lessing on August 1

Myburgh's appointment is the one likely to bring about the most change. Like the three others who were promoted, he is an engineer but has developed into a jack of all trades and mastered them all.

While he headed SA Transport Services' (Sats) civil engineering department, he doubled both the Johannesburg-Durban railway line, which increased its capacity to 140 Mt/year, and the Ermelo-Richards Bay coal line, which can now move more than 60 Mt of coal a year He also helped to build the new Hex River Mountain railway pass.

His next stop was to take over from John Irving as head of SA Harbours, now Portnet. A firm believer in business being user-friendly, he was so shocked by the bureaucracy he found that he decided to call a conference of all harbour users at Sun City For a full day, he and his lieutenants listened to users' complaints — and promised to remedy them.

There was an almost immediate improvement and, a year later, he called them back again and asked them if they still had complaints There were obviously some complaints but the meeting didn't last long By midday many were playing golf

He moved to marketing and gave that department a largely (but not completely) private sector image

The same tactics are needed at SAA, which has lost R60m in each of the last two fiscal years And there is no end to the stormy weather in sight, as deregulation has unleashed an array of new competitors and set off fare wars with some old competitors (*Business & Technology* July 3)

Van der Veer who, with Lessing, will help Transnet MD Anton Moolman chair Transnet's 20 operating divisions, made his name as a computer boffin He is credited with moving Sats into the computer age and with originating its communication system, which many believe is superior to the Telkom telephone system

Lessing shares Van der Veer's enthusiasm for computers, but, like Moolman, is a bottom-line man, interested only in profits. For that reason, he has not been keen on his revenue-generating goods trains sharing their tracks with loss-producing passenger trains. And, because they are not making profits, he sees no point in spending money on upgrading passenger coaches or on promoting passenger services

SAA down to 1986 fares level

(269) CT 11/7/92

Johannesburg Bureau

SOUTH AFRICAN Airways (SAA) yesterday cut return fares to London to 1986 levels, dropping two rand below the present low of R1 992 offered by British Airways (BA).

Both airlines have denied that a price war is in the offing, saying the low fares had been made possible by the deregulation of the London-Johannesburg route

Other major airlines, including KLM, Lufthansa and Swiss Air, yesterday said they would not be dropping their prices

BA recently offered 8 000 seats at R1 992 as "a celebration of the new era of deregulation in South Africa"

SAA spokeswoman Ms Zelda Roux said that from August 29 till December 1, 1992, and from January 21 to February 28, 1993, all economy seats on the SAA's new daylight flight would cost R1 990

SAA's daylight flight will leave Johannesburg every Saturday at 10am and arrive in London at 8 30pm Return flights can be undertaken on any flight leaving from London, from Sunday through to Wednesday

SAA also announced it had structured a whole range of fares around the daylight flights, including Family fares; 50% reduction on the ticket of people accompanying first- or business-class travellers, reductions for travellers older than 12 but younger than 25, and one-way fares.

The range of fares is vaild for different periods

Low Johannesburg-London air fares should remain constant throughout 1992 and 1993, a Johannesburg travel agent said yesterday, because of spare space on airlines

SAA reacts — and enters fares war

STAR 11/7/92 (269)

SOUTH African Airways yesterday cut back some Johannesburg-London return fares to 1986 levels. And the independent airline Comair is to compete on local routes against SAA and FliteStar.

From August 29 to December 1 this year, and from January 21 to February 28, 1993, economy seats on daylight flights to London will cost R1 990

In peak season — December 2 1992, to January 20 1993 — economy tickets will cost R2 590

"With new aviation policies, it's time to review products," SAA chief executive Gert van der Veer said yesterday.

On July 1, British Airways cut return fares between Johannesburg and London to R1 992 The price is valid from mid-September to November.

For travellers in first and business class on the daylight flight, SAA has also halved the price of tickets of companions who accompany the full-paying ticket holder

For families travelling together on the new flight there is also a special deal, with the head of the family paying R1 950, the spouse paying R1 850 and children paying between R195 and R1 650.

A R2 590 youth fare to London, valid for one year, is also available for those under 25.

Comair, the Johannesburg-based airline until now involved only in short-haul routes, will enter the national airline race with a daily service starting on October 7 between Johannesburg and Cape Town at fares below normal SAA and FliteStar rates

Fares have to be paid 48 hours in advance

The normal fare for economy class on SAA is R860 and on FliteStar R852. Comair's will be R678. SAA and FliteStar Apex excursion fares are R689 and R639 compared to Comair's R530

SAA tickets must be booked a month in advance, Comair's 10 days in advance, and FliteStar's at any time.

Comair will use a one-class, 102-seater SAA 737 with SAA flight crew, but staffed with Comair's own cabin crew.

It will make two flights a day, seven days a week between Johannesburg and Cape Town. — Sapa

Easy anti-apartheid ride for ANC

CT 11/7/92 (269)

THE ANC's campaign against station apartheid went off without incident yesterday morning when participants who had bought third-class tickets walked through exits reserved for people with first class tickets

Among the handful of people who bought tickets at Salt River station for the short trip to town were ANC-aligned MP for Claremont Mr Jan van Eck, former Black Sash national president Mrs Mary Burton and Mr Ebrahim Rasool of the ANC.

Spoornet ticket controllers at Cape Town station did not act against them when they walked through the first-class exits

ANC assistant secretary Mr Willie Hofmeyr said the SA Rail Commuter Corporation's argument that consumers paying higher fares were entitled to better facilities did not explain why these facilities followed the original apartheid plan at the station

Violence stops flights

2.69

By CHARIS PERKINS

S/Times 12/7/92

AN international airline this week cancelled one of its twice weekly flights to South Africa because of a drop in passengers caused by political violence.

The move by China Air, Taiwan's national airline, signals the end of the mini-boom in the tourism industry which began after the ANC was unbanned.

Tourism organisations this week confirmed that hundreds of people had cancelled visits to SA and said there had been a slump in the number of advance bookings.

Satour executive director Spencer Thomas said. "We are doing our best to assure visitors that the violence is localised but, since the Boipatong massacre, people believe there is mayhem in the streets."

12/7/92

Trend

The managing director of the Holiday Holdings Group, Mr Ian Cook, said: "We get calls daily asking us if it is safe to send travellers here."

Mr Laurie Wilkinson, president of the Association of Southern African Travel Agents said the trend was tragic.

- On Friday, SAA slashed return fares from Johannesburg to London to 1986 prices on its new weekly daytime flight. From August 29 until December 1, 1992, and from January 21 to February 28, 1993, all economy seats on the daylight flight will cost R1 990.

Now cut-price Comair joins the air fray

COMAIR, the Johannesburg-based airline hitherto involved in short-haul routes, is entering the national airline race — and undercutting its competitors' prices. (332) (269)

The airline has announced it will start a daily service on August 3 between Johannesburg and Cape Town at fares well below normal SAA and Flitestar rates. S/Times [C/Metro]

The normal fare for economy class on SAA is R860 and Flitestar R852. Comair's will be R678.

SAA and Flitestar Apex excursion fares are R689 and R639 compared with Comair's R530.

Comair will use a one-class, 108-seater SAA 737 in Comair Citiliner livery manned by an SAA flight crew, but staffed with Comair's own cabin crews, and will make two return flights a day, Monday to Friday. There will be one return flight on a Saturday and a Sunday. 12/7/92

Western Cape Asata chairman Mr Leon Singer said he welcomed the new service.

● South African Airways has slashed return fares from Johannesburg to London to 1986 prices on its new weekly daytime flight.

From August 29 until December 1 and from January 21 to February 28, 1993, all economy seats on the daylight flight will cost R1 990.

During the peak season from December 2, 1992, to January 20, 1993, economy tickets will cost R2 590. The flight will leave at 10am on Saturdays and arrive in London at 8.30pm.

Anyone travelling from Cape Town will have to fork out more — ranging from R518 return for a midnight flight to Johannesburg to R860 for a standard economy fare.

"With new aviation policies, it's time for SAA to review its products," SAA's chief executive Mr Gert van der Veer said announcing the new deal.

How the wheels came off the Commuter Corporation when a man with a Std 9 education and his boss lost an amazing R162-million playing the money markets

(269) S/Times 12/7/92

MIKE ROBERTSON tells a salutary tale that began on April Fool's Day 1990

IT SEEMED so easy Borrow money from one institution for a month at, say, 15 percent. Invest it in another at a slightly better rate. At the end of the month you take the profits

It may not sound like much but when you are playing with hundreds of millions of rands, it adds up

For a few glorious months former railways officials were "masters of the universe" — big-time players in the money markets — on behalf of the SA Commuter Corporation.

They could have ended up heroes. But it was not to be.

The crunch came on April 11 1991. The Cape Investment Bank (CIB), in which they had invested R250-million, went belly up.

As with most government disasters, the intentions started out as the best.

The corporation began its life, appropriately as it turned out, on April Fool's Day 1990

President FW de Klerk and his cabinet decided to place the then SA Transport Services on a commercial footing.

The loss-making commuter service was separated from the potentially viable Transnet.

The stated aim of the SA Rail Commuter Corporation was "to ensure that rail commuter services be provided in the public interest in the RSA"

A lofty aim, but lofty aims take money.

In its first year the corporation forecast expenditure of R1-billion, to be paid to Transnet in 12 equal instalments. Its income, however, was estimated at only R325-million.

Then chairman Dr Bart Grove wrote in the corporation's annual report for the year "It was clear to the management from the very first month that funding would be one of the greatest challenges and it was therefore decided to enter the money and capital markets in order to finance the funding and minimalise finance costs."

Informed

Dr Grove and his board believed that the Act which had brought the corporation into being allowed them to do this. But later they discovered they required the permission of the Minister of Transport and the Minister of Finance.

Thus on June 22 1990, Dr Grove wrote to then Transport Minister George Bartlett to tell him the corporation was already active in the money and capital markets and to ask for retrospective approval.

He informed Mr Bartlett that the corporation had already borrowed R103-million by issuing three-year local registered stock and R150-million a month by issuing cycle stock. Multiplied by 12 the total of the latter would come to R1,8-billion.

In a later letter to Mr Bartlett, dated October 26 1990, Dr Grove again outlined the corporation's market activity This was passed on to Finance Minister Barend du Plessis, who on November 27 1990 had written to Mr Bartlett: "I refer to your letter of November 5 in the abovementioned regard and wish to advise that I should have no objection to the SA Rail Commuter Corporation's borrowing programme as set out in the annexure to your letter"

In the annexure, Dr Grove requested authorisation to issue capital market instruments to the value of R900-million plus the R1,8-billion in cycle stock.

These letters are crucial because the corporation regarded them as permission to play the markets to raise funds.

Dispute

However, when auditor-general Peter Wronsley came to audit the books, his staff placed a more restrictive interpretation on the authority given.

They believed the Finance Minister had given the corporation permission to borrow enough money to cover the shortfall between expenditure and income — about R500-million — rather than almost R3-billion to try to make the R500-million.

Mr Du Plessis is understood to have agreed subsequently to the auditor-general's staff's interpretation.

Not surprisingly, given the detail in Dr Grove's letters to him, corporation officials dispute this

For him not to have been aware that the corporation intended borrowing about R3-billion to play the markets, Mr Du Plessis would have had to have signed his letter without reading the annexure. Of course, in South Africa, there is a precedent for Finance Ministers to do this.

Be that as it may, the corporation entered the money market in a spectacular fashion.

The man in charge was Mr Willem Louw, general manager (finance) and previously treasury manager at Sats.

GRAND PLANS ... managing director Kobus Nel and chairman Bart Grove, both of whom were sidelined after the fiasco

He told the Sunday Times this week that at the time he was getting the department up and running, and was often out of the office. As a result, he delegated authority for money market transactions to finance manager Kobus Smit and assistant finance manager Paul Erasmus

Mr Smit, who served as assistant treasury manager at Sats, has the academic qualifications for the job.

Mr Erasmus also served in the treasury department at Sats but his highest academic qualification is Std 9

The corporation officials did not actually deal themselves, but used agents from banks and brokers.

It was Mr Erasmus's job to get quotations from dealers and to put them before Mr Smit for approval.

However, it appears that on at least two occasions Mr Smit was out of the office and Mr Erasmus then personally approved deals. One was for R99-million, the other for R60-million.

Mr Louw said this week that at the time the finance department had only eight staff members. He was often away from the office, as was Mr Smit.

The corporation had a policy of accepting only those deals on which it could make at least 0,15 percent profit.

When Mr Erasmus approved a deal, he contacted his superiors by telephone for approval and it was subsequently formally condoned by his superiors.

Mystery

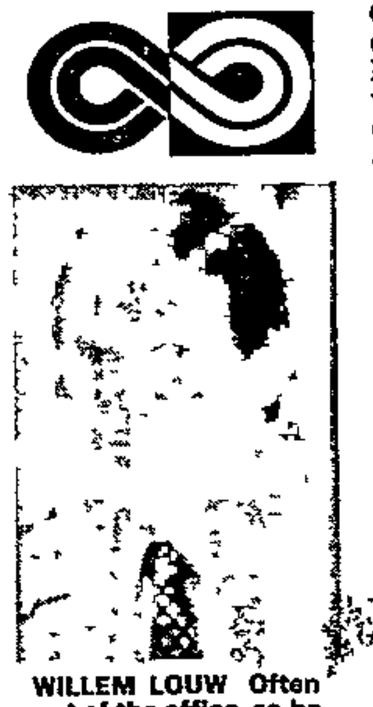
However, it is understood that the auditor-general's staff could find no physical proof that the deals which Mr Erasmus entered into had been condoned by his superiors.

The corporation's involvement with the now defunct Cape Investment Bank began in about June 1990

Why it chose to invest such a large amount of money in a relatively small bank remains a mystery It was not because it offered the most favourable interest rates — others offered better

One reason that has been put forward is that the corporation was unaware that the agents acting on its behalf were investing money in CIB.

One example given is that on June



WILLEM LOUW Often out of the office, so he delegated authority

CIB. The then managing director of CM Interbank, Mr Johan Otto, said this week that this incident could not have unfolded as described.

Mr Otto said CM Interbank was a money and capital market broking firm. It did not have the capital base to accept such an investment, nor would it have been allowed by law to accept it.

By October 1990 the corporation had about R280-million invested in CIB

Only then did it decide to set a ceiling of R60-million on investments in the bank.

Having taken this decision it asked CIB to hand over securities for the amount exceeding the investment limit.

It received a fax from CIB stating that it was holding R104-million in securities in the name of the corporation.

Corporation officials say they followed this up with another letter telling CIB to hand over those securities immediately and to increase the securities to the amount exceeding the investment limit.

But, before that could happen, CIB was taken over by Prima Bank and was subsequently liquidated on April 11 1991

Later the corporation was told that no such securities existed.

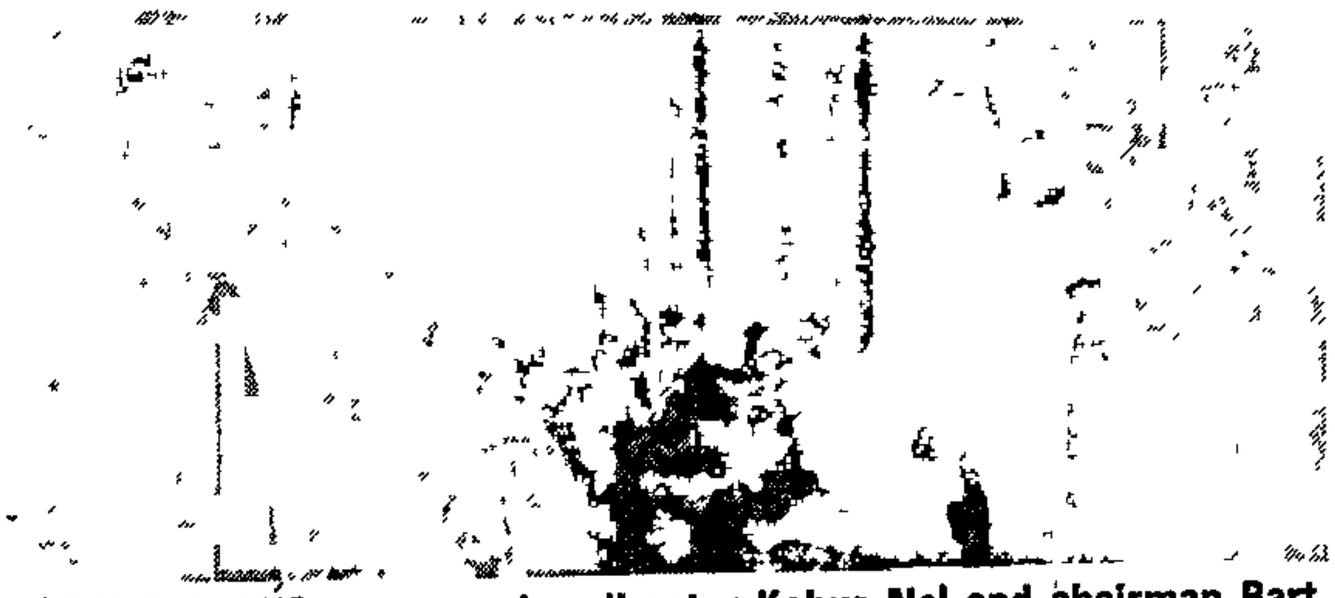
Since then the corporation's officials have been involved in a dispute with the Reserve Bank, which they claim persuaded them to roll-over funds that could have been withdrawn from CIB before it was liquidated. After investigation, former Chief Justice Pierre Rabie ruled against the corporations attempt to recover their lost money from the reserve bank.

The corporation's losses from the abortive CIB venture are likely to total about R162-million.

Dr Grove and the corporation's former managing director, Dr Kobus Nel, have since been sidelined as a result of the fiasco.

Mr Louw, Mr Smit and Mr Erasmus were disciplined following an internal inquiry but remain in their jobs.

The corporation, almost inevitably, is chronically indebted, having had to



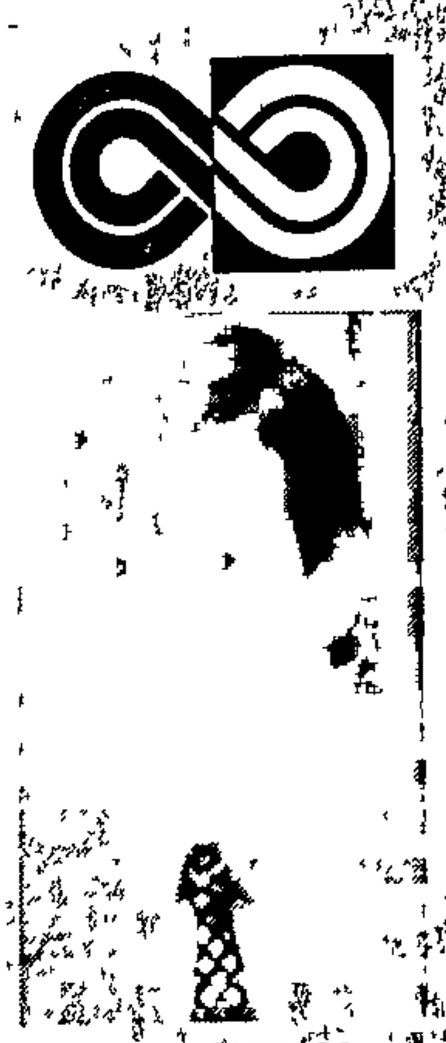
GRAND PLANS ... managing director Kobus Nel and chairman Bart Grove, both of whom were sidelined after the fiasco

He told the Sunday Times this week that at the time he was getting the department up and running, and was often out of the office. As a result, he delegated authority for money market transactions to finance manager Kobus Smit and assistant finance manager Paul Erasmus.

Mr Smit, who served as assistant treasury manager at Sats, has the academic qualifications for the job

Mr Erasmus also served in the treasury department at Sats but his highest academic qualification is Std 9.

The corporation officials did not actually deal themselves, but used agents from banks and brokers.



WILLEM LOUW: Often out of the office, so he delegated authority

It was Mr Erasmus's job to get quotations from dealers and to put them before Mr Smit for approval.

However, it appears that on at least two occasions Mr Smit was out of the office and Mr Erasmus then personally approved deals. One was for R99-million, the other for R60-million.

Mr Louw said this week that at the time the finance department had only eight staff members. He was often away from the office, as was Mr Smit.

The corporation had a policy of accepting only those deals on which it could make at least 0,15 percent profit.

When Mr Erasmus approved a deal, he contacted his superiors by telephone for approval and it was subsequently formally condoned by his superiors

Mystery

However, it is understood that the auditor-general's staff could find no physical proof that the deals which Mr Erasmus entered into had been condoned by his superiors.

The corporation's involvement with the now defunct Cape Investment Bank began in about June 1990.

Why it chose to invest such a large amount of money in a relatively small bank remains a mystery. It was not because it offered the most favourable interest rates — others offered better.

One reason that has been put forward is that the corporation was unaware that the agents acting on its behalf were investing money in CIB.

One example given is that on June 30 1990 Mr Erasmus approved an investment of R60-million in CM Interbank. This deal was condoned by Mr Smit. But once completed, it was found that the money had not been placed with CM Interbank but with CIB. The then managing director of CM Interbank, Mr Johan Otto, said this week that this incident could not have unfolded as described.

Mr Otto said CM Interbank was a money and capital market broking firm. It did not have the capital base to accept such an investment, nor would it have been allowed by law to accept it.

By October 1990 the corporation had about R280-million invested in CIB.

Only then did it decide to set a ceiling of R60-million on investments in the bank.

Having taken this decision it asked CIB to hand over securities for the amount exceeding the investment limit.

It received a fax from CIB stating that it was holding R104-million in securities in the name of the corporation.

Corporation officials say they followed this up with another letter telling CIB to hand over those securities immediately and to increase the securities to the amount exceeding the investment limit.

But, before that could happen, CIB was taken over by Prima Bank and was subsequently liquidated on April 11 1991.

Later the corporation was told that no such securities existed.

Since then the corporation's officials have been involved in a dispute with the Reserve Bank, which they claim persuaded them to roll-over funds that could have been withdrawn from CIB before it was liquidated. After investigation, former Chief Justice Pierre Rabie ruled against the corporations attempt to recover their lost money from the reserve bank.

The corporation's losses from the abortive CIB venture are likely to total about R162-million.

Dr Grove and the corporation's former managing director, Dr Kobus Nel, have since been sidelined as a result of the fiasco.

Mr Louw, Mr Smit and Mr Erasmus were disciplined following an internal inquiry but remain in their jobs.

The corporation, almost inevitably, is chronically indebted, having had to borrow about R1,4-billion to pay its operating costs

It has, nevertheless, just moved into swish new offices in a luxury business complex adjoining the new Johannesburg Country Club.

UTA is ready to enter price war

S/Times (Buss) 12/7/92 (269)

UTA regional manager for sales and marketing Richard van Zyl says the airline plans to introduce special fares to stimulate traffic between Paris and Johannesburg

Several European airlines are expected to follow British Airways in announcing fare reductions to Europe.

Mr van Zyl says UTA is watching market developments and will respond to any price war.

UTA recently offered a special return fare of R2 750 to any one of 11 European cities with a two-night stop-over in a Paris hotel. More specials are planned for later in the year.

Traffic from France has grown by 30% a year for the past few years, but UTA has no plans to introduce additional flights

UTA flies three times a week to Paris and SA Airways twice

Prey

Mr Van Zyl says lower fares only marginally improve seat occupanices

"Because of the weak rand exchange rate it generally costs more to live abroad than it does to fly there Any person unable to holiday in Europe on a R3 000 airfare will likewise be unable to visit even when offered a reduced R2 000

"Essentially, it is the same people flying, only they pay less."

Global deregulation of the airways opens the door for fare slashing, says Mr Van Zyl US carriers will start competing with Europeans when Europe is deregulated in 1993.

Deregulation in the US resulted in 190 airlines being registered, followed by an unprecedented price war as competitors fought for market share. Only three airlines remain The weak fell prey to large competitors and once-famous names, such as Eastern and Pan Am, no longer exist

It has been speculated that of the 22 European carriers, only five or six will survive deregulation. But Mr Van Zyl says a repeat of the US experience in Europe is unlikely

SAA set for new international flights

B/DAY 13/7/92

STEPHANE BOTHMA (269)

SAA will introduce flights to several new international destinations this week, despite growing cancellations by foreign tour groups due to political violence.

At the same time, the airline would announce a cutback on domestic flights, SAA CE Gert van der Veer said.

He did not elaborate, but industry sources confirmed a large overcapacity in the domestic market.

Tourists from mainly the US, Switzerland and the Netherlands were cancelling planned visits to SA, but SAA believed this was only temporary, a spokesman said

Taiwan's national airline China Air this weekend said the increasing violence in the country had forced the cancellation of one of its twice weekly flights to SA.

Several tour operators confirmed that hundreds of potential tourists — mainly first-time visitors — had cancelled visits.

Van der Veer said SAA would announce several new European destinations this

☐ To Page 2

SAA

B/DAY 13/7/92 (269)

☐ From Page 1

week, believed to include Munich.

SAA would operate a new "daylight" flight from Johannesburg to London at the 1986 level of R1 990 return. The reduced fare was not yet available on SAA flights from London because the airline had been unable to obtain a daytime take-off slot at Heathrow Airport, Van der Veer said.

The offer was valid from August 29 to February 28 next year, but excluded the peak season period of December 1 to January 21 1993.

Depending on the success of the Johannesburg-London daylight flight, SAA would consider discounted fares on other European destinations, he said.

SAA denied its announcement was part of a price war on the lucrative route, and Van der Veer said SAA had applied for daylight landing and take-off slots from Heathrow months ago — before BA announced discounted fares.

However, NedTravel Holdings MD Eric Thorne said he believed that while SAA's fare reductions was good news for the traveller, it would do little to significantly increase numbers of overseas travellers.

● Picture: Page 3

SAA steps up discount offer drive

STAR 13/7/92

By John Miller (269)

SAA's weekly daylight flight to London on Saturdays will not only offer holiday-makers return tickets for R1 990, but also substantial discounts to businessmen and first-class travellers.

Chief executive Gert van der Veer said all the discounted fares would be applicable from August 29 to the end of February, with the exception of the period between December 1 and January 21

Passengers who want to make use of the daylight flights will have to book and pay 15 days before departure.

They will be allowed to stay overseas for up to 40 days. Another provision of this ticket is that passengers returning to South Africa must travel between Sunday and Wednesday nights.

Between December 1 and January 21, fares on the daylight flights will go up to R2 590.

Mr van der Veer said that unfortunately, SAA had been unable to obtain a daylight take-off flight from Heathrow. However, the airline would continue to work at getting such a time-slot.

He said this would mean that incoming tourists could also take advantage of a daylight flight.

A Companion — or, as it has been nicknamed in the industry, a "skelm-pex" fare — is also available for business and first-class passengers on the daylight flight This entitles a second traveller to a 50 percent discount.

This type of ticket holder may return on any of the airline's flights from London. The offer is available up until the end of February

Gert van der Veer .. lower fares will stimulate market.

The family fare on the daylight flight is even more exciting

"The head of the family will only pay R1 950, his spouse R1 850 and children between 12 and 18 only R1 650. Children below 12 pay even less."

For the first time, the airline is introducing, on its international routes, a youth fare for those aged between 12 and 25. This ticket, costing R2 590, is valid for a year.

SAA has even made provision for those people wanting a one-way ticket on the daylight flight. This will cost only R1 990, a saving of almost half the present fare.

Mr van der Veer said he believed these fares would do much to stimulate the market.

He shrugged off suggestions that even though the airline continued to run at a loss, the latest announcement would do more to keep it in the red.

Mr van der Veer also hinted that, with the direct route over Africa and the easing of sanctions, the airline might have to look at other aircraft types.

Boland bus route deal

(269) CT 13/7/92

Staff Reporter

GOLDEN ARROW Bus Services has negotiated a deal with two independent bus companies to take over bus routes in the Boland after the company closed several depots last month.

The 27 routes are used by 12 000 commuters who were faced with losing their only means of transport

The company's Boland commuter division had been operating at a "substantial loss", a spokesman said.

Dagbreek Busdiens of Montagu Gardens and Elwierda of Stellenbosch are to take over the routes

SAA set to expand flight routes

(269)

CT 13/7/92

From STEPHANE BOTHMA

JOHANNESBURG — SAA will introduce flights to several new international destinations this week, despite growing cancellations by foreign tour groups due to political violence

At the same time, the airline would announce a cutback on domestic flights, SAA CE Gert van der Veer said.

He did not elaborate, but industry sources confirmed a large over-capacity in the domestic market

Tourists from mainly the US, Switzerland and the Netherlands were cancelling planned visits to SA, but SAA believed was only temporary, an airline spokesman said.

Taiwan's national airline China Air this weekend said the increasing violence in the country has forced the cancellation of one of its twice weekly flights to SA

Several tour operators confirmed that hundreds of potential tourists — mainly first-time visitors — had cancelled visits to SA

However, Van der Veer said SAA would announce several new European destinations this week — believed to include Munich. SAA already flies to Frankfurt in Germany Additional flights to existing destinations would also be announced

Meanwhile, SAA said it would operate a new "daylight" flight from Johannesburg to London at the 1986 level of R1,990 return. The reduced fare was not yet available on SAA flights from London because the airline has been unable to obtain a daytime take-off slot at Heathrow Airport, Van der Veer said.

The offer was valid from August 29 to February 28 next year, but excluded the peak season period of December 1 to January 21 1993

Depending on the success of the Johannesburg-London daylight flight, SAA would consider discounted fares on other European destinations, he said.

With the introduction of the flight, SAA would be operating 11 flights a week to London.

BA earlier announced discounted fares between Johannesburg and London for the period mid-September to the end of November.

SAA denied its announcement was part of a price war on the lucrative route and Van der Veer said SAA had applied for daylight landing and take-off slots from Heathrow months ago — before BA's announcement.

Meanwhile, the cheaper fares were welcomed by tourism organisations which said they expected fares to stay at low levels throughout 1992 and 1993.

Airlines increased their capacity in anticipation of a tourist boom, but the violence and political uncertainty had discouraged potential overseas visitors, resulting in airlines being unable to fill their flights, NedTravel Holdings MD Eric Thorne said

Cheaper flights extend to business, first class

(269) ARG 13/7/92

The Argus Correspondent

JOHANNESBURG. — SAA's weekly daylight flight to London on Saturdays will not only offer the holiday-maker return tickets for R1 990, but also substantial discounts to the businessman and the first-class traveller

Chief executive Mr Gert van der Veer said all the discounted fares would be applicable from August 29 to the end of February, with the exception of the period between December 1 and January 21.

Passengers who decide they want to make use of the daylight flights will have to book and pay 15 days before departure.

They will be allowed to stay overseas for up to 40 days

Hitch may ground Virgin flights to SA

CHRIS BATEMAN (269)

LONDON — Virgin Airlines — the catalyst for the present promotional airfare war between British Airways (BA) and SAA — today faces the prospect of being unable to begin its London-Johannesburg flights until October 1993. B/DAY 14/7/92

Flight slot schedulers at Heathrow Airport, from which an aircraft takes off every 54 seconds, are due to announce today whether they can accommodate Virgin's five weekly flights from early January next year.

Virgin officials concede openly that a negative outcome would cause "major disruption to our plans".

"If things don't work out in the next 24 hours a major issue will blow open here — we're not the only carrier that will be affected," Virgin's Will Whitehorn warned.

He challenged BA's SA manager Malcolm Freeman's view that Virgin could walk into a "bloodbath of heavy discounting" and find itself unable to undercut fares on the route.

"The same kind of conditions applied to the UK-US route when we began flying it last July," he said. Virgin had increased its market share of that route from 7% to 11%, he said.

Freeman also said the London-Johannesburg route could become too competitive for some airlines to operate profitably.

Whitehorn predicted that by 1994 ticket sales on the UK-SA route — driven by discounting — would be worth R2,6bn.

A view from other side of the tracks

STAR 14/7/92 269

How do the police view violence on trains? CARINA LE GRANGE reports on the views of one officer.

A TOTAL of 155 black commuters died and 414 were seriously injured on Witwatersrand trains in the first three months of the year, according to last month's edition of Servamus, the official SAP journal.

A rare public view of how police view train violence is obtained in the article, based on an interview with Captain Thys du Plessis, who is in charge of the Mobile Unit at New Canada station near Johannesburg.

Captain du Plessis said media publicity on train deaths had created the perception that train violence had become unmanageable.

But he did not think the problem was "that big" considering the large number of people using trains daily. People had always died on trains, for various reasons, he pointed out, but these days, due to the publicity, every case of death was linked to violence and crime.

Also, train deaths were not unique to South Africa: Chicago had a similar problem.

Captain du Plessis told Servamus that because many people walked across railway lines, "often" under the influence of alcohol, they were sometimes hit by trains. Those who jumped on to moving trains sometimes lost their balance and ended up under the wheels.

The captain said violence on trains was not new — fights between various ethnic groups occurred as far back as 1963.

During the 1970s, renegade groups began terrorising passengers, he said.

Today's problems were mainly attacks on passengers and people bring thrown out of trains, he said There had been a few cases where commuters on trains had shot at people on platforms.

It rarely happened that groups of attackers boarded trains. "Mostly," he said, "a single person gets into a coach in which there is a group which always travel together. Such an intruder makes the group feel threatened and usually that person is thrown off."

Even if such an individual had the same political affiliation as the group, it did not necessarily mean he would be accepted. "Before that happens, he has to 'buy membership'" When danger loomed, people would rather jump off moving trains than be murdered, he said. But due to the speed of trains and "other factors", the chances of survival inside the train were better than jumping.

Captain du Plessis said that despite the ban on the carrying of certain weapons, weapons were sometimes hidden in various places in the coaches in case of need.

He believed people who carried weapons could be more prone to getting involved in confrontation, whereas the unarmed would steer clear of such situations "It is possibly better to ban all weapons," he said.

A greater police presence was the only way to make trains safer. People also had to learn to be more tolerant of one other. There was a possibility that violence was sometimes "created" for other reasons. There were rumours that taxi owners could be involved when too many people used rail transport, the taxi business was negatively affected.

He outlined various measures the police and the SA Rail Commuter Corporation had announced to safeguard passengers, including the erection of a police station on every railway station. But regardless of these measures, train violence would not be stopped until ordinary people became more tolerant and peace-loving, he said. □

Flitestar cuts off-peak domestic fares

B/Day 24/7/92 (269)

STEPHANE BOTHMA

FLITESTAR has introduced lower domestic fares to stimulate off-peak travel, with effect from next month

The airline would offer return fares from Johannesburg to Cape Town at R638 and to Durban at R360 — among the lowest fares available on the market, a Flitestar spokesman said yesterday

An SAA economy class, daytime, Johannesburg-Cape Town return flight costs R860, and R518 at night. Business class costs R1 076 and R622 respectively.

Flitestar's cut-rate fares followed Comair's earlier announcement that it would start flights between Johannesburg and Cape Town next month at a return fare of R678.

Due to the increasing demand for night flights, Flitestar would also introduce early morning Johannesburg-Durban flights at return fares of R300, and increase its Johannesburg-Cape Town early morning flights, at R510, a spokesman said.

An extra 10 flights weekly between Johannesburg and Cape Town would be introduced, and a new Johannesburg-George route via Port Elizabeth at R644.

MD Jan Blake said although domestic fare structures were already too low by world standards, Flitestar saw the need to extend the range of promotional and off-peak fares.

3 000 snap up cheap air tickets

CT 14/7/92 (269)

Staff Reporter

SAA yesterday sold about 3 000 return tickets to London at the new discounted price of R1 999 on the first day of sales.

The cheaper fare only applies on SAA's daylight flights on Saturdays from Jan Smuts Airport. The first flight leaves on August 29

The offer lasts till the end of November and resumes in January after the Christmas holiday season when the more expensive return fare of R2 590 applies.

SAA spokeswoman Ms Janie van Vuuren said the demand had been so "phenomenal" that discount tickets on the first eight flights were sold out

SAA's reduced its fares on the London run after British Airways offered return tickets for R1 992 between September 14 and November 30

● A Cape Town businessman lost out on the special deal yesterday morning when a travel agent asked him to phone back in "15 minutes" to place his booking as SAA had not yet opened its bookings

"When I phoned back 15 minutes later I was told all the tickets had been sold for the two flights I wanted," the businessman said

● Sapa reports that SAA and Air Seychelles yesterday announced an agreement had been signed for jointly-operated flights to the Seychelles from July 18.

Virgin may face delay

Own Correspondent

LONDON. — Virgin Airlines — the catalyst for the fare war between British Airways and SAA — might not be able to begin their London/-Johannesburg flights until October next year.

Flight slot schedulers at Heathrow Airport, from which an aircraft lifts off every 54 seconds, will announce today whether they can accommodate Virgin's planned five flights a week from early January next year.

However, Virgin are optimistic, citing the example of Miami Airport which handles a take-off every 30 seconds.

Heathrow upsets Virgin plans

B/DAY 15/7/92. (269)

CHRIS BATEMAN

LONDON — Virgin Airlines' prospects of starting flights to Johannesburg this January dimmed further yesterday when the man responsible for slotting in new flights at Heathrow Airport said he was unable to accommodate them.

Peter Morrisroe, MD of Airport Co-ordination Limited, which handles flight scheduling at British airports, said Heathrow was unable to accommodate the arrival slots that Virgin had applied for.

Heathrow was the most congested airport in the world and Morrisroe said "it probably won't be possible for us to offer Virgin the slots" by January.

Heathrow had a "primary shortage" of early morning arrival slots — which Virgin required in terms of the SA "market window".

The situation at Gatwick and Stansted airports was identical, he said.

Virgin had applied for 14 slots at Heathrow — a daily landing and a take-off

Morrisroe said· "The process of allocating slots is continuous — we've allocated the available slots to Virgin from November this year to March 1993."

Virgin spokesman Will Whitehorn said "at the moment we could not operate a

☐ To Page 2

Virgin

B/DAY 15/7/92 (269)

☐ From Page 1

service to SA" Virgin would hold a news conference in London this morning

"They (Heathrow) have offered us one morning slot — we'd lose hundreds of millions of pounds doing that," he said. But Virgin was trying to "use everything we can to pressure" the Heathrow authorities.

Jan Smuts Airport posed no slot problems for Virgin, he said

Morrisroe said he doubted whether the situation would improve by the next British winter season, November 1993 to March 1994 But he hoped changes planned at Heathrow, and an overhaul of the scheduling system, might enable Virgin to be accommodated He would meet Virgin officials on Monday

Meanwhile, STEPHANE BOTHMA reports that hundreds of prospective passengers who rushed out to make use of SAA's cut-price tickets to London were unsuccessful when all the seats on the first eight flights were sold minutes after bookings opened on Monday morning.

SAA spokesman Zelda Roux said by late yesterday all SAA economy class seats, except for a few on October 24, on the R1 190 daylight flight for this year, were sold

Even the seats available at R2 590 on daylight flights during December were sold out by yesterday. The demand for the cheaper fares was much higher than SAA had expected, she said.

Roux said the first eight flights with cut-price fares (2 400 seats) were sold in the first half-hour after bookings opened on Monday. However, seats were still available for January and February

When he announced the offer, Van der Veer said SAA had waited months for a daytime landing slot at Heathrow The airline had been unable to obtain a daytime take-off slot, so discounted prices were not available from London to Johannesburg

Bonus scheme cuts bus costs

ADRIAN HADLAND

A UNION-backed incentive bonus scheme introduced by the Johannesburg City Council for transport maintenance staff would save the council up to R6m a year, it was announced this week.

The scheme has already resulted in a 47% reduction in council bus breakdowns, an average 10 buses more being put into operation and a drop in spares use of more than 30%, a statement said.

Management consultant Ed Saul of Clive Stuart and Associates, which is overseeing the project, said if current performance levels were maintained the annualised gains would be worth R6m, while workers would earn a bonus of as much as 32% of their basic salaries.

Secretary of the Johannesburg Municipal Workers' Union Philip Ngwenya said: "It is good to be able to have some input. The incentive bonus is very attractive to our members and has contributed to happiness and productivity."

Council transport committee chairman Paul Asherson said the scheme would be extended to bus drivers, "probably the most important aspect of the business".

"We are going to have to be able to compete in an open market soon, so we have to look at paying people for better work and not paying them for bad work," he said.

Bus commuters say train travel cheaper

(269) CT 15/7/92

By JILYAN PITMAN

THE southern suburbs bus services were poorly supported because fares were too high, said commuters. It would, they said, be cheaper to use the train

The commuters were responding to the decision by Golden Arrow Bus Services (formerly City Tramways) to drastically reduce its service from July 27

Commuters said that the one-way cash fare from Claremont to Woodstock was R1,30, but the same route, third-class, by train cost only 80c

First-class passengers paid R1,70.

Schedule

Mrs Jeanne Welsh, public relations manager for the bus service, said the "phased rationalisation programme" was necessary because of the continuing decline in the economy.

"There has been a sharp drop in daily commuters all over the Peninsula and more and more factories and businesses are either closing down or their employees are working shorter weeks"

She said the new schedule would begin gradually but would be complete by the end of this year

On most routes, though there would be fewer buses, the company believed commuters would still be well serviced. If there was a high demand in certain areas, services could increase.

Mrs Welsh said: "No service will be eliminated — unless it no longer justifies the cost of providing it"

Because of almost no support, the following have been discontinued Retreat via Busy Corner to Steenberg, Retreat via Meadowridge to Wynberg, Plumstead via Naruna to Wynberg, Wynberg via Rosmead Avenue to Claremont, Lotus River to Muizenberg, Retreat to Constantia, Plumstead to Zeekoevlie and Wynberg via Wetton to Claremont

Affected

Mrs Welsh said the rationalisation involved a complex rescheduling of well over 13 000 daily bus departures. It was for this reason that rationalisation could be done only gradually

"As a result of fewer buses being required, this, unfortunately, will inevitably mean fewer drivers

"Administrative operations and technical posts will also be affected

"It is anticipated that normal retirements, resignations and dismissals, together with voluntary retirements and voluntary retrenchments, will cover the majority of posts that are likely to become redundant It may be necessary to retrench some staff"

In these cases, she said, length of service of the workers concerned, together with their work records, would be the criteria used to make the selection.

She said the company regretted having to take these steps "However the systematic rationalisation of our service schedule is aimed at reducing operating costs and improving those services still operating"

□ For further information on bus timetables call toll-free 080-121-2111 from 5am-9pm After hours call (021) 934-0540

Future of rail land studied

(269) CT 15/7/92

Municipal Reporter

CONSULTANTS have been appointed by both the Transnet group of corporations and Cape Town City Council to report on possible future uses of a vast stretch of railway land from Culemborg in the central city to the confluence of the Black and Liesbeek rivers

City planner Mr Neville Riley said yesterday that the two sets of consultants should have a formal meeting "within the next few weeks"

"This is an extensive study, one of the biggest in recent times The area under study is in the region of 600 hectares. Whatever is done there will have to be integrated with what happens around it"

Mr Riley said Transnet's consultants would do a developmental framework, while the council's consultant would do a contextual framework

He did not report on what might be done with the land However, it is known that there have been various suggestions for it

Some planners would like to see medium-density affordable housing there Among the other suggestions are An export-processing zone, a venue for big sporting events, and a series of small business hives, some of them possibly in restored old buildings on the site.

Planners believe that a combination of several of these suggestions is likely

The wetlands on the Observatory side of the Salt River railway sheds are to be preserved.

The council is trying to establish a riverside walkway along the Liesbeek from there to Newlands. Much of this is already in place, and it should be completed — at least for walkers, if not yet for people in wheelchairs — by early next year

No finality has yet been reached over a proposed bird and monkey park that Mr Walter Mangold of Hout Bay's World of Birds was hoping to establish near Valkenberg Hospital

The council would like to take steps to improve the Black River water quality, but it seems this will be a long-term project

Virgin's flight plan goes awry

(269) CT 15/7/92

From CHRIS BATEMAN

LONDON — Virgin Airline's prospects of starting flights to Johannesburg this January dimmed further yesterday when the man responsible for slotting in new flights at Heathrow Airport said he was unable to accommodate them

Mr Peter Morrisroe, managing director of Airport Co-ordination Limited, which handles flight scheduling at all major British airports, said Heathrow was unable to accommodate the arrival slots applied for by Virgin.

"The departure slots are ideal for them but the (once-daily) arrival slots they've applied for are a long way from their requirements to operate that market," he said yesterday.

Heathrow is one of the most congested airports in the world and experience told him that "it probably won't be possible for us to offer them the (arrival) slots" by January.

There was a shortage of early-morning arrival slots at Heathrow, which were what Virgin required in terms of the South African "market window". Conditions at Gatwick and Stansted were identical.

Virgin — whose spokesman Mr Will Whitehorn indicated on Monday that the scheduling decision would come yesterday — have applied for 14 slots at Heathrow (a daily landing and take-off).

Virgin have said that if they fail to get the slots, "a major issue will blow open"

● Industry sources said it was ironic that Virgin — arguably the catalyst for the current promotion fare price war between British Airways and SAA (through applying for the route's deregulation) — now faced this crisis

SAA to fly to Munich

STEPHANE BOTHMA (269)

SAA would start flights to Munich at the end of August, the airline said in a statement yesterday.

The airline will also increase frequencies to the UK by one additional flight to London and one to Manchester, bringing the total weekly flights to the UK to 12.

From August 2 a fourth weekly frequency would also be introduced between Johannesburg and New York, SAA said in a statement. B/DAY 16/7/92

SAA CE Gert van der Veer earlier indicated that seat capacity on domestic flights would be decreased and an announcement could be expected soon.

A new bilateral air services agreement between the SA and UK governments allowed for the operation of 15 flights on the SA-UK route by each country per week.

SAA's announcement indicated that Flitestar would be given the opportunity to operate three flights to the UK, sources said. Flitestar was also waiting for permission to fly to Düsseldorf, Germany

SAA yesterday said that except for the limited offer of a cut-price fare on the additional London flight, no lower introductory fares on these flights were envisaged.

The new flight to Munich was in addition to the four weekly flights to Germany operated between Johannesburg and Frankfurt.

It would be operated via Milan and would leave Johannesburg at 8 30pm and arrive in Munich at 9.10 the following morning, the spokesman said.

The additional Manchester flight would be operated via Zurich when north-bound, and via Paris on its return.

SAA also announced that flight schedules to Australia would change from August 27.

SAA held back tickets – agents

STAR 16/7/92.

By John Miller (269)

Travel agents across the country have accused South African Airways (SAA) of deliberately holding back hundreds of tickets on its London daylight flights.

The rush on the cut-price tickets continued yesterday morning as hundreds of people lined up to book on SAA's first daylight flight on August 29

The trouble, according to many travel agents, began shortly after the SAA bookings office opened at 8 am on Monday

When the doors of the booking office opened many of the would-be passengers were unable to book seats on these flights

On Friday, the airline announced that it would sell all its economy-class seats (196 per aircraft) on the daylight flight at R1 990

SAA announced that these seats would be available from August 29 until the end of February

This was with the exception of December 1 until January 21, when economy-class tickets will cost R2 590

The rush on discounted tickets to London started about three weeks ago when British Airways announced it would sell off 8 000 tickets at R1 992

These tickets are available between September 14 and the end of November

To date the airline has sold more than 5 500.

Ray Lawson, who is the regional director of the Association of South African Travel Agents (Asata) in Durban, described the first few hours after bookings opened yesterday as "frustrating and confusing"

Rupert Lawlor, Asata's vice-president, believed the offer was badly handled by SAA and wondered how many tickets the airline had allocated to the trade and how many it kept for its own offices

"British Airways' seat sale was handled much better, giving agents enough time to prepare and market the sale of tickets," he said.

Mr Lawlor said he could not believe that within 30 minutes almost all the SAA seats at R1 990 for September, October and part of November were sold.

He said it was quite clear that there was a demand for cheaper fares and if they were creating new passengers, "all the better for the industry".

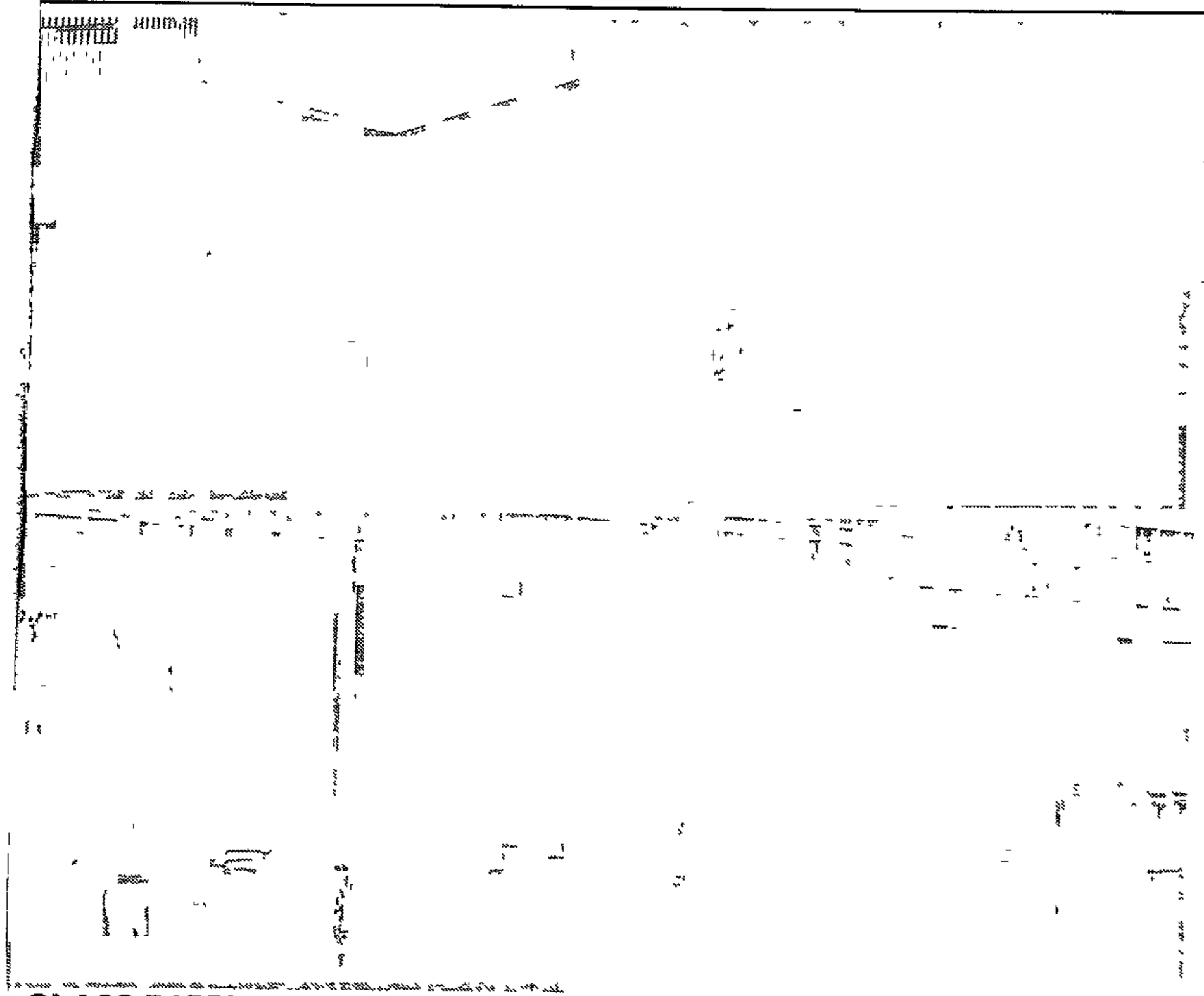
A spokesman for SAA, Mike Pheiffer, said tickets became available on Monday only at 8 11 am.

"Nobody, SAA or agents, was able to do any bookings or wait-list any passengers until Monday morning," Mr Pheiffer said.

He said that at 8 11 am on Monday, flights were available for wait-listing and from 8 19 am, those who were wait-listed were confirmed on to the various flights.

"No block bookings or preferential treatment was given to any agents or SAA reservations consultants," Mr Pheiffer said

Although the fare is the lowest available on the Johannesburg-London route, a higher fare of R2 590 will apply during peak season of December 2 to January 20.



CLASS BARRIER: The first class exit at Cape Town station, top, and the eastern third class exit, above.

Third-class war over station discrimination

ARGS 17/7/92 (269)

DENNIS CRUYWAGEN
Political Staff

NEW salvoes have been fired in the war of words over third-class train passengers being refused access to the first-class exit at Cape Town station

Commuters complain daily about having to use the eastern entrance if they have third-class tickets, especially in wet weather.

Because of economics, third-class ticket-holders are usually black and claim the practice is discriminatory and a return to petty apartheid

The ANC and its allies say Spoornet is responsible But Spoornet says the South African Rail Commuter Corporation is the owner of commuter-related assets, adding it only provides a service on behalf of the corporation

In a fax to ANC Western Cape assistant secretary Mr Willie Hofmeyr, the corporation's general manager, Dr J F Meyer, said. "Apartheid on commuter trains and related amenities on racial grounds was abandoned more than four years ago

"Since then, differentiation has been applied solely on economic grounds according to free market principles"

This argument has not convinced the ANC and its allies

Mr Hofmeyr said the ANC would continue to challenge the practice until the corporation "ceases to enforce this inhuman and ridiculous discrimination of forcing commuters to walk long distances in the rain in mid-winter rather than leave under shelter like their more fortunate fellow-commuters"

Dr Meyer also claimed that the principle of separate amenities based on economic considerations was not an unusual concept or peculiar to Cape Town station

It was applied throughout the country where Metro carried out its business

He claimed that Metro systems in London, New York and Tokyo offered a one class service But in countries such as Brazil, Mexico and Spain, as in South Africa, there was a preference and a demand for standard as well as better class services

He said arbitrary use of facilities "tends to impact adversely on support systems to the detriment of its rightful users in that some commuters are deprived of the better value for the higher fare paid for and to which they are entitled".

He said the corporation was not unsympathetic to the plight of the less privileged

But Mr Hofmeyr said the argument did not explain why these facilities should so closely follow the original apartheid plan at Cape Town station

It also did not explain why third-class ticket-holders should undergo what amounted to gross discomfort and inconvenience because they could not afford to pay a higher fare

The situation was outrageous and contemptuous

"There is no legal base for this preposterous and discriminatory regulation," Mr Hofmeyr said

Spoornet to sue vandals?

169

Staff Reporter

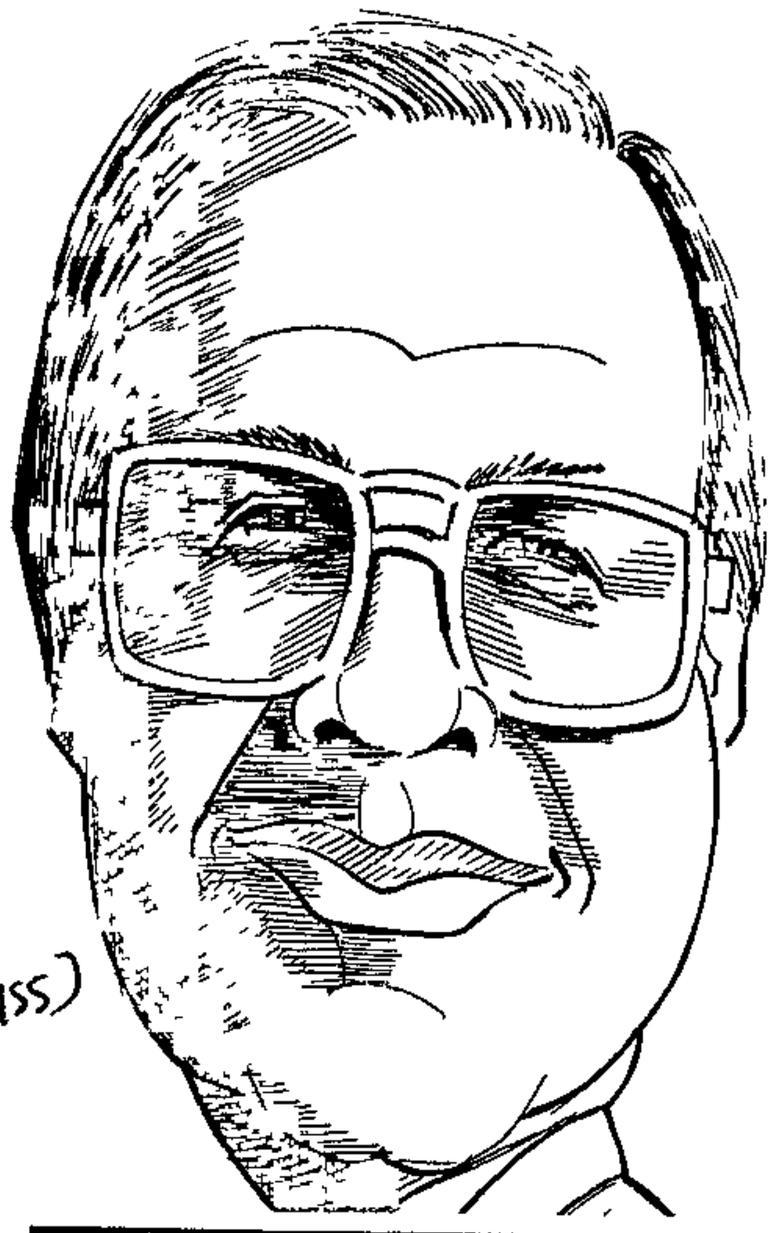
SPOORNET are awaiting legal advice before taking a decision on whether to press charges against a group of demonstrators who caused about R200 000 damage to a train while returning home from Wednesday's mass action campaign in Cape Town

The group slashed seats and pulled out ceiling and wall panels and light fittings

● A policeman escaped relatively unharmed after a group of demonstrators threw him to the ground at the corner of Church and Burg Streets before hitting and kicking him, police spokeswoman Major Denise Brand said yesterday. CT 17/7/92

SUCCESS STORY: MIKE MYBURGH

Railway career leads to boss of the airways



By MANDY JEAN WOODS

MIKE MYBURGH is quiet and unassuming during his first interview since the announcement of his appointment as chief executive of SA Airways. But it is evident that he is excited about managing an airline.

He becomes deputy chief executive of SAA on August 1 and will move into the top slot in March next year. Current chief executive Gert van der Veer will become chairman of the new management board of SAA.

Mr Myburgh is looking forward to the challenge of making SAA profitable, competitive and more customer and service oriented.

His first job, straight from university, was in SA Railways and Harbours (SAR&H) as an assistant engineer (maintenance) in East London.

S/Times (Buss) 19/7/92

(269)

Mr Myburgh is quick to admit that he has no particular aviation qualifications. He is a civil engineering master's graduate from Stellenbosch and has an MBL from Unisa. His management experience includes working at Portnet and Spoornet.

Mr Myburgh believes that if a manager is willing to study and master a type of business and market new to him, he will be fit for the job.

Mr Myburgh has worked for Transnet (and its predecessor SAR&H) for almost 30 years.

"I have worked for a transport organisation for some time and with my exposure to SAA through the Transnet management board I think I will manage the transition."

Mr Myburgh, 50, worked his way through the ranks of the organisation and arrived at Portnet as chief executive six years ago.

"It was at the time Transnet was dividing itself up into business units. I was able to lay some of the foundations for the face of the new organisation."

As Portnet chief executive he played a major role in the establishment of the successful Victoria and Alfred Waterfront development in Cape Town. In his current position as group general manager he was responsible for the successful launch of the Viamax Logistics and Package Express (PX) subsidiaries of Transnet.

His greatest challenge at SAA, he says, will be to establish a customer awareness culture and to effect economies.

"This is an enormous challenge, given the international and domestic deregulation which has taken place, given the recession which is inhibiting traffic volumes and given the socio-political conditions in South Africa which make it difficult to market the destination."

He describes his management style as easy and controlled, decision making being shared by the management team.

"Many managers use a lot of fancy words to describe their management styles. I really try to think of myself as a manager who favours participative management. I don't want to be a hands-on type of manager. But I also won't be so removed that I will hesitate to stick my hands in the mud.

"I hope to provide an input and not merely to emulate my predecessor. I think that service excellence and the necessary cultural adjustments for staff to accept the need for change coupled with competition and the economies needed in this recessionary time will initially be my main concerns."

Mr Myburgh is generally found in his office from early in the morning to late at night — and he still finds time to take work home.

"If you are going to give directives to subordinates you had better be prepared to be there when they are there. Then as a manager one needs to have time to gather one's thoughts and to plan. This is done during the hours the employees are not around."

For staff members to be motivated it is important that they feel a part of the success of the company, he notes.

"Sam Walton, who founded the Walmart chain of stores in the US, once said he made an important mistake by introducing a profit-sharing scheme for his managers only. A year later he extended the programme to his entire staff and the success of this is reflected in the success Walmart became," says Mr Myburgh.

When there is time, Mr Myburgh likes exploring nature (whether bird watching or on hiking trails), travelling, tennis and golf.

He is married to teacher Lena and they have an 11-year-old son. They have lived for almost 10 years in Bryanston, Sandton.

Originally from King William's Town, Mr Myburgh moved around the country, holding various positions. His first senior appointment was a regional manager in South West Africa.

Border post at Beit Bridge to be ravamped

STAR 22/7/92 (269)

By Dirk Nel
Northern Transvaal Bureau

MESSINA — Details of a R12 million scheme to upgrade the Beit Bridge border post were announced yesterday.

Senior Government Works Department spokesman Syd Burke told a meeting in Messina that South Africa's changed status in Africa, resulting in increased trade and a dramatic increase in traffic across the country's northern border, had made it essential to speed up improvements to the strategic border post, initially scheduled to be completed in five years' time

He said work would begin immediately. The most important aspect would be the separation of commercial vehicles from the passenger traffic facilities to streamline inspections.

Inspection pits, forklifts, separate traffic lanes, State warehouses and sufficient parking would expedite inspections. As an interim measure, land adjacent to the bridge had been cleared for the parking of commercial vehicles, Mr Burke said.

Thirty-eight new housing units were being planned, and private-enterprise involvement would include the establishment of shops and an Ultra City garage.

Messina mayor Jack Kleff welcomed the announcement, saying there would be many positive economic benefits for the town. But he saw the speedy upgrading of the Messina-Louis Trichardt road as an immediate necessity.

Freight clearance agents at the bridge said they would continue to press for the border post to provide 24-hour service.

Shortage of Heathrow slots hits new airlines

STEPHANE BOTHMA (269)

THE shortage of landing and take-off slots at London's Heathrow Airport is preventing new airlines from entering the lucrative Johannesburg-London route, now controlled by SAA and British Airways.

British airline Virgin Atlantic and Flitestar have been trying for several months to operate flights on the route and at the same time to undercut SAA and BA fares. B/DAY 24/7/92

For almost 50 years, an agreement between the SA and British civil aviation authorities has prevented any other airline from flying the route, but the signing of a new bilateral air services agreement by the two countries last month opened the route to Virgin and Flitestar.

At the time of the signing, SAA indicated that another SA airline would be allowed to fly three flights a week, while BA said that five weekly flights could be allocated to Virgin. But in spite of the new agreement, a Virgin spokesman said yesterday, shortages of slots at Heathrow was now preventing implementation of the proposed flights.

Almost all slots at Heathrow were held by long established airlines which grew up under regulatory protection and a monopoly or duopoly which prevented any form of price competition, he said.

"This made these airlines big and allowed them to exploit 'Grandfather Rights' at Heathrow to the detriment of younger competitors.

"As a result the present system of slot allocation denies passengers the benefits of competition and keeps airfares unnecessarily high," he said.

Flitestar said yesterday it, too, was experiencing similar problems in obtaining landing and take-off slots at Heathrow.

SAA, which recently obtained a daylight landing slot at Heathrow, was unable so far to obtain a daylight take-off slot and was awaiting the outcome of its application.

KLM FM 24/7/92 (269)

Pointers for SA Airways

The Nineties have not been kind to SA Airways. It has lost R60m in each of the last two financial years as it struggles to cope with a slack economy, the aftermath of the Gulf

War and rising costs Interestingly, SAA also blames the losses on deregulation (*Business & Technology* April 24)

Both domestic and international routes are being liberalised and SAA is feeling the pinch as it faces an array of new competitors and is forced to cut fares and upgrade service

Deregulation, it seems, has a pretty ruthless effect on all but the most efficient airlines, and State-owned outfits serving protected routes are never the most efficient. Since the US industry was deregulated in 1978, no fewer than 177 US private airlines have disappeared, through liquidations, mergers or buyouts. Of the top 10 US airlines at the time, three have gone out of business, two are in bankruptcy court and two were swallowed up by rivals.

Flying in open skies

With deregulation brewing in Europe, KLM Royal Dutch Airlines has survived and even prospered It could prove a useful case study for SAA — and its new CE, Mike Myburgh, who takes over in April — as it battles to come to terms with open competition.

The Dutch airline rapidly expanded over the years to the point where it bumped into a classic problem, wryly summed up by KLM president Pieter Bouw: "There is a view that KLM became too large for the country it serves, or that the country became too small for KLM"

When the airline posted a 630m guilder (about R1bn) loss in its 1990-1991 financial year, the first time KLM had dipped into the red in 14 years, critics said the small-market chickens had come home to roost. They were wrong. In the latest results to end-March KLM recorded a profit of 125m guilders.

The turnaround is even more significant because KLM lost 145m guilders on its non-Dutch holdings, mainly interests in a string of airlines, including the US Northwest Airlines

Aside from British Airways, KLM is the only major European airline to make a profit this year. And this comes in a year when International Air Transport Association airlines expect to lose a total of US$2bn, after losing $4bn last year

KLM returned to profitability largely by increasing high-yielding traffic and cutting costs. But cutting costs did not mean lay-offs — staff numbers rose by 415 to 29 075

The airline's strategy is to position itself as Europe's transit carrier. With its home market too small and big US airlines still dominating transatlantic routes, KLM decided to increase and reschedule its flights from Amsterdam's Schiphol airport to connect with just about every arriving flight. It's a version of the hub-and-spoke system that the top US airlines use to lock up a large chunk of the market

Bouw describes the concept as "rescheduling aircraft arrivals and departures in waves of connecting flights" The figures speak for

continued

themselves — passenger traffic was up by 8% and cargo by 5% over the financial year

The main lesson that KLM holds for SAA is that it's a private company (as is British Airways) while SAA will probably stay in government hands for some time. The Dutch government set up KLM in 1919 and gradually sold its interest until by the mid-Eighties it had reduced its holding to 38%

A share buy-back arrangement remains in place to prevent KLM from falling into non-Dutch hands. Otherwise, the State's role consists only of a supervisory board made up of a majority of State-appointed members.

Schiphol airport, consistently voted one of the top three in the world, is a large part of KLM's success, and this too is run by a private company The State, local municipalities and KLM own shares in the company, the rest is in private hands

KLM's advantages make it a good bet to be one of the winners in the years ahead as deregulation forces a big shake-out in the European airline industry The airline's aggressiveness was shown on the SA-Europe route in January, when it started a price war by dropping its cheapest fare to Amsterdam to R2 595, about R1 000 lower than anything on offer a year earlier

With Jan Smuts already becoming a hub for flights in and out of the continent, there's little reason why SAA can't follow KLM's example and position itself as the connecting carrier for African flights After all, it's potentially a much bigger market than Holland ■

SAA sets sights on flights to Canada and Florida

(269)

STAR

By John Miller 24/7/92

South African Airways could soon be flying to Canada and Florida because of the tremendous growth on its North American route, according to Steve Donnelly, acting executive manager of the airline's international routes.

In an exclusive interview, Mr Donnelly said SAA was seriously considering extending one of its New York-bound flights through to Canada.

"We are already talking to the Canadians about such a service"

He said the airline was also looking at Miami or Orlando as a second gateway to the US.

"If the demand continues and maintains its current momentum we could look at a fifth weekly flight to the States by December this year."

Price war could ground airlines

S/Times 26/7/92 (269)

THE price war that has broken out in the domestic market is almost certain to create casualities among the airlines.

Aviation sources say fares are already too low and cannot be sustained indefinitely — either prices must rise or airlines will take some hard financial knocks.

Recently, SAA chief executive officer Gert van der Veer said the airline was losing heavily on its domestic service. And Mr Jan Blake, managing director of Flitestar, said this week that fare structures were far below world standards.

By ROGER MAKINGS

Mr Van der Veer said fares were at rock bottom. He admitted they were expensive for South Africans, but that not much could be done because costs of fuel, spares and aircraft were dollar-related.

Sources say the market is shrinking and that the airlines are locked in a battle to secure a greater portion of the market.

"Although the cheaper fares may stimulate the market to a degree I don't see volumes of passengers changing that dramatically. The winner of this war is going to be the airline that loses the least amount of money," said an SAA source.

He did not believe the national carrier would match the cheaper fares announced by Comair and Flitestar, but would rather extend discount packages.

The problem facing airlines was that deregulation had occurred at roughly the same time as the economy had deteriorated, shrinking an already limited market.

Link back under different colours

By ROGER MAKINGS

S/Times (Buss) 269

AN AIRLINE will be launched in Johannesburg in the next few days to improve services to regional African and SA destinations. 26/7/92

Airlink Airline acquired the assets and infrastructure of Link Airways which was placed in provisional liquidation several months ago.

Johannesburg-based Foster-Webb Air Charter, an associate company of Foster-Webb Construction, will pump R5,5-million into the airline to upgrade the fleet and expand domestic and regional networks.

Africa

Among the plans for the airline are:

- Acquisition of more large aircraft.
- Expansion of services to Africa and to major centres in SA.
- Entry to the charter and freight markets as well as a frequent flyer programme and package holidays.

Director Barrie Webb says: "We aim at passenger loads of at least 65% by next year The operation has the potential to go as high as 75%.

"Rapid growth should result from a culture that is performance driven, entrepreneurial and individually challenging."

The airline will serve Pietersburg, Bloemfontein, Maritzburg, Nelspruit, Port Elizabeth and East London. It has at its disposal more than 40 aircraft.

It is expected to begin recruiting pilots shortly.

Price war could ground airlines

S/Times 26/7/92 (269)

By ROGER MAKINGS

THE price war that has broken out in the domestic market is almost certain to create casualities among the airlines

Aviation sources say fares are already too low and cannot be sustained indefinitely — either prices must rise or airlines will take some hard financial knocks

Recently, SAA chief executive officer Gert van der Veer said the airline was losing heavily on its domestic service. And Mr Jan Blake, managing director of Flitestar, said this week that fare structures were far below world standards.

Mr Van der Veer said fares were at rock bottom. He admitted they were expensive for South Africans but that not much could be done because costs of fuel, spares and aircraft were dollar-related.

Sources say the market is shrinking and that the airlines are locked in a battle to secure a greater portion of the market.

"Although the cheaper fares may stimulate the market to a degree I don't see volumes of passengers changing that dramatically. The winner of this war is going to be the airline that loses the least amount of money," said an SAA source

He did not believe the national carrier would match the cheaper fares announced by Comair and Flitestar, but would rather extend discount packages.

The problem facing airlines was that deregulation had occurred at roughly the same time as the economy had deteriorated, shrinking an already limited market

Protesters' human chain peaceful but late

(269)

By PETER DENNEHY and RONNIE MORRIS

THE ANC-organised Pro-Democracy Campaign's hand-holding demonstration in the city centre on Saturday morning went off peacefully and eventually successfully, although it ran late

Some protesters, however, reported that police and railway officials had stopped a train from Khayelitsha at Langa station about 11am and forcibly removed "hundreds of people" from three carriages.

Mr Mpho Khetsiwe, who had a bleeding head wound, said: "They did not arrest, they just hit. I was hit with a big plastic thing (baton). I had a ticket," he said.

Police spokesman Captain Attie Laubscher said yesterday police monitored all stations along the route. At Langa station, Spoornet officials asked people for their tickets and when they failed to produce them, they were asked to get off the trains.

After a ticket inspector was struck on the head with a blunt object police intervened.

The police were then attacked and were forced to use batons.

Captain Laubscher's comments yesterday differed from those he made when first approached by the Cape Times on Saturday. At that time he said the Langa station incident had nothing to do with the protest

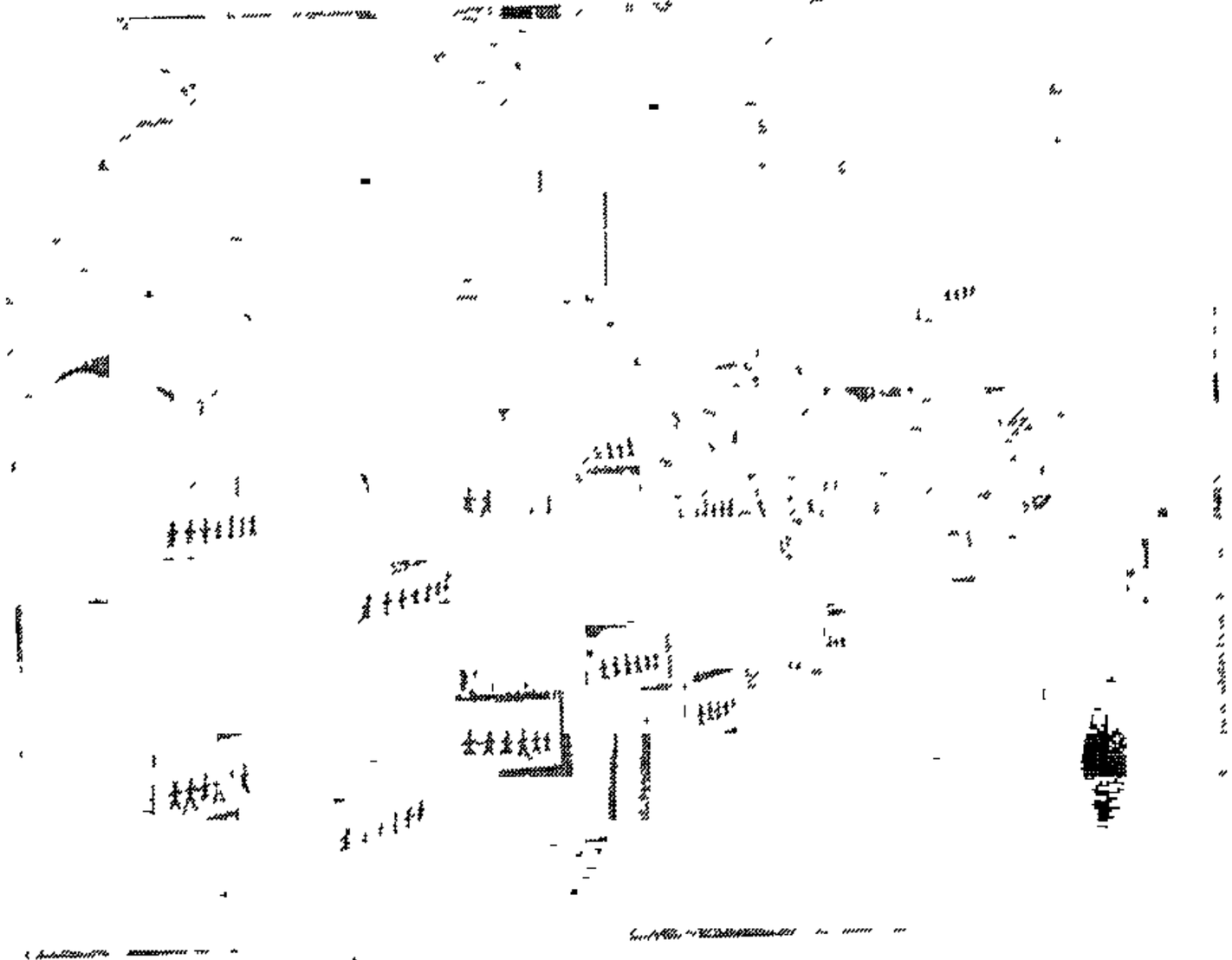
In a statement, ANC Campaigns Co-ordinator the Rev Chris Nissen expressed outrage at the police behaviour.

The "human chain" of protesters set off from the gathering point in District Six only at 11.14am, instead of the expected 10.30. Eventually about 3 000 people lined the 1,5km route around the Adderley/Wale/Long-/Strand street blocks.

Organisers repeatedly stressed the need for discipline, and efforts were made to abide by conditions jointly agreed upon last week by the ANC, police and the city council — though the time constraint was not met.

The centre of Cape Town was unusually quiet on Saturday. Many shops closed their doors. A few bystanders expressed irritation at the disruption, but others joined the protest.

Marshals were assigned to guard fleamarket stalls on the Grand Parade.



HUMAN CHAIN . . . Prominent ANC members (from left) Mr Trevor Manuel, Mr Reggie September, Mr Dullah Omar, the Rev Herbie Brandt, the Rev Lionel Louw and Mr Dawood Kahn were part of the human chain in the city at the weekend. CT 27/7/92 Picture. BENNY GOOL

NEWS IN BRIEF

B/Day 27/7/92

Increase in cargo

(269)

CARGO passing through SA ports during June grew 12,1% to 10,2-million tons, Portnet said in a statement at the weekend

Exports made up 82,2% of the total cargo handled, imports 15,8% and in transit 0,5%. The volume of export commodities leaving SA ports was 11,9% higher than last year's levels, while imports jumped 29%. Most of the cargo passed through Richards Bay (50,8%) followed by Durban (23%), Saldanha (14,8%), Cape Town (6,7%), Port Elizabeth (3,1%) and East London (1,5%)

-BUSINESS-

Shipping market still in summer doldrums

B/DAY 27/7/92 (269)

AFROMAR reports that the shipping market is still in the summertime doldrums, but there are a few areas which are perhaps a little stronger than expected for this time of year.

Large Cape-sized vessels have been under the most pressure and some owners of older units prefer to lay up their vessels rather than face the current rates being paid for this size vessel. A sudden surge in activity as the summer season ends might cause a shortage of these vessels

On the other hand the Panamax type of vessel has seen firmer conditions in the Atlantic area with, for example, the rate for grain from the US Gulf to Japan moving up to about the $20 level. However this may not be sustainable.

The Baltic freight index has steadied at around the 1 060 level after moving downwards over the past few months.

The SA market has been as active as other markets.

In the coal sector the Cape sized vessels have seen the rate from Richards Bay to Rotterdam ease down to about $5/ton for early loaders. It could be September before some strength returns to this sector of the market. One trading house has had to increase its ideas from about $13/ton to "try $14" for the movement of 30 000 tons from Durban to Taiwan on an early position.

Grain imports are continuing on a steady basis from the US Gulf. Six thousand tons of rice in bags was to be moved from Vietnam to Reunion in about mid-August A 10 000 to 11 000 ton cargo of beans in bags was to be shipped from China to Durban at the end of July or early August

A cargo of 15 000 tons of chrome ore was quoted from Madagascar to Sweden for end-August/early September shipment.

US charterers were indicating a rate of $20/ton for the movement of 4 000 to 6 000 tons of copper scrap residues from East London to Baltimore for September shipment, with the option of discharging at Montreal at about $22/ton.

Ferro-alloy charterers arranged several parcels into the US Gulf and East Coast. A parcel of just under 6 000 tons of steel coils was circulating for shipment from Durban to South America for early dates.

Timecharter levels have remained more or less unchanged, with 28 000dw vessels being paid about $4 500 a day for trips from SA to northwestern Europe and 35 000dw vessels in the same trade about $5 000 a day. A 35 000dw vessel would expect to obtain about $8 000 a day for a trip from SA to the Far East

Inquiries for liner type vessels have been steady.

Cape gets fare cut to Europe

(269)

CT 28/7/92

Staff Reporter

SOUTH AFRICAN AIRWAYS brought Cape Town and Durban in line with Johannesburg today and announced that the "add-on fare" system would no longer apply to passengers flying direct to London, Amsterdam and Frankfurt

In the past airline passengers paid an add-on fare to Johannesburg even if they were flying direct to their international destination from Cape Town or Durban

The new fares mean passengers from all three cities pay the same price

On the new fare structure, passengers on return tickets save R545 first class, R479 business class and R400 on economy class flying out of Cape Town

Economy class from Cape Town now costs R3 490 at peak season and R2 760 in the off season

The national flag carrier also announced the introduction of a return youth fare (12 to 25) at R2 590.

To celebrate the new Johannesburg-Munich route the airline announced discount rates from August 24 to November 30

However, because the flight is routed by way of Johannesburg, the flight prices differ. The economy class rates from Cape Town are R2 699, R2 519 from Durban and R2 299 from Johannesburg to Munich.

Changes affect tax benefits of plane ownership

ANDREW KRUMM

AN AUGUST 1 amendment to the Income Tax Act — which removes some tax benefits associated with aircraft sales — would affect the incentive to own aircraft and hurt tourism in SA, said industry sources. B/DAY

Deloitte Pim Goldby associate director Craig Richardson said an amendment to the 1992 Income Tax Act would prevent the owner of an aircraft from setting off the sale of an old aircraft against the cost of a new one.

"The message is that aircraft owners planning to sell have four days to avail themselves of the tax benefits under the current Act," he said. 28/7/92

Avfin Industrial Finance director Volker von Widdern said "the motivation and justification for acquiring an aircraft now becomes that much more difficult".

The amendment would not only affect the size of the market, but hurt tourism through its impact on the air charter industry.

"The infrastructure for tourism must include an airfleet, and when you restrict the airfleet, you restrict tourism," von Widdern said.

Another aviation finance company spokesman said the amendment would have a "very dramatic" effect on an already depressed market.

"One of the biggest selling tools in this industry is the tax benefits associated with owning an aircraft.

"For an owner this often leads to a situation, where, in order to enjoy the tax benefits, he rolls over the recoupment values into a newer, larger aircraft.

The owner's inability to roll over the recoupment under the amendment would cut the market drastically in future," he said.

Even taking account of a 40% tax allowance for new aircraft, the net effect of the amendment was a significant increase in the former owner's taxable income, with an obviously negative impact on his cash flow," he said.

Travel agents wilt in heat of air war

B/DAY 28/7/92

STEPHANE BOTHMA 269

CHEAPER air fares — although beneficial to travellers — were causing travel agents to struggle, an industry spokesman said at the weekend.

Agents had to sell many more of the cut-price tickets to generate the same level of income they derived from selling more costly tickets, often at the expense of service to customers, Rennies Travel marketing manager Kananelo Maketha said.

Maketha's statement came as a price war loomed in SA's domestic flight market between Flitestar and Comair — a war in which SAA has said it would not take part for the moment.

Maketha warned that those travel agencies which were not geared towards providing their service cost effectively would be hard pressed to maintain their standards

Flitestar and Comair recently announced a cut of up to 45% on fares on the popular Johannesburg-Cape Town route and industry sources speculated that SAA would soon announce a cut of about 50% on its flight prices.

However, the speculation was strongly denied by SAA spokesman Leon Els, who said that no such announcement would be made in the foreseable future.

Flitestar MD Jan Blake earlier said domestic air fare structures in SA were already too low by world standards and that such a dramatic reduction in fares by SAA would eliminate all competition

SAA already showed a considerable loss on its domestic service and airline chief executive Gert van der Veer earlier indicated that SAA intended cutting down on domestic seat capacity.

Flitestar last week introduced a promotional fare of R638 on an off-peak flight between Johannesburg and Cape Town with effect from August 3

At the weekend Comair pointed out that its off-peak fares on the route were still the lowest in the country at R530 return.

"This is a no-strings-attached fare, with simple preconditions. it applies to passengers booking and paying in full ten days prior to departure, senior citizens, youth, military personnel and spouses," Comair commercial director Bert van der Linden said.

Peak-time unconditional fares on Comair were R678 on all flights — 20% less than the standard economy fare offered by the other two carriers on the Johannesburg-Cape Town route, he said.

Comair would fly the route for the first time on August 3.

A Rennies Travel spokesman said travel agents were paid a certain percentage commission on selling an air ticket and although ticket prices were being lowered, the commission percentage remained the same.

"We fear that travel agents would not start pushing volume at the expense of service to customers," she said

Collectors expected to snap up Harvards

STEPHANE BOTHMA

B/DAY 28/7/92

ARMSCOR has put up for tender 21 SAAF aircraft — including two Harvards which the company says are collectors' items

On Sunday Armscor advertised 19 AM-3CM Bosbok aircraft, Bosbok spares and two Harvard T6s.

The Bosboks were built for the SAAF by the former Atlas Aircraft Corporation and used mainly for reconnaissance, an Armscor spokesman said yesterday. They were ideal for use in rural areas because of their short take-off and landing abilities.

The 40-year-old Harvards — used by the SAAF as training aircraft — were expected to be snapped up by foreign collectors Tenders were expected from all over the world.

The tender deadline was set for September 14

Skal congress major boost for Cape tourism

B/DAY 28/7/92

LINDA ENSOR

CAPE TOWN — The Cape tourism industry is to receive a boost by the arrival of about 1 800 tourist operators from all over the world who will be attending the 1992 Skal World Congress in the city in October

Apart from the immediate economic spin-offs from the flood of visitors from 80 different countries, the Cape economy is likely to receive a further $25m tourist injection next year as a result of the congress.

"The importance of making a favourable impression on the delegates cannot be overemphasised They are able to exert tremendous influence on tourism to SA," Skal spokesman Mike de Groot said yesterday.

Association Internationale des Skal Clubs protocol director Len Gracheffo from Canada and congress director Ian McCubbin from the UK said previous experience showed that the year following the congress the host city gained tourism worth about $25m

Skal members are all senior personnel in travel and tourism related industries. The organisation has a membership of more than 24 000 in about 600 clubs in more than 100 countries

About 1 820 beds have been booked in 16 Cape hotels for the six-day congress and 45 luxury coaches are being brought from other centres in SA to cope with the demand

Cape Town was chosen to host the 1992 congress over rival bidder Istanbul.

Train deaths baffle Goldstone

Sowetan 29/7/92 (269)

■ **ANCYL voices its concern and is unhappy with the ANC's 'inconsistency' in handling the negotiations:**

Sowetan Correspondent

A COMMITTEE of the Goldstone Commission has found that it cannot be determined who is to blame for the violence on trains on the Reef, with the killings being seen as a spill-over of the unrest in black townships

The committee, which released its findings in Pretoria yesterday, was appointed to investigate the train violence that claimed 138 lives between July last year and April this year

The committee said, however, that secondary causes had been identified

These included poor entrance control at stations, packed trains and the carrying of weapons in public.

The committee said there was a decided lack of control over entrance to stations

Overloaded trains during peak periods also made it impossible to maintain law and order, while the absence of interleading doors between carriages made it impossible for passengers to flee from attackers, causing them to leap from doorways and out of windows. Moreover, poor control at exit points made it possible for assailants to escape easily, the committee found.

The committee said although witnesses frequently blamed hostel dwellers for the violence, other unidentified groups had also been involved

In a separate interim report, the commission said the most obvious steps to alleviate violence in the taxi industry in the Midrand area between Johannesburg and Pretoria would be to recognise Ivory Park as a township The roots of the discord were to be found in the in commercial competition betwen rival taxi organisations

Increase in airline passengers predicted

B/DAY 29/7/92 (269)

STEPHANE BOTHMA

MAJOR aircraft manufacturers have predicted a significant recovery in airline passenger traffic levels throughout the world in the last quarter of this year.

The positive upswing included the African market, Airbus Industrie said in its latest market outlook.

SAA has said its growth and expansion in the latter part of this year will depend heavily on the political situation in the country. It currently has seven Airbus A320s on order. Six of these aircraft were scheduled for delivery this year, while the seventh would be delivered in the third quarter of next year.

SAA also has until September this year to exercise its option over an order of another seven A320s The rough price of these aircraft was about US$45m each, Airbus confirmed yesterday.

The difficulties encountered throughout the airline and aircraft manufacturing industries during the past 18 months should give way to improved economic conditions later this year, an Airbus spokesman said

Airbus's forecast was supported by the Boeing Commercial Airplane group which said worldwide traffic growth in revenue-generating passenger miles would triple between now and 2010.

During the past 21 years the jetliner manufacturing industry averaged $18bn a year in deliveries. Boeing expected annual deliveries to average $45bn during the next 19 years

Beyond 1992, growth was predicted to return and stabilise on an annual global level of about 4,9% until 2000, rising to 7,9% in the Asia-Pacific region, Airbus said.

Global aircraft deliveries by all manufacturers over the next 20 years would total about 12 050 aircraft, the industry predicted.

Stringent noise and exhaust emission regulations currently being imposed in Europe and the US would force airlines in Africa to either stop flying to those destinations or to update their fleets.

Airbus yesterday said it supplied 88% of the demand for new aircraft in the two main African markets — SA and the combination of Egypt, Tunisia and Algeria.

The purchase of new aircraft may present problems to African countries lacking the necessary capital as the IMF and banks were currently not inclined to extend credit for new aircraft purchases

Airbus predicted that African carriers faced two possibilities. They would either be forced to adopt an "open skies" policy and let European carriers fly the routes for them, or they would have to look to leasing companies to supply them with new aircraft.

Propnet looks at providing low-cost housing

B/DAY 29/7/92 (269)

PETER GALLI

PROPNET — Transnet's property development arm — was investigating providing low-cost housing for its employees to balance its portfolio and to cater for the needs of a changing society, CE Fuzz Loubser said

"We have land between Tembisa and Kempton Park which could be used for this, but each potential site is looked at in terms of what is the most appropriate development for the area," he said

The final decision would be taken in conjunction with involved parties but identifying those parties was a problem

Arranging funding was also difficult and Propnet had not decided whether it would become involved in funding the housing schemes

"We are primarily identifying what our in-house needs are, which creates a good basis from which to extend later," he said.

Propnet was also looking at formalising its social investment plan, but this was still at the conceptual stage.

Provision of tourism and recreation facilities was also being considered as Propnet had land in suitable areas like George, Knysna and the eastern Transvaal

The group was looking at activities that could occur at railway stations in these areas and at industrial developments near railway lines, where it had substantial land holdings.

Another niche area was the development of retail and office projects of under 5 000m² in country areas.

These developments were generally well received by the local authorities and provided employment in the area, said Loubser

"One of our strengths is that, due to the security of being a Transnet unit, we can take a long-term view on developments. We presently hold 44 000 properties amounting to 190 000ha of land at a book value of R9,2bn. However, only about 10% of these can be developed

"Malcolm McIntosh has recently been appointed to look at managing the other 90%, which were already developed, with a view to providing market related returns," Loubser said

Increase in airline passengers predicted

B/DAY 29/7/92 (269)

STEPHANE BOTHMA

MAJOR aircraft manufacturers have predicted a significant recovery in airline passenger traffic levels throughout the world in the last quarter of this year

The positive upswing included the African market, Airbus Industrie said in its latest market outlook.

SAA has said its growth and expansion in the latter part of this year will depend heavily on the political situation in the country It currently has seven Airbus A320s on order Six of these aircraft were scheduled for delivery this year, while the seventh would be delivered in the third quarter of next year.

SAA also has until September this year to exercise its option over an order of another seven A320s. The rough price of these aircraft was about US$45m each, Airbus confirmed yesterday

The difficulties encountered throughout the airline and aircraft manufacturing industries during the past 18 months should give way to improved economic conditions later this year, an Airbus spokesman said.

Airbus's forecast was supported by the Boeing Commercial Airplane group which said worldwide traffic growth in revenue-generating passenger miles would triple between now and 2010.

During the past 21 years the jetliner manufacturing industry averaged $18bn a year in deliveries. Boeing expected annual deliveries to average $45bn during the next 19 years.

Beyond 1992, growth was predicted to return and stabilise on an annual global level of about 4,9% until 2000, rising to 7,9% in the Asia-Pacific region, Airbus said

Global aircraft deliveries by all manufacturers over the next 20 years would total about 12 050 aircraft, the industry predicted

Stringent noise and exhaust emission regulations currently being imposed in Europe and the US would force airlines in Africa to either stop flying to those destinations or to update their fleets.

Airbus yesterday said it supplied 88% of the demand for new aircraft in the two main African markets — SA and the combination of Egypt, Tunisia and Algeria.

The purchase of new aircraft may present problems to African countries lacking the necessary capital as the IMF and banks were currently not inclined to extend credit for new aircraft purchases

Airbus predicted that African carriers faced two possibilities. They would either be forced to adopt an "open skies" policy and let European carriers fly the routes for them, or they would have to look to leasing companies to supply them with new aircraft.

In my view . . .

Changing face of the airline industry

STAR 29/7/92 (269)

In this column this week South African tourism experts comment on aspects of the local industry.

By Kevin Rawnsley
MD of Just the Ticket travel agency

Against a background of huge financial loss, the airline industry throughout the world is in the process of profound change.

Deregulation, liberalisation, privatisation, mergers, alliances and other developments make headlines every week.

A recent study published by the Economist Intelligence Unit predicts that by the year 2000, no more than about a dozen international mega-airlines will exist.

They will have trans-national ownership and will be free from all forms of economic regulation, except those which apply equally to all industries.

Niche markets

This does not mean there will be no room for smaller airlines, it is likely a large number will operate in niche markets.

In this scenario, the Southern African region could see smaller national carriers disappear and be replaced by a regional consortium, operating from a Johannesburg hub and serving sub-Saharan Africa.

Meanwhile, the changing face of southern African politics has tempted many new carriers to enter the market, and others to increase the frequency of flights.

Some 19 airlines have been affected in the past year.

The competition for market share has never been greater, spurred on by the prospect of floods of inbound tourists.

Virgin Atlantic, for example, predicts that 75 percent of its capacity, on both in- and outbound routes, will be occupied by foreign tourists.

But the hordes of tourists have yet to materialise and the airlines are having second thoughts. (China Airways is planning to cut one of two weekly flights.)

The chief reason, logically, must be the lack of security and of political stability.

But, as SAA has pointed out, the general lack of suitable hotel and game park accommodation in popular tourist areas, and the steep increases in accommodation costs have not made SA the tourist bargain it could have been, with a devaluing rand.

To make inroads into the European market, South Africa simply has to compete with good value holidays offered by other long-haul destinations

For example, charters operate from London to Florida, Caoliforma, for £250 (R1 250) return, and accommodation is plentiful and of high quality, as is the standard of service.

However, if carriers cannot attract inbound tourists, they can at least try to persuade more South Africans to venture abroad, and special fares, at 1986 levels, have tempted first-time travellers.

Do special discount fares lead to incremental business and ultimately, real growth in outbound travel, or just to lower revenues?

The airlines and most travel agents are divided on the issue, but there is no doubt that, to the advantage of the South African traveller, bargain airfares are here to stay.

Airlink Airline unveils R5,5m expansion plan

STEPHANE BOTHMA (269)

AIRLINK Airline is planning a multimillion-rand fleet expansion and refurbishment programme.

Speaking at the official launch of the airline last night, joint MD Rodger Foster said the carrier would invest more than R3m on refurbishment and a further R2,5m on replacing older aircraft in the Airlink fleet. The drive to acquire additional aircraft should be completed in a few months.

Airlink was established last month when it acquired the assets and infrastructure of Link Airways which was liquidated earlier this year.

It was announced last night that the airline was introducing a new service to Lesotho from September. Airlink has already been appointed the designated SA carrier on Swaziland and Mozambique routes.

Foster said the carrier planned to start air connections to several small centres in SA, which have been without air transport. B/DAY 30/7/92

Airlink was aiming for passenger loads of up to 75% by next year when it should be carrying more than 100 000 passengers a year.

Airlink's scheduled services include return flights from Jan Smuts Airport to Pietersburg, Bloemfontein, Maritzburg and Nelspruit. There are also return flights from Durban to Nelspruit, Matsapa, Maputo, Bloemfontein and Umtata; from East London to Umtata, Port Elizabeth and Bloemfontein; and weekend services from East London to Wild Coast resorts on a non-scheduled basis.

Rail corps to protect commuters

The Argus Correspondent (269) ARGUS 30/7/92

JOHANNESBURG — The South African Rail Commuter Corporation (SARCC) plans to establish a special rail guard corps to protect embattled commuters from attack, Transport Minister Piet Welgemoed has announced.

Dr Welgemoed, responding to the Goldstone Commission's interim report on train violence, said the SARCC had already approached a company "which is representative of the community" to establish the guard corps.

The establishment of such a corps was one of the recommendations made in the interim report released yesterday.

The commission was unable to apportion blame for the violence, but was critical of the police for failing to prosecute effectively the perpetrators of train attacks and also cited poor access control at stations as a cause of the violence.

Dr Welgemoed said that although the special guard unit would initially operate in the Southern Transvaal, the corps would be phased in countrywide "on a priority basis" at an additional cost of R200 million a year.

Issues highlighted in the report would be considered immediately, although some depended on availability of funds.

COMMENT

Struggle fatigue

B/DAY 30/7/92

IN STRICTLY legal terms, employers have the right to discipline employees who participate in next week's two-day work stayaway. And given the understandable frustration at developments, many may feel inclined to use that right.

The stayaway is directed at government, but the primary victims are individual businesses and the general economy. It is not even a well-conceived strategy. In political terms, a two-day — or even a one-week — stayaway is purely symbolic. It is no Leipzig. Not only will it not bring down the government, it will win no extra concessions from the National Party.

The not inconsiderable damage to the National Party's confidence and standing since Codesa II is already done. This is thanks to factors like Boipatong, General van der Westhuizen, Justice Goldstone, Dr Jonathan Gluckman, weird "power-sharing" constitutional proposals unheard of anywhere in the Western democracies, and the combined effect of these factors in reducing President de Klerk's international prestige. Partly as a result, the NP has already moderated its negotiating position.

What is also clear is that enthusiasm for the stayaway in ANC/Cosatu ranks is less than uniformly high. A threatened week-long action has shrunk to two days, and there was genuine disappointment that negotiations to reduce that to one day failed. Nelson Mandela has recently been at pains not to exaggerate the purpose of the stayaway. One suspects he would be relieved if an acceptable compromise could be found further to reduce its potential for economic damage and violence. "Struggle fatigue" is taking its toll. But trade union leaders, like their business counterparts, have been unable to find a formula acceptable to sufficient numbers of their constituents.

Yet, however "successful" the endeavour, it represents little more than a final fling before the inevitable return to negotiations. The need to avoid sparking a new round of conflict which delays this return is one reason for employers to exercise restraint in response to the stayaway. Another is that the threat of dismissal will not force people to come to work. Most will participate either because they are committed to the cause or because, whatever the undertakings made by Mandela and Cosatu, they fear for their lives if they do not. Finally, for most companies the replacement of an entire workforce would have severe effects on productivity. And a new workforce will be no more immune than the old from the forces that cause political stayaways to occur.

Heavy-handed employer responses will not solve the confidence-destroying problem of economically destructive forms of political protest. Perhaps it is time employer groups, including Saccola, began to think of how labour can be persuaded in the longer term to divert its political activism into less destructive channels. If the stayaway helps to initiate that process, the events of the past few weeks will produce some good.

Train violence

B/DAY 30/7/92

GOVERNMENT is planning to spend a vast amount of money making trains and railway stations safer for black commuters. Given earlier delays in implementing similarly urgent safety measures, we hope Transport Minister Piet Welgemoed will take personal charge of seeing that the money is spent quickly and where it is most needed.

The Goldstone commission has found that inadequate security and access control at stations, and too few police or guards at commuter stations, had contributed indirectly to train violence in which more than 100 people died. Some of the problems were addressed in the commuter corporation's March budget, or have since received attention, but Welgemoed has now advanced both planning and spending.

Security spending on commuter services could total R450m in the current financial year. This includes station upgrading and the start of a new rail guard recruited from the black community.

Welgemoed must ensure that the urgency remains, because black commuters will remember delays to plans to upgrade nine Soweto stations by June. People died there during those delays. The causes of the violence lie elsewhere, but the railways have provided the scenes for some ugly crimes. Any measures to make the innocent safer must enjoy high priority.

COMMENT.

Bid to upgrade train security

Sowetan 30/7/92 (269)

■ **Government to spend R25m on stations but needs R200m to implement recommendations of commission:**

STEPS had already been introduced to upgrade security on trains, Transport Minister Piet Welgemoed said yesterday

Reacting to the release of a Goldstone committee's report on train violence, he said negotiations were being conducted with a company, which is representative of the community, to assist the SA Rail Commuter Corporation in establishing a rail guard corps to combat violence on trains

Welgemoed accepted the interim report regarding train violence and the Commission's proposals for curbing such violence.

He said a number of matters raised had already been addressed and proposals which had not been attended to should be implemented "expeditiously".

A guard corps, which will help safeguard entry to railway stations, will be recruited from the community and will have its own, recognisable uniform.

This project will initially be limited to the Southern Transvaal

To meet the Goldstone committee's recommendation of establishing a rail guard at all stations countrywide will cost R200 million a year Therefore this will be phased in on a priority basis, Welgemoed said.

Approval had already been obtained for increasing the number of security officials providing services to the SARCC from 377 to 731.

In addition, with the co-operation of the SARCC, the deployment of the SAP at commuter stations had been streamlined and the police had already been empowered to conduct searches, as recommended, Welgemoed added.

Along with progress in the upgrading of railway stations, permanent and more adequate facilities would be provided for the SAP countrywide at an additional cost of R25 million

The corporation endorsed the necessity for a national strategy to curb violence and would assist in the formulating and implementation of such a strategy.

Issues highlighted by the Goldstone committee's interim report and subsequent reports would be addressed immediately, said Welgemoed

However, some of the recommendations were dependent on the availability of funds authorised by Cabinet. As funds became available, these matters would be addressed expeditiously, Welgemoed said

Measures already in operation included toll free numbers that had been provided countrywide

New guard corps for trains

B/DAY 30/7/92 (269)

RAY HARTLEY

THE SA Rail Commuter Corporation would spend R450m this year on increased security — R200m of which will be used for a corps of rail guards — Transport Minister Piet Welgemoed said yesterday.

He said he accepted the Goldstone Commission's report on train violence and proposals which had not yet been addressed would be implemented as soon as possible.

Welgemoed said the rail guard corps would be established in conjunction with "a company which is representative of the community. Such a guard, which will help safeguard entry to rail commuter stations, will be recruited from the community and will have its own recognisable uniform."

Security officials attached to the corporation would be increased from 377 to 741, increasing the operating budget for the current financial year by R19m.

Other steps would include:

- Spending an additional R28m to speed up the implementation of security programmes at 103 stations;
- Measures to improve the reliability of the corporation's communications; and
- Investigating the possible installation of doors between all passenger coaches.

Welgemoed said attention was being given to streamlining SAP deployment at commuter stations, giving police greater search powers at stations and entrance control at commuter stations.

☐ To Page 2

Train security

B/DAY 30/7/92 (269)

☐ From Page 1

"Along with progress in the upgrading of commuter stations, permanent and more adequate facilities will be provided for the SAP," he said

Building the improved facilities would cost an additional R25m countrywide

"The corporation endorses the necessity for a national strategy to curb violence and will assist in formulating and implementing such a strategy"

He said some of the recommendations were dependent on the availability of funds authorised by Cabinet

In a separate statement, Welgemoed said he accepted proposals contained in another interim report of the Goldstone Commission on taxi violence

"I fully associate myself with the committee's view that the means to peace largely lies in the hands of the taxi drivers themselves and that solutions imposed upon the industry by outsiders do not work," he said

He said his department was investigating a statutory body consisting of representatives from local authorities, the taxi industry and the Transport Department to oversee the industry

The ANC said yesterday it found some of the findings of the Goldstone Commission on train violence disturbing, Sapa reports "It is an outrage that the statistics of the incidents of violence kept by the police are incomplete due to what the committee calls 'routine destruction of records'"

The destruction of records could be interpreted only as action to hide the nature of the train violence and the culprits

The ANC also said the committee's report provided government with "additional reasons, if any were needed, why it should immediately phase out hostels and ban the carrying of weapons in public"

● Comment: Page 4

Checks to stop fare evaders

269

CT 30/7/92

Staff Reporter

THE Metro commuter train service is to crack down on fare evasions by stopping trains at randomly selected railway stations and checking passengers' tickets

Announcing the measure, Metro spokeswoman Ms Yvette Olwage said the move was necessitated by a R25 million loss in ticket sales countrywide

"This action has taken place in the past but, in response to commuter concerns, it will take place on a more regular basis," Ms Olwage said.

Metro staff, backed by the police, will seal randomly selected railway stations to root out fare evaders

No trains will be stopped between stations, she said.

Transport subsidies refused

STAR 30/7/92 (269)

By Shirley Woodgate

Calls by the Soweto Daily Passengers' Committee for the introduction of transport subsidies have been rejected by the Government

SDPC chairman Stephen Sangweni said the latest rejection of appeals for some form of financial assistance for commuters meant his organisation was forced to mobilise protest action to make the authorities understand their plight

Since millions of commuters were affected, all relevant political organisations and church groups would be approached for support.

Two appeals were made to the Minister of Transport for the reintroduction of subsidies after the latest increase in Putco fares.

But Dr Piet Welgemoed said that while negotiations were continuing with regional services councils to contribute partially to increased costs, the subsidy amount allocated by the Treasury for 1992/3 was 2,3 percent less than the previous financial year

Plan for rail guard corps

STAR 30/7/92

Crime Staff (269)

The South African Rail Commuter Corporation (SARCC) plans to establish a special rail guard corps in a move to protect embattled train commuters from attack, Transport Minister Dr Piet Welgemoed announced yesterday

Dr Welgemoed, reacting to the Goldstone Commission's interim report on train violence, said the SARCC had already approached a company "representative of the community" to establish the corps

The establishment of a special guard corps was one of the recommendations made in the interim report, which was released this week.

The commission was unable to apportion blame on any party, but was critical of the SA Police for failing to effectively prosecute the perpetrators of train attacks. It also cited poor access control at stations as a cause of the violence.

The police had not commented at the time of going to press

Dr Welgemoed said the special guard unit would initially operate in the southern Transvaal. To meet the recommendation of establishing a rail-guard at all stations countrywide would cost an additional R200 million a year.

Dr Welgemoed said issues highlighted in the report would be addressed immediately.

The need for interlocking doors between coaches was being urgently investigated by the SARCC and the question of controls at station entrances had received attention.

He stressed that a number of security measures had already been implemented.

With the co-operation of the SARCC, the deployment of policemen at stations had been streamlined and the police were already empowered to conduct searches.

In its reaction to the report, the ANC said in a statement it was an "outrage" that the statistics of the incidents of violence kept by the police were incomplete due to the "routine destruction of records"

Pension payouts delayed

STAR 30/7/92

By Charmeela Bhagowat

Pension payments in 22 black townships in the East Rand, Vaal Triangle and West Rand would be postponed by one week because of planned ANC mass action, the Transvaal Provincial Administration announced yesterday

Spokesman Metzi van der Merwe said the decision to postpone the payments, which were due to be made from August 3 to August 7, was prompted by "concern for the security of the pensioners".

The TPA had no guarantee that pensioners would have transport to the pay points, that TPA workers would work during the campaign or that the townships would be accessible, Miss van der Merwe said

269

She stressed that the move was not a political one but the ANC condemned the postponement as "a clearly political position on the campaign for democracy, in which the TPA is targeting the old and the sick"

ANC spokesman Gill Marcus dismissed the TPA's reasons for postponing the payments as "absolute nonsense", saying their approach to pensioners was "a disgrace to any society".

The TPA announced the postponement of pension payments in Soweto earlier this week

(269)

More commercialisation

THE government is to commercialise airports and air traffic. Two state-owned public companies will be formed before April next year to operate the nine state airports and provide air traffic and navigation services on a commercial basis, according to Transport Minister Piet Welgemoed

W/Mail 31/7-6/8/92

BEIT BRIDGE BORDER (269) FM 31/7/92

Some great northern prospects

A steady increase in traffic over the Beit Bridge border between SA and Zimbabwe has been noted over the past three years The lifting of sanctions by countries in sub-Saharan Africa and, more recently, drought relief for Zimbabwe, have triggered moves to improve infrastructure on both sides of the line

Zimbabwe is nearing completion of an enlarged border post and SA's Department of Public Works has decided to bring forward its own plans to ease congestion. It sees separation of commercial vehicles from private, taxi and pedestrian traffic as the key to alleviating bottlenecks. Expenditure of R12m will provide facilities to streamline inspections (meaning inspection pits, forklifts, separate traffic lanes and a State warehouse) and furnish ample parking for those waiting their turn

As an interim measure, land adjacent to the bridge has been cleared for commercial vehicle parking Personnel will be increased substantially

The Department of Transport has recorded increases of 18,3% and 3,4% for ordinary passenger traffic and commercial vehicles respectively over two years — 1989 and 1991 But the increase in actual numbers of all vehicles from 13 940 in April 1991 to 25 118 for April 1992 gives a more vivid picture of developments. For 1992-1997, the department is budgeting for an annual 8% increase in passenger traffic and 5% in commercial traffic — and, thereafter, annual 4% and 2,5% increases respectively

Beit Bridge border post today . *what tomorrow?*

The Department of Public Works' announcement that it will commit R12m to the revamp coincided with a visit by the Meridien Group, which has been looking to buy land in the immediate area over the past few months

Meridien — developer of Midrand's new CBD and part-owner and redeveloper of the Grand Central and Lanseria airports — is considering a mixed-use commercial development

Certain oil companies have also been appoached by individuals to commence some sort of service station development at the bridge.

Government's commitment to Beit Bridge is what developers have been waiting for Observers believe that in addition to a garage operation, there is potential for food outlets, grocery, motor spare and luxury item retailers, restaurants and a hotel group Catering group Fedics is also interested in these projects

The border closes between 8 pm and 6 am daily (though this is extended during holidays) This could provide a niche for limited service hotel accommodation for the many truckers, or for tourists. Feasibility studies will take these factors into account

According to Messina mayor Jack Klaff — whose town has a population of 15 000 and is 10 km away from the border — retail demand is greatest for white and electronic goods

National retailers, however, have inspected the area in the past, he cautions, and have not felt demand in the town sufficient to warrant entry Instead, they have opted to set up shop on the N1 — the Great North Road to Zimbabwe — in the northern Transvaal's regional centre of Pietersburg The Game group is the most recent case.

Klaff believes these retailers have ignored the potential of the transient population — some say as many as 100 000 people a month go through Messina

He says the town's existing hotel, the Impala Lily — always fully booked — plus a second hotel, the soon-to-be resuscitated Limpopo Inn, should be able to cope with increasing traffic

The Limpopo Inn closed down some years ago — "when Messina was going down the tubes" — and was converted into a military barracks It was recently sold on auction to a Durban syndicate for R400 000

Messina's emergence into a bustling town has been underscored by the development of De Beers' Venetia Mine, 80 km away.

De Beers chairman Harry Oppenheimer will officially open the mine on August 14 and, in the interim, 200 houses have been built for mine workers in the town.

Klaff says demand is so great for rented accommodation that an ordinary three-bedroom, two-bathroom house — if one can be found — is letting at R2 500 a month. Commercially zoned land is currently priced at R100/m²

Klaff hopes Messina will be a conduit for tourism in the area The mooted Limpopo River Valley Reserve (*Property* May 29) may one day help fulfil that dream

Meanwhile, the Department of Public Works will put its construction tenders to the market in January 1993 These will be followed — a few months before the project's scheduled completion in early 1994 — by tenders for duty-free shops This retail component is envisaged as an important income earner for the department

The allotted R12m does not include housing for additional staff Five houses have been bought so far Another three are under negotiation and 30 more will be built in the next couple of years ■

DURBAN FM 31/7/92

New lease of life

A R400m fund has been established by the Durban City Council to kickstart some of the city's most ambitious development projects However, city management committee chairman Peter Mansfield believes this is just the beginning

He says: "It should provide the impetus for the private sector to invest heavily when they realise the profit potential of participating in the schemes."

Allocations for the projects are:

- ☐ The Victoria Embankment (R29m),
- ☐ Point (R125,5m),
- ☐ A new regional library and cultural/education centre (R89m); and
- ☐ An international conference/convention complex (R154m)

Mansfield says raising the R400m will have little or no impact on rates — an average increase of 14,8% has just been announced (1% down on last year). He adds that though the council doesn't have the money in the bank, it knows where it will come from. It will be generated between now and 1997, primarily from the city's capital development fund which should bring in R160m; and unit trusts realising R25m

Additional funds will come from the sale of council-owned land and the balance from interest earnings and other surpluses.

Tightening net on debt top Tollgate aim

(269)

ARG 4/8/92

MARC HASENFUSS
Busines staff

THE reduction of debt, accompanied by the final tidying up and diposal of some non-performing assets, remained a priority for Tollgate Holdings, chairman Mr Julian Askin said in his annual statement.

He pointed out that although the group borrowings needed to be reduced as speedily as possible, management was not prepared to accept unreasonable prices for any disposals.

"It has therefore taken considerably longer than we originally estimated to effect our restructuring plans" (Interest bearing debt stood at R156 million in the year to the end of December 1991).

He said the group would have concluded the restructuring objectives by the end of the year. "This will enable Tollgate to go forward and achieve higher returns on assets and long-term growth in earnings."

In his divisional review, Mr Askin said that plans were afoot at the group's vehicle distribution operation, Motorvia, to expand deliveries into areas not presently serviced

Motorvia had also formed a division to investigate export opportunities.

Springbok Atlas was well placed to take advantage of the expected upswing in inward tourism and a "significant growth in profits is expected for 1992"

"The reopening of air links, the deregulation of the routes, renewal of sporting ties and general lifting of sanctions points to a very encouraging latter half of 1992."

But he stressed that longer-term growth could be negated by the lack of internationally acceptable luxury coaches in South Africa.

Last year proved to be a Watershed for Motor Racing Enterprises (MRE) To accomodate the Formula One and the World Motorcycle Grand Prixs the Kyalami race track was upgraded extensively at a cost of around R25 million.

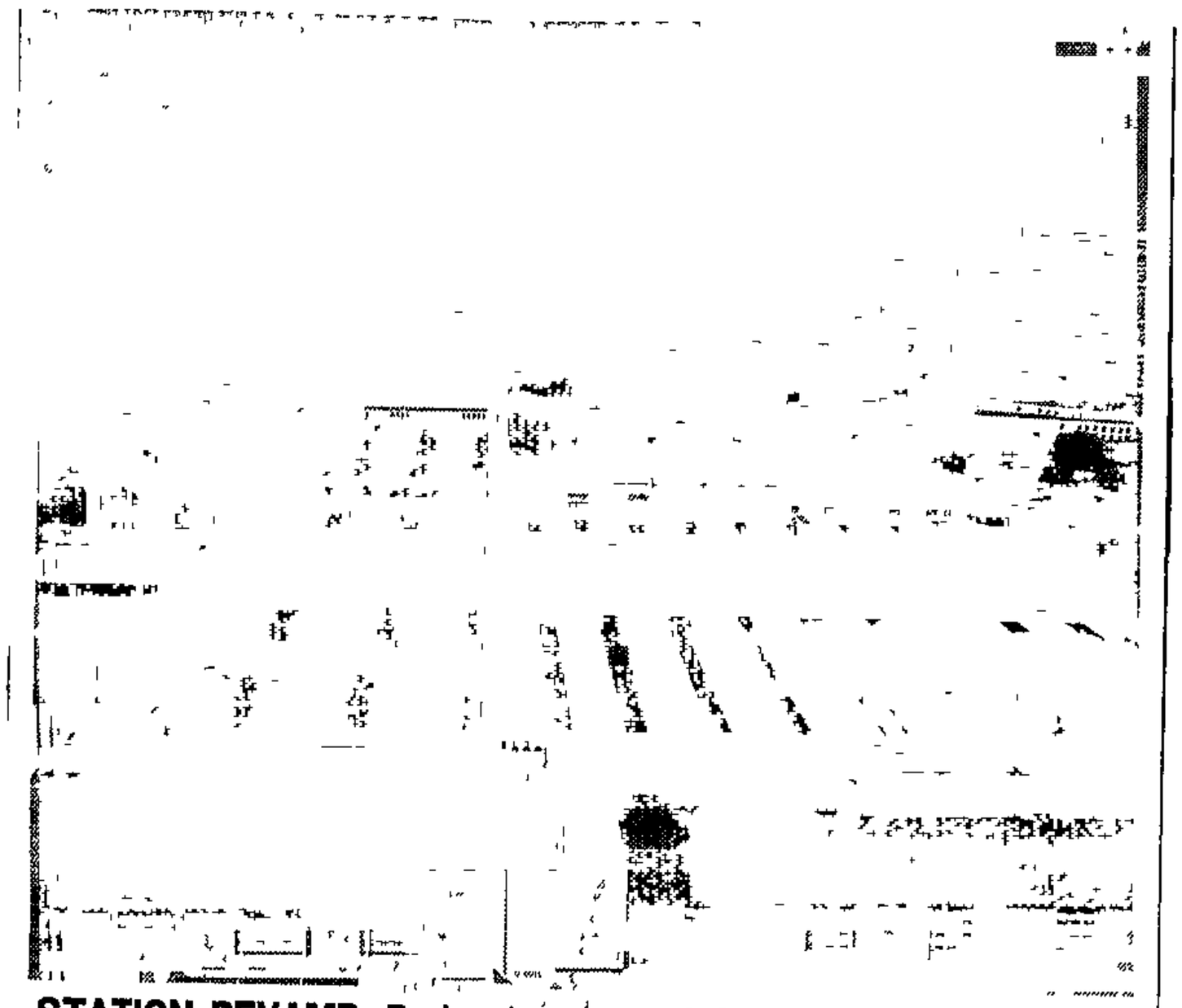
Mr Askin said that international racing at Kyalami would add substantial revenues to MRE and have a significant knock-up effect on other areas of Tollgate, particularly tourism

● Rookie main board listing **Macmed Healthcare** posted an impressive 46 percent increase in earnings to R719 000.

Directors attributed the strong profit growth to tight overhead controls, strict cash management and beneficial bulk purchasing.

Earnings a share came in 35 percent higher at 2,3c on the back of an increase in shares issued A dividend of 0,75c a share was declared.

● Toy group **Redgwoods** has acquired a controlling interest in Baby and Company for an undisclosed sum.



STATION REVAMP: Redevelopment of Cape Town station will have to accommodate the needs of everyone from minibus taxis to overseas tourists.

(269) ARG 4/8/92

Easier access planned for revamped station

CLIVE SAWYER
Municipal Reporter

THE Rail Commuter Corporation plans to redevelop the station deck, including a more convenient entry and exit point for third-class passengers.

The policy of barring third-class passengers from the first-class turnstiles has been the focus of African National Congress-led protests.

Plans to make platforms 22, 23 and 24 suitable arrival points for international tourists include using platform 24 for loading cars on to trains while the other two platforms will become reception areas.

The station deck was one of the issues discussed at a meeting between the mayor, Mr Frank Van der Velde, and Metro operations manager Mr Piet Lotz, on matters raised by the mayor's tourism liaison group.

Mr Van der Velde offered the help of the council's photographic section to provide pictures of Cape Town for the walls of platforms 22 and 23.

He said he would ask Captour if it would be possible for Spoornet staff to attend training courses on improving the standard of service to tourists.

Mr Lotz said it was "unfortunate" that benches had been taken away from the main thoroughfare of the station and the waiting room closed, but it had to be done because of anti-social behaviour.

A survey showed that train passengers supported the measures.

He said existing first-class barriers and ticket offices would not be able to handle the burden third-class passengers would add.

The existing third-class entry and exit point was developed mainly to serve District Six, and the redevelopment of that area would mean that the present entrance would still be needed.

Permission given for charter flights to SA

B/DAY 4/8/92

LINDA ENSOR

269

CAPE TOWN — A number of European charter or tour operators had already received permission to provide charter flights to SA, Department of Transport deputy director Gen Japie Smit said at the congress yesterday.

Several of these operators had also applied for an extension of their authorisations since government announced its interim policy on non-scheduled air services "The current International Air Services Act 1949 was amended on July 1 1992 and the Minister has already approved new regulations which will enable the Department of Transport to consider these applications"

Smit said it was government policy to allow charter flights for the transport of tourists within a broad upper limit to stimulate tourism.

Also, charter flights would be allowed to transport passengers to and from countries which had no scheduled air services with SA The movement of small aircraft up to 5 700kg to and from countries in Africa was to be deregulated.

Smit was confident the commercialisation of state airports would result in airport managements being more sensitive to users' needs — in particular those of foreign tourists

"All charges to be levied at airports will in future be directly used to benefit the users of airports"

Also at the conference, Coach Express GM Christo Bester said the current permit system which governed intercity coach transport had resulted in the under-utilisation of expensive equipment. Coach Express operates Trasnet's intercity coach operations

Bester said the permit system caused lengthy and costly application procedures which made planning difficult. Quick reaction to market demand and opportunities was inhibited, and the positive effects of healthy competition were not felt.

Bester welcomed the Competition Board investigation into the permit system with a view to the phased deregulation of the industry.

SA is high on BA's agenda

B/DAY 4/8/92

LINDA ENSOR

CAPE TOWN — Promotion of SA as a travel and tourism destination had been placed high on the list of British Airways (BA) priorities, BA deputy chairman and CE Sir Colin Marshall said at Fedhasa's banquet last night

"I believe that one of the great growth areas of the '90s and beyond will be in travel and tourism to SA and its surrounding regions. It is why our subsidiary, British Airways Holdings, was the first UK company last year to produce a programme of tours exclusively featuring SA," Marshall said.

The most fundamental change to the industry in SA, he said, had been the deregulation of air transport. Within the space of just a month of deregulation, 12 more international carriers were flying to SA and a further 25 had applied for rights "in what resembles a latter-day gold rush"

Marshall said 7 000 of the 8 000 seats which BA had placed on the market on a special seat sale for flights between SA and London had already been sold.

He said BA had invested £3bn to buy new aircraft fleets and £391m for a 44% stake in USAir, the fourth largest airline in the US.

This was BA's first major step to ensure it was one of the global airlines of the future, Marshall said.

World travel and tourism now had a gross annual output approaching $3,5-trillion, employed 127-million people, had collective capital investments exceeding $422bn, and contributed $303bn to national exchequers in tax revenues

"The industry is growing faster than the world economy in terms of output, value added, capital investment and employment."

STEPHANE BOTHMA reports that earlier yesterday Marshall told a media briefing in Johannesburg that travellers would reap the full benefits of industry deregulation by next year.

Marshall welcomed the trend by governments towards decentralising the airline industry and said there would be major benefits for the public

What had happened with fares between the UK and SA would happen all over the world, said Marshall

Decentralisation allowed for partnerships between airlines on different continents, he said.

Forming partnerships with other airlines were the anticipated way that smaller airlines, such as SAA, could ensure their futures, Marshall said. "The industry is flat on its back — a situation that cannot continue for much longer"

The industry needed rationalisation to ensure profitable operators in the future. Governments needed to step out of the ownership and control of airlines, because government funding provided for inefficiency, he said.

As well as its stake in USAir, BA had alliances with German and Russian airlines

Charter flights key to fuelling tourism expansion

269

CT 4/8/92

Business Editor

CHARTER flights "are the key to fuelling growth in tourism," Stephen Allen, marketing director of the UK-based Britannia Airways, told the Fedhasa conference yesterday

Britannia, which carries 3,5m return passengers every year, will introduce charter flights from Gatwick in the UK to Cape Town and Durban in December and January It will be flying on behalf of SA-based tour company CLS International.

"To me this represents a breakthrough, but only a small step forward," said Allen. "To develop tourism properly we should be allowed to operate for a full (European) winter season"

The company had filed an application to do so

Allen said charter flights were the backbone of the tourism business from the UK. "They are an absolutely essential ingredient in keeping prices low and enabling people to travel worldwide

"In my view SA should be taking its share of the 11m plus who travel by charter flights each year"

He emphasised that it was middle and upper income passengers who took charter flights. "Charter delivers high-spending tourists Charter holidays are still only affordable by the upper end of the spectrum although clearly many take two holidays a year."

Market research in Australia showed that although holiday-makers who flew there on charter flights stayed only half as long as those arriving on scheduled flights they spent more in that shorter time

There was a weighting towards the older end of the population, who had higher disposable incomes and more leisure time.

Allen said Britannia introduced charter flights to Australia in the winter of 1988/89. In the next two years passenger volume from the UK grew by 59%. "Scheduled carriers' growth was up 58% while charter doubled from a very small base."

A survey carried out by the Australian Department of Transport and Communications disclosed that 34% of charter passengers would not have gone to Australia if the holiday package had not been available A further 6% would not have gone if it had cost 20% more And 62% were first time visitors

SA's airports on the up

(26) CT 5/8/92

CAPE Town's D F Malan Airport will probably be able to cope with the increase in air traffic "for some years", Malcolm Freeman, British Airways (BA) manager in SA, said at a press conference yesterday.

He expects Jan Smuts Airport in Johannesburg, which is now being extended to "cope very well — phase two will last for a long time to come."

But he pointed out that Durban Airport would have problems. "It can cope with only one large plane at a time"

BA Cape Town manager Ian Petrie said that an airport users' committee had been formed at D F Malan last week.

Air travel growing despite deep recession

(269) CT 5/8/92

By AUDREY D'ANGELO
Business Editor

THERE are no signs of the world recession ending — but air travel is still increasing, Colin Marshall, deputy chairman [illegible] of British Airways (BA), said at a press conference in Cape Town [illegible]

[illegible] out of SA

[illegible] attractive country for tourists and the exchange rate is beneficial for them We [illegible] more [illegible]

Marshall [illegible] even in the present [illegible] there was an air of hope and optimism about the future in SA

Discussing the world economy he said I don't [illegible] at an end It is clearly not so in the UK and it doesn't look as if it has ended in the US There are concerns about it in [illegible] European [illegible]

"We are anticipating that things are not going to [illegible] come [illegible]

BA [illegible] by introducing [illegible] fares to stimulate the market [illegible] saw potential. It was offering "good holiday packages", which, with lower fares, made a visit to the UK affordable for South Africans in spite of the weak rand

In the first quarter of BA's new financial year the number of passengers was almost 10% higher than in the same period two years ago But all the growth was in the economy classes. Traffic in the premium classes was at the same level as last year and below the level of two years ago.

Based on industry forecasts, BA expected international passenger traffic to continue to grow at a rate of 5% a year in numbers and 6% in revenue terms.

"We are looking at longer journeys on average and we see the prospects for our industry as very good indeed."

SA was now only 10,5 hours away from London by direct flight, which made it competitive with the Caribbean or Australia as a holiday destination during the Northern Hemisphere winter

Marshall said the fact that "the country is so clean in comparison with others" would help to attract visitors He and BA regional manager Bob Lee considered the widespread use of English, and being in the same time zone as the UK and Western Europe — eliminating jet lag — were other advantages.

But Marshall, stressing the need for more infrastructure, said SA's tourist trade would have to be increased gradually as more provision was made for it The big thing is to ensure the infrastructure is available for people when they come The best publicity is by word of mouth

"Provided one is able to see progress in the political transition and we don't have horror stories in the world's media I can't see why SA should not develop as a major tourist destination."

Discussing the future of the airline industry, Marshall said that eventually, in the next century, international traffic would be handled by only about six giant airlines.

But a fall in the number of airlines would not mean higher fares Competition between airlines would be fierce.

Smaller domestic airlines could continue to exist, serving well-defined sectors.

BA buys into Air Russia

BRITISH Airways (BA) has taken a 30% stake in Air Russia which "we hope to get flying next year", its deputy chairman, Colin Marshall said at a Cape Town press conference yesterday

The other 70% is held by three Russian banks

Marshall said BA was forming partnerships and alliances in preparation for the consolidation of the airline industry into a small number of giant competitors, which he expects to happen in 10 or 15 years' time

Asked if it was likely to form such a partnership with SA Airways (SAA) he said BA never made statements on speculative matters If it entered into negotiations it normally made no announcement until the deal was finalised

But, he added, "it is certainly the case that as part of our global strategy we anticipate entering into partnership with others in strategic areas"

TOUR BUSES FM 7/8/92 (269)

Next stop: deregulation

Government has taken many deregulatory steps in the past year to boost the tourist industry — freeing up air travel, ending restrictions on businesses operating on Sundays, relaxing liquor laws and so on But one important step has not been taken — ending the rigid permit requirements that shut out competition in the tour-bus industry.

Picking up tourists . *and possibly more competition*

Springbok Atlas and the other big tour companies hold government-granted monopolies on the most lucrative touring routes. But with the expected tourism boom exerting more pressure for change, this may soon end.

Weary of the in-fighting in the industry and under fire for sub-standard tour coaches, Transport Minister Piet Welgemoed says he plans to deregulate the luxury end of the tour-bus industry.

He is now in Europe studying the industry there After he returns, on Wednesday, he will consult experts in the bus industry, coach builders and tour operators and, by the end of the month, he hopes to know enough about their problems to set the terms of reference for a board of inquiry into the industry, which he wants to establish early next month.

His mind, however, seems already made up "I think I will support my Cabinet colleague, Tourism Minister Org Marais, and call for buses to be classified, possibly on a five-star grading system. I will then classify those from three stars and up as coaches and deregulate them. One- and two-star vehicles will be buses and will be regulated until the bus industry is deregulated"

Despite Welgemoed's urgency, it may take at least a year for deregulation to take effect. Piet Geringer, the Department of Transport's deputy director of road transport, says it will take that long for local authorities, which handle licensing and other formalities, to prepare for the new system.

The current system does its best to limit competition Tour-bus and coach operators must have permits issued by the National Transport Commission, but these are difficult and costly to get. The permits stipulate the routes and frequencies allowed, so the lucky holders practically have a licence to print money because they're largely shielded from another operator competing on the same routes

There are other problems as well, says David Munton, who, after "lots of sweat and tears," won a permit for his company, Cape Guide Tours, to take tourists around Cape Town in open-topped double-decker buses. "Like everyone else, I had to apply to the commission and have my application gazetted, prove that the service was needed and, if someone else had been providing it, prove he wasn't supplying an adequate service. Anyone can object and get a copy of an application and the supporting documentation. The system forces you to reveal your business plans, which others can copy or capitalise on.

"Permits don't come cheap. One has to brief a specialised lawyer because the objectors come with their legal representatives. The verdict normally is that the service is adequately catered for If a permit is granted, it usually comes with restrictions."

His permit limits him to operating within 10 km of the Cape Town Post Office Tower. He also wants to get into the luxury-coach touring business but balks at the thought of trying to get a permit.

He says, because permit holders are so well protected against competitors, they have little incentive to upgrade their equipment. That is one reason why most are operating coaches up to 12 years old (*Business & Technology* July 10) And because of this, "there isn't an adequate supply of good used coaches coming on to the market to let the small boys get started; the (established) companies hold on to them because they know that, if they sell, someone will probably try to compete with them."

Paddy Vella, financial manager of Springbok Atlas, the biggest private-sector tour coach operator, says he doesn't like the permit system either but adds: "It's the system, so we use it If someone wants to start operating on a route we developed, we object. But, of course, we also have to fend off objections when we want to start up new services. Legal fees are high and, if the commission decides to allow an operator to start a service using a temporary permit, it has to be renewed every two weeks, which is costly."

While Munton and Vella agree the government-granted route monopolies and other economic controls should go, they still want government to enforce high standards of service in the industry. Vella believes the need for this was hammered home recently as signs of a tourism boom grew. "Hundreds of would-be operators, some having only minibuses, applied for permits. Naturally, we opposed every one Many were fly-by-nights who would have harmed the industry and tourism."

The established operators say they would limit the industry to only those who operate suitable, well-maintained vehicles driven by qualified drivers, employ well-trained guides and can prove they have the financial resources to enter the business. This would enforce the standard safety and maintenance rules for drivers and vehicles that should apply to everyone on the road — but sounds like it could be nearly as restrictive and bureaucratic as the current system. Based on his strong deregulation track record, Welgemoed surely already knows this. ■

LABOUR BRIEFS

W/M 7/5-13/5 (269)

TGWU debates policy

■ TRANSPORT unions have decided to tackle the issue of transport policy seriously. At its recent bargaining conference, the Transport and General Workers' Union goods and docks section adopted resolutions setting up a committee to investigate policy.

This committee — along with the African National Congress/South African Communist Party/Congress of South African Trade Unions alliance — will look into matters such as the taxation and financing of transport. It will also look at issues affecting truck drivers such as truck hijackings, long distance driving and owner-driver schemes in which companies have been encouraging drivers to take part.

W/Mail 7/5-13/5/92

Enough to fill 2 000 Boeing 747s

Skies full of empty seats

S/Times [Buss] 9/8/92 (269)

MORE than 700 000 seats went empty on international scheduled flights last year, enough to fill 2 000 Boeing 747s, according to a confidential report prepared by SA Airways for the Government.

"This is equivalent to more than 1 000 empty Boeing 747 return flights per annum or roughly three per day," the report says. "The fact that there is an oversupply of seats, especially on the SA-UK route is evident from the low fares currently being offered."

Business Times Reporter

The report was drawn up in an attempt to seek continued protection for SAA on international routes and was handed over in March — a month before a liberalised international aviation policy was implemented by the Government.

The liberalised policy aims to bring more visitors to SA by abolishing price-fixing and allowing more carriers to fly here.

SAA and British Airways subsequently announced cut-price fares on the London route But SAA has also introduced two new flights on the London route and others to the Continent

Tourism consultant Delano Caras of Kessel Feinstein Consulting describes the number of vacant seats as startling He expects deregulation to cause bloodletting until the market settles

The report says Europe has always been regarded as SAA's most lucrative route But traffic growth has not kept up with capacity Costs have risen and this route is no longer a major profit generator

will be lower yields and a deteriorating effect on profits

"It is essential that the business of SAA's international services is protected from predatory competition Any large-scale or consistent granting of traffic rights without an appropriate trade of opportunities will inevitably impair the competitiveness of South Africa's airline industry"

Board of Airline Representatives vice-chairman Francois Maurel (also regional manager for Southern Africa for Air Mauritius) says the figure of 700 000 empty seats "sounds highly exaggerated But there is no question that internatonal airlines are struggling.

"Certainly some destinations are doing well — I can't get on a flight to London tonight — while others are suffering"

Most air fares available to tourists to SA are at pre-1989 prices, says the report.

The average total operating cost for a Boeing 747 aircraft is about R40 000 an hour, which means that for a return flight to London and other European destinations, break even is about R1-million

"At an average load factor of 70%, the airline needs to sell 250 seats in each direction at an average yield of R4 000 return or R2 000 one way to break even."

But fares have now dipped to as low as R1 990 return

SAA spokesman Léon Els declines to comment on the report. He says it was completed for Minister of Transport Piet Welgemoed and is confidential

Worrying

"Costs on all routes must be managed to avoid a deteriorating financial position"

The report shows that SAA's average capacity (56,2%) is lower than that of foreign carriers (59,3%).

In the past financial year, SA suffered a drop in passenger volumes against an increased capacity.

Total traffic in and out of SA fell by 3,05% in 1991-92 compared with the previous year. Capacity rose by 10,08% Average seats filled fell from a profitable 67,2% to a worrying 59,2%.

Airlines are adding flights and using bigger aircraft. One reason for this is that once slots in major airports become available, airlines have to use them or lose them Such is the case in Tokyo where SAA has been on a waiting list for a few years and could possibly only get a landing and departure slot by 1994 at the earliest

The SAA report says "Because of the increased seat offering and a decrease in the number of passengers, the ratio of seats occupied to seats available decreased by 8%. This imbalance is likely to worsen and the consequences

Big plans for station

(269) CT 11/8/92

Municipal Reporter

PLANS for a conference centre above the Cape Town station deck, part of a R400m redevelopment plan, should be ready soon.

A team of local architects has just returned from an overseas trip to look at conference centres before finalising their own proposals for the centre.

Mr Dirk Ackerman, general manager of the SA Rail Commuter Corporation, said he expected the station deck proposals to be completed "within six weeks to two months".

The corporation would also announce plans for a terminus for luxury inter-city buses. This would also form part of the station redevelopment scheme.

Negotiations are taking place between the city council and representatives of taxi organisations concerning temporary, and eventually permanent, taxi rank facilities on the station deck, he said

Mr Ackerman said the architects had also visited the famous Birmingham Conference Centre

"In this country, we don't have a lot of experience with conference centres," he said. "There is one at Sun City, but that was established quite a few years ago There have been advances since then"

The redevelopment is believed to include restaurants, fast-food outlets and possibly underground shops which link up with the concourse below Strand Street

Railway land for housing?

Municipal Reporter

THE SA Rail Commuter Corporation is to commission a firm of consultants to see how much of its 250ha of "Culemborg goods yards" land can be developed for housing.

Transnet, which owns another 330ha of land, has already appointed two firms which have combined forces to form a new entity, "Culemborg Consultants", which is drawing up a development framework.

The land stretches from Oswald Pirow street in the central business district to Maitland and the confluence of the Black and Liesbeek rivers.

Properties project manager for Propnet, Mr Jan van Dijken, said most of the corporation's 250ha Culemborg landholding was covered by railway lines which would have to remain.

"Nonetheless, I think it (the SARCC) will come into the development process, although it will sort out its own brief."

The rail corporation's general manager, Mr Dirk Ackerman, said they would brief consultants to "explore the possibility of housing" on the corporation's spare land.

Bulletin on AIDS issues

CAPE TOWN — An AIDS newsletter is to be launched by the Medical Research Council later this month

Editor Dr Malcolm Steinberg, head of the MRC national AIDS research programme, said the quarterly AIDS Bulletin was prompted by the dearth of accurate, user-friendly information on AIDS issues.

"By providing information on AIDS education, prevention, care and research, we hope to raise the awareness of all interested individuals about the disease" B/DAY 11/8/92.

The first edition will include an interview with ANC health representatives Cheryl Carolus on the movement's AIDS policy and the draft of SA's AIDS charter on the rights of AIDS sufferers.

The bulletin is available on request from PO Box 19070, Tygerberg 7505. — Sapa

Rail campaign keeps the millions from starving

(269)

B/DAY 11/8/92

STEPHANE BOTHMA

DESPITE the fact that National Railways of Zimbabwe (NRZ) delivers 5 000 tons of maize to Zimbabwe daily, the country's government estimates that maize shipments will have to be dramatically increased to feed its citizens adequately.

Maize imports estimates were revised last week to 2,5-million tons from 1,6-million tons to cater for household and stockfeed needs as the drought forces more people to rely on government supplies

SA's Spoornet delivers thousands of tons of maize, either commercially bought or donated by the World Food Programme, to Beit Bridge with Harare acting as a distribution centre for relief supplies sent to Malawi, Zambia and Zaire

Maize donated by the US, Argentina, Mexico and Australia is received by Portnet at SA's major harbours and is transported by Spoornet to Zimbabwe At Beit Bridge, control of Spoornet's rolling stock is taken over by Zimbabwe.

At the Grain Marketing Board in Harare, supplies are distributed either to trucks carrying maize in sacks to Malawi and Zambia or to grain silos from where local millers produce maize meal.

Processed maize reaches rural areas by road

The board receives and dispatches about 1 000 tons of maize on a 24-hour basis daily, says operating manager Philemon Makumbirofa.

"We operate on an almost hand-to-mouth basis," Makumbirofa says, explaining that almost everything received was sent out the same day

Privately owned Bak Storage of Harare handles the same capacity as the board on a daily basis.

Since the import of maize started in April this year, 314 300 tons had been also received by rail and road from Beira, NRZ eastern region area manager Norman Shoko said

NRZ had so far received about 700 000 tons of maize from SA, of which 400 000 was destined for Zimbabwe, 100 000 for Malawi and 200 000 for Zambia, he said.

Eight-million tons of maize will be imported by SA, Lesotho, Botswana, Swaziland, Namibia, Zimbabwe, Malawi, Zambia and Zaire in the 18-month period which began in April

Referring to Zimbabwe's increased demand for maize, Shoko said NRZ could easily handle the flow of additional produce.

"We are geared to move this mammoth amount of food and so far nobody is starving because of transport problems," he said

The entire distribution operation is being planned, controlled and overseen at Spoornet's operations room in Braamfontein, Johannesburg, where all the countries receiving food aid are represented

CSIR prepares water relief for Zimbabwe

MICHAEL HARTNACK

HARARE — An SA water expert returned home at the weekend to prepare emergency relief schemes for the drought-stricken cities of Mutare and Bulawayo.

CSIR water quality information system programme manager Dr Peter Ashton finished a four-day inspection of the worst crisis areas with a visit to Matabeleland. B/DAY 11/8/92

He said a CSIR team had already found an aquifer of water-bearing rocks outside the eastern border town of Mutare, whose residents were limited to a few hours of water supply from their taps every second day.

In Matabeleland, the CSIR team was examining the Nyamandlovu aquifer, northwest of Bulawayo, where householders were rationed to 300*l* a day. The CSIR fears taps will run dry in a few weeks.

Co-operation in tackling regional water problems featured in talks which took place in Harare last week between Zimbabwean officials and SA Foreign Affairs chief director (Southern Africa) Gert Grobler.

Grobler reportedly told the Zimbabweans that SA desired to develop a "more constructive" relationship with its neighbour.

Sources in Harare said Grobler discussed further technical co-operation between Zimbabwe and SA in other sectors, including transport, health, agriculture and telecommunications.

SA is assisting in the transportation to Zimbabwe of an estimated 2,5-million tons of maize.

Work begins soon to make trains safer

B/DAY 11/8/92

RAY HARTLEY

WORK to make urban trains and stations safer — following Goldstone commission recommendations — would begin soon, the SA Rail and Commuter Corporation said.

Corporation MD Wynand Burger told a news briefing yesterday they had consulted community groups, including the Soweto Civic Association, about introducing a rail guard corps acceptable to the community. It would be operational by the end of the year.

There had been delays in upgrading stations due to unexpected problems concerning water and sewerage systems and the procurement of additional land, but he gave an assurance this would now proceed speedily.

He said the rail guard, which would receive proper police training and wear a distinctive uniform, would initially be limited to the southern Transvaal region, but would be extended to the rest of the country later.

As much as R200m would be spent on the guard in the next financial year.

Metro Services senior GM Koos Meyer said about R2,765bn would be spent on train security nationwide by the year 2000, if next year's R250m budget was escalated by 15% annually to compensate for inflation.

Burger said the SARCC was asking government for an extra R88m this financial year to speed up the process, and commuter fare increases to cope with increased expenditure on security and inflation were being considered.

Electronic surveillance equipment was being investigated for train compartments and the entrances and exits of stations

Train coaches would be made safer by altering windows and doors to make it impossible to throw a person off a moving train and fireproof seating was being investigated.

The provision of interleading doors between carriages — as recommended by the Goldstone commission — was being investigated, he added.

Sapa reports Burger said a lot of progress had been made on the remaining Goldstone commission recommendations These were:

- The number of Spoornet security officials would be increased from 377 to 741 countrywide,
- SAP officers deployed on stations and trains would soon be appointed "authorised officers" by the corporation to control access to stations. Policemen and Spoornet security personnel are already empowered to conduct searches, and
- SAP facilities at stations would be improved countrywide.
- R11m had been allocated for on-board communication systems between train drivers and controllers as well as security centres;
- A further R7m had been set aside for on-board public address systems as well as communication systems at stations; and
- Burger said the corporation was also researching the viability of walk-through search apparatus.

SA Rail Commuter Corporation put announce further steps to end trai

Natal violence pushes death toll to 10

RAY HARTLEY

TEN people died in unrest-related incidents around the country yesterday and violence flared up in the Murchison area of Natal. B/DAY 11/8/92

The bodies of seven people who died in renewed violence in the township near Port Shepstone were found yesterday. Police did not reveal the causes of death.

The latest incidents follow the discovery of two bodies at the weekend.

In another incident, two men were shot dead by police who intervened to stop a gunfight between two taxi drivers at Ivory Park near Johannesburg yesterday. Police said they shot the driver of one of the taxis after he opened fire on them, and later shot the man who replaced him at the wheel.

The body of a woman who had been shot in the head was found in Alexandra yesterday Inkatha central committee member Themba Khoza said the woman, Soalega Miga, was an Inkatha youth leader.

A Cape Town policeman was in a critical condition last night after he was shot by a suspect in the KTC squatter camp, and a police patrol came under fire in Khayelitsha near Cape Town yesterday.

The KwaZulu police yesterday supported a call by ANC secretary-general Cyril Ramaphosa for a commission of inquiry into the killing of 11 people at Esikhawini in Natal a week ago, Sapa reports.

Police said yesterday the PAC's military wing, Apla, carried out two attacks on farms in the Elliot area on Monday. No one was injured in the attacks.

New push for peace summit

WILSON ZWANE

THE national peace committee meets in Johannesburg today in an attempt to remove obstacles to a summit between President F W de Klerk, ANC president Nelson Mandela and Inkatha president Mangosuthu Buthelezi.

UN observers Hisham Omayad and Shola Omoregie — in SA to monitor the ANC-SACP-Cosatu alliance's mass action campaign — will attend the meeting. B/DAY 11/8/92

The summit, regarded as an opportunity for the three leaders to give fresh impetus to peace efforts, was scheduled for July 30 but was postponed after Buthelezi refused to attend.

Buthelezi cited Mandela's alleged violations of the peace accord at a recent UN Security Council meeting and the existence of Umkhonto we Sizwe as reasons for staying away

R38 m 'rail guard' to be established

STAR 11/8/92.

(269)

A security force to protect commuters on suburban trains will be established at stations and on trains in the Southern Transvaal early next year, the South African Rail Commuter Corporation (SARCC) announced yesterday.

The "rail guard" follows the Goldstone Commission's recommendations on curtailing train violence.

The project will cost over R38 million for the 1992/93 financial year.

SARCC managing director Wynand Burger told a news conference the guards would collaborate with the SAP and the communities they served.

"It is evident that the most effective policing system alone will not totally eradicate crime and violence."

Mr Burger said the following progress had been made on the remaining Goldstone Commission recommendations:

- The number of Spoornet security officials would be increased from 377 to 741 countrywide at a cost of R19 million.
- SAP officers deployed on stations and trains would soon be appointed "authorised officers" by the SARCC to control access to stations.

Policemen and Spoornet security personnel are already empowered to conduct searches.

- SAP facilities at stations would be improved at a cost of R25 million countrywide.
- Up to R11 million had been allocated for on-board communication systems between train drivers and controllers as well as security centres. A further R7 million had been set aside for on-board public address systems as well as communication systems at stations.
- Mr Burger said the SARCC was also researching the viability of on-board closed circuit television cameras and the installation of walk-through search apparatus.
- Entrance and exit control points would be relocated, and the layout of stations was receiving attention. Upgrading had been budgeted at R17 million.
- The exit and access points for third class commuters at Cape Town Station would be improved at a cost of R2 million.
- Facilities for "searching purposes" at 168 stations in the Southern Transvaal region would be provided at an estimated cost of R4 million.

The issue of interleading doors was also being investigated and prototype coaches would be ready for testing in the near future Should the doors be "viable and desirable", the bulk of Soweto trains would be modified at a cost of R11 million, Mr Burger said.

On financing the projects, estimated at R250 million for 1992/93, Mr Burger said the SARCC was approaching the Government to make additional capital and operating funds of about R88 million available.

He cautioned, however, that the upgrading programmes would also mean fare increases in the near future. — Sapa

a major that, but everyone's making do very well.

SA-UK air monopoly signed off

(269)

CT 12/8/92

JOHANNESBURG. — A new agreement on air travel between Britain and South Africa was signed in London yesterday, ending the monopoly held by South African Airways and British Airways.

The new agreement is the first in 47 years between the two countries since Field Marshal Jan Smuts signed the first agreement in 1945

The new agreement has been drawn up by the British and South African aviation authorities to meet modern needs and changed circumstances, says a statement issued by the Ministry of Transport yesterday

In the new agreement there will be no limit to the number of carriers from each country but each contracting party has the duty to divide the agreed number of flight frequencies between the designated airlines

In the spirit of free competition it was decided to move away from the principle of double approval of tariffs and the principle of double disapproval was accepted.

A new system was accepted according to which the frequency of flights can be changed without consultations between the designated airlines. Frequencies will automatically increase by three a year, which may or may not be taken up by the various airlines.

This mechanism is more flexible than the previous system and was deemed necessary owing to the potential addition of more airlines on the route

Under the previous agreement income had to be pooled but the new agreement makes no provision for this.

Trade agreements between various airlines are not excluded Such agreements will have to be approved by South African aviation authorities

The route schedule of the 1992 agreement provides for an unlimited number of ports of entry which may be serviced in Britain and South Africa. — Sapa

(269) ARG 13/8/92

SAA fares go up and down

The Argus Correspondent

JOHANNESBURG — SAA today announced a double-edged fare scheme with the price of peak hour seats going up by 12 percent and discounts of 50 percent available on various off-peak flights from this Saturday.

Examples of the "first-come, first-served" fares include a single ticket from Johannesburg to Durban at R114 and between Johannesburg and Cape Town at R216.

Everyone now qualifies for discounts. The previous discount structure only applied to certain market segments, including national servicemen and senior citizens

On flights for which there is a high demand, all economy seats will carry a surcharge of 12 percent On all other flights economy seats can be discounted up to 50 percent, depending on demand. All first and business class fares have been increased by 12 percent and no discounts apply on these prestigious services.

The 50 percent discount on various off-peak flights will only be applicable to those passengers who book and pay three months in advance.

A similar discount will also be available on all midnight and early morning flights if the ticket is paid for three months in advance

Commenting on the new fare structures, Jan Blake, managing director of Flitestar, said the price increase was long overdue. He said the last increase, including adjustments for VAT, took place 18 months ago

He said Flitestar would submit proposals to its board and would probably follow SAA's example. However, he could not say whether the fare adjustments would be the same.

SAA slashes fares on domestic routes

B/DAY 14/8/92 (269)

STEPHANE BOTHMA

SAA entered the price war on domestic flights yesterday, reducing fares by up to 50% on a limited number of off-peak seats, on a first-come first-served basis

However, peak hour, first and business class seat prices were increased by 12%.

SAA CE Gert van der Veer said yesterday the airline had suffered a loss of R71m during the first quarter of this financial year — R33m on its domestic service and R38m on its international service

He said cheaper fares would not make the domestic service profitable, but affordable travel would broaden the market.

The reduced fares, effective from August 15, could mean return Johannesburg-Cape Town fares of R432 and Johannesburg-Durban fares of R228.

The discount offers include Apex fares, which offer 50% discount if tickets are purchased at least three months in advance; Slumber fares, a 40% discount on midnight or early bird fares; Super Saver fares, a 30% discount if purchased at least seven days in advance; and Saver fares, which offer 20% discount without an advance purchase proviso

Comair MD Piet van Hoven said SAA had, in effect, increased normal economy fares on its Johannesburg-Cape Town route by 12%, and in order to soften the blow to the traveller, introduced limited capacity discounted fares on certain off-peak flights. Flitestar declined to comment at this stage.

lowed by a private cremation service.

Institutional Development and P
CPA liaison officer Mr Jap

SAA joins domestic fare war

(269)

CT 14/8/92

Own Correspondent

SAA entered the price war on domestic flights yesterday, reducing fares by up to 50% on a limited number of off-peak seats, on a first-come, first-served basis.

However, peak hour, first class and business class seat prices were increased by 12%.

Broader market

SAA chief executive Mr Gert van der Veer said yesterday that the airline had suffered a loss of R71m during the first quarter of this financial year — R33m on its domestic service and R38m on its international service.

He said cheaper fares would not make the domestic service profitable, but affordable travel would broaden the market.

The private airline Comair described the reduced fares as a "complicated system of commercial engineering which it will be very difficult for the travel industry and the public to understand".

Comair managing director Mr Piet van Hoven said SAA had, in effect, increased normal economy fares on its Johannesburg-Cape Town route by 12% and to soften the blow for travellers had introduced limited-capacity discounted fares on certain off-peak flights.

However, Comair's prices were still lower than SAA's newly-announced first-come, first-served fares.

The second biggest domestic carrier, Flitestar, declined to comment.

The reduced SAA fares — effective from tomorrow — could mean return Johannesburg-Cape Town fares of R432 and Johannesburg-Durban fares of R228.

The discount offers include Apex fares, which offer 50% discount if tickets are purchased at least three months in advance, and Slumber fares, offering a 40% discount on midnight or early-bird fares.

Without proviso

Also included are Super Saver fares, offering a 30% discount if bought at least seven days in advance, and Saver fares, offering a 20% discount without an advance purchase proviso.

Parents sue bar for son's death

GAINESVILLE, Florida. — A lawsuit has been filed against a bar and its bartender here by the parents of a University of Florida student, Mr Larry Kenneth Wooten, 21, who died of alcohol

Team to pr muti murde

JOHANNESBURG. — Following the discovery of the body of yet another five or six, brin ber of known

SAA's new fare deal welcome news for some, not for others

STAR 14/8/92

By John Miller (269)

SAA yesterday announced a double-edged fare scheme with the price of peak-hour seats going up by 12 percent and discounts of 50 percent available on off-peak flights from tomorrow

Examples of the "first-come, first-served" fares include a single ticket from Johannesburg to Durban at R114 and between Johannesburg and Cape Town at R216

The travel industry has greeted the new policy with cautious optimism.

On flights for which there is a high demand, all economy seats will carry a surcharge of 12 percent. On all other flights, economy seats can be discounted up to 50 percent depending on demand

Other discounts range between 20 and 30 percent.

First and business-class fares have been increased by 12 percent and no discounts apply

The 50 percent discount on various off-peak flights will be applicable only to those passengers who book and pay three months in advance.

While the 40 percent discount on midnight and early morning flights still remains, the additional saving can be had if the ticket is also paid for three months in advance.

On the 30 percent discount scheme, tickets must be bought seven days before departure. With the 20 percent discount, tickets can be bought up to the day of departure. These discounts are each subject to a 25 percent cancellation fee.

The previous discount structure applied only to certain market segments, including national servicemen and senior citizens

SAA chief executive Gert van der Veer believes the restructuring of the discount fares will create incremental traffic

"Our previous discounts were rather limited. We have simplified the system and made them more accessible so that more people can travel."

Flitestar, SAA's main competitor since domestic deregulation last year, has not increased fares to date but has added more flights at discounted prices.

Managing director Jan Blake welcomed the SAA peak-hour increase. "There has not been an increase in airline fees for more than a year."

Rennies Travel general manager, marketing, Cathy MacWhirter had mixed feelings

"The peak-hour increases are a bit high, especially in the present economic climate. However, the discounts should benefit the holidaymaker and those prepared to plan ahead," she said

Association of SA Travel Agents vice-president Rupert Lawlor said the fare offers were a positive move as long as it was not part of a panic reaction to competition.

Action call on public transport safety

ARG 14/8/92

TYRONE SEALE
Staff Reporter

CALLS for urgent measures to ensure safer public transport have been made by transport, business and community leaders.

They say last year's 11 000 deaths on roads countrywide, poor policing and soaring crime on trains are areas of concern.

The calls were made yesterday at a symposium on safer public transport staged by the Mitchell's Plain branch of the National Institute for Crime Prevention and Rehabilitation of Offenders (Nicro)

Panelists who drew attention to growing problems in public transport nationally were railway crime prevention specialist Colonel John Parker, Metro security manager Mr André Roets, Golden Arrow Bus Services deputy general manager Mr Nico Prinsloo, senior traffic inspector Mr Tony Howes, Cape Town Chamber of Commerce assistant director Mr Albert Schuitmaker and Cape Areas Housing Action Committee chairman Mr Joe Marks.

Mr Roets said that while the SA Rail Commuter Corporation was in the initial stages of a R250 million upgrading of stations throughout South Africa, vandalism was costing the corporation R108 000 a month.

The upgrading had been inspired by the corporation's own planning and by recommendations in Goldstone Commission reports.

Mr Roets called for greater vigilance among commuters and invited victims and witnesses of crime to use the corporation's toll-free, anonymous complaints services.

Colonel Parker said that in the Western Cape only 293 policemen were assigned to the security of 617 000 commuters daily.

During the first six months of this year police apprehended 1 047 suspects on trains in and around Cape Town, but had not solved all of the 35 serious assaults, seven murders, four attempted murders, six armed robberies, six rapes and 174 thefts of firearms reported by commuters in this area during this period, he said.

SAA joins domestic fare war

(269) CT 14/8/92

Own Correspondent

SAA entered the price war on domestic flights yesterday, reducing fares by up to 50% on a limited number of off-peak seats, on a first-come, first-served basis

However, peak hour, first class and business class seat prices were increased by 12%.

Broader market

SAA chief executive Mr Gert van der Veer said yesterday that the airline had suffered a loss of R71m during the first quarter of this financial year — R33m on its domestic service and R38m on its international service.

He said cheaper fares would not make the domestic service profitable, but affordable travel would broaden the market

The private airline Comair described the reduced fares as a "complicated system of commercial engineering which it will be very difficult for the travel industry and the public to understand"

Comair managing director Mr Piet van Hoven said SAA had, in effect, increased normal economy fares on its Johannesburg-Cape Town route by 12% and to soften the blow for travellers had introduced limited-capacity discounted fares on certain off-peak flights

However, Comair's prices were still lower than SAA's newly-announced first-come, first-served fares

The second biggest domestic carrier, Flitestar, declined to comment

The reduced SAA fares — effective from tomorrow — could mean return Johannesburg-Cape Town fares of R432 and Johannesburg-Durban fares of R228

The discount offers include Apex fares, which offer 50% discount if tickets are purchased at least three months in advance, and Slumber fares, offering a 40% discount on midnight or early-bird fares

Without proviso

Also included are Super Saver fares, offering a 30% discount if bought at least seven days in advance, and Saver fares, offering a 20% discount without an advance purchase proviso.

New 'guard corps' for the trains?

(269)

CT 14/8/92

Staff Reporter

THE Rail Commuter Corporation (RCC) is considering recruiting black marshals to help maintain security on commuter trains

This was disclosed yesterday by a Metro security official at a seminar held by the National Institute for Crime Prevention and the Rehabilitation of Offenders (Nicro).

Transnet's Metro security manager in the Western Cape, Mr Andre Roets, told about 50 people that the RCC was looking at new ways to ensure passenger safety on commuter trains

Steps already implemented included securing numerous railway stations around the country at a cost of R250 million and a reward system for anyone reporting crimes

Mr Roets said a possible plan to ensure commuter safety would be to set up a "guard corps" consisting of recruits from black communities.

He said seven murders had been committed on trains or station platforms in greater Cape Town area so far this year. Nine murders had been committed in similar circumstances in 1991

Participants in the seminar, "Working for a Safer Transport", included speakers from the Golden Arrow Bus Service, Cape Town Traffic Department, the Chamber of Commerce and the Cape Areas Housing Action Committee.

Police Colonel John Parker said Transnet should consider fitting "full" signs on train carriages to prevent overcrowding.

Statistics for the area showed that 327 incidents of crime on trains had been reported to police so far this year and that 1 047 arrests had been made.

There had been 35 serious assaults, seven murders, four attempted murders and six rapes In all, 174 robberies had been reported

ghter, grand-
s, and three

Maude", by Collin Higgins, presented at the Bellville Civic Centre six years ago.

woven with the growth of Afrikaans theatre — Own Correspondent

Separate station entrances to go

CT 15/8/92 (269)

Staff Reporter

ALL rail commuters will be allowed to enter Cape Town station at the entrance of their choice from September 28, it was resolved yesterday after weeks of commuter protest.

Negotiations between the ANC, Cosatu and the Rail Commuter Corporation resulted in the decision to allow first and third class ticket-holders to enter at either side of the station.

Spoornet spokesman Mr Brian Lotter said the opening of the "first class side" to all passengers would take place on September 28 as time was needed to restructure the present front entrances to allow for increased pedestrian traffic

Welcoming the move, the ANC said it was pleased with the decision to "abandon the discrimination".

The Pro-democracy Campaign had launched a battle for commuters who were forced to use the eastern entrance if they had third class tickets. The ANC said it "was inhuman and ridiculous discrimination" to force commuters to walk the extra distance to the third class entrance, especially in wet weather.

The Rail Commuter Corporation claimed the separate entrances were to differentiate between people paying prices which varied significantly and denied it was a racial distinction.

Mr Lotter said yesterday that there would be separate entrances for third and first class passengers but they could use either side of the station.

Third-party scam: Call for facts

ARG 15/8/92

Staff Reporter

THE Committee of Consumer Organisations has expressed concern about the functioning of the multilateral Motor Vehicle Accidents Fund and misappropriation of funds.

It called on Transport Minister Mr Piet Welgemoed yesterday for a campaign to tell people how to handle third-party claims without the high cost of legal advisers and insurance companies.

Mr Welgemoed assured the committee at talks in Pretoria that the Cabinet had accepted the Melamet Report on the MVA and it would be implemented as soon as possible.

Committee chairman Mrs Lilibeth Moolman said it was vital that full information was made available to consumers and that claiming procedures were simplified.

■ The committee also requested consumer representation in solving commuter transport problems.

Mr Welgemoed invited it to submit nominations to the Transport Advisory Council.

Beset SAA cuts fares

STAR 15/8/92 (269)

SAA has slashed fares by up to 50 percent from today, mainly due to huge losses in the past two years, report MANDY JEAN WOODS and JOHN MILLER.

HUGE losses thought to total almost R200 million in the past two years are behind South African Airways's dramatic slashing of domestic fares by up to 50 percent today.

In the first three months of this year, SAA's domestic services ran at a loss of R33 million Its international services lost R38 million.

The major losses follow on the heels of a profitless year which saw the airline lose a reported R100 million.

"SAA is really feeling the pinch of the drawn out recession and, with costs creeping up, we are having to adjust our revenue accordingly. But it is difficult to implement price increases in this environment," said SAA's executive manager of domestic services, Johan Kuit.

"By slashing prices we are obviously hoping to increase our revenue and we also expect that we will actually increase passenger traffic. We thought it was rather an elegant way of solving our revenue problem without killing the market."

About 40 000 seats a month will be available at the new cut-rate fares, said Kuit

"The bad news is that we have had to raise fares by 12 percent for all our business and first class seats and for economy class on peak flights"

SAA has slashed its capacity on domestic routes by 2,5 percent a week.

JUMBO LOSSES: Force SAA to slash certain fares.

SAA is predicting an increase in income of between 3 percent and 4 percent a year with passenger traffic up between 6 percent and 7 percent

"This will help us turn around financially," Kuit said. While load factors on domestic services have been excellent — averaging around 70 percent — the fare structure in world terms has been simply too low.

In short, the new discount fares are calculated off the base of the current standard economy fare Apex fares will be discounted by 50 percent and tickets have to be booked and paid for at least three months in advance

Slumber fares will offer a 40 percent reduction in cost late at night and early in the morning Super-Saver fares offer 30 percent off if tickets are booked and purchased at least seven days in advance Childrens' fares are discounted 50 percent and infants' fares by 90 percent (this will be off the lowest fare base available on a particular flight)

Discounts are available to anyone who meets the booking and payment criteria, Kuit said, unlike in the past when only certain market segments qualified

Flitestar, SAA's main competitor since domestic deregulation, has not increased fares but has added more flights at discounted prices

Cathy MacWhirter, general manager marketing of Rennies Travel, said she had mixed feelings about the new package While the 12 percent ishigher than expected, the 50 percent discount offer, even though subject to restrictions, is good news, she said

"It is encouraging to see SAA is finally managing load factors more on the basis of supply and demand. The peak hour increases are a bit high, especially in the present economic climate

"However, the discounts should benefit the holidaymaker and those passengers who are prepared to plan ahead,' she said

SAA cuts domestic fares by 50 percent

C/Pren 16/8/92 (269)

By NOMVULA KHALO

SAA has reduced a limited number of domestic airfares by up to 50 percent.

Not everyone qualifies for the discounts, but the reduced fares for economy seats, introduced on a "first come, first served" basis this week, could mean return Johannesburg-Cape Town fares of R432, and return Johannesburg-Durban fares of R228.

The discounts do not apply to first or business class fares which have been increased by 12 percent.

For flights in high demand there will be a surcharge of 12 percent on economy seats. On all other flights they can be discounted up to 50 percent depending on demand.

The 50 percent discount for off-peak flights will only apply to passengers who book and pay three months in advance.

A 40 percent discount will be available on all midnight and early flights; 30 percent on the super-saver fare if bought at least seven days in advance, and 20 percent if not bought in advance.

The discounts for senior citizens remain.

Lufthansa to start Cape Town flights

LENORE OLIVER
Staff Reporter

(269) ARG 18/8/92

LUFTHANSA is to fly twice a week from Cape Town to Frankfurt via Johannesburg from October 28.

The flights will leave Cape Town at 6pm on Wednesdays and Sundays.

"An intense campaign will be initiated in Germany to increase public awareness of South Africa as a destination," said a Lufthansa spokesman.

The introductory return fare will be R2299. From October 27, the airline will add a Tuesday flight to the Johannesburg-Frankfurt route.

(269) B/Day 18/8/92

New cargo vessels for Safmarine

IMPROVED prospects for two-way trade have prompted Safmarine to purchase new cargo vessels and containers to cope with future demand

The first of two new large refrigerated cargo ships, the Caribbean Universal, was launched last month It is designed to transport bananas, citrus, deciduous fruit and frozen products

It is part of an order worth $50m placed last year with Poland's Gdansk shipyard

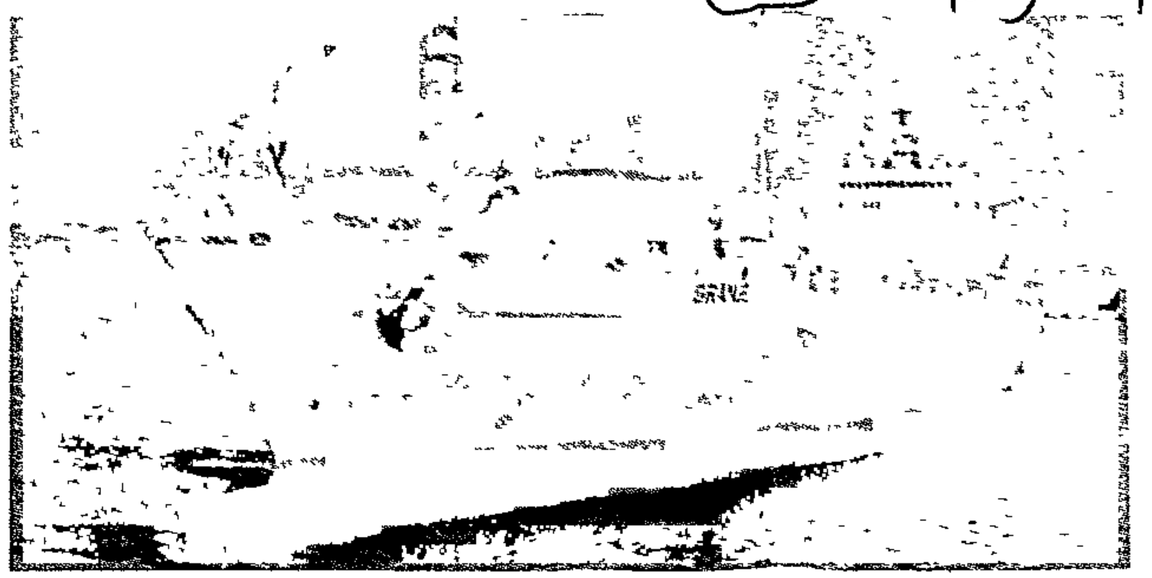
Another R120m has been invested in 3 800 new porthole insulated containers which are called for by the recently concluded SA — European Container Services (SAECS) agreement

Safmarine's liner logistics executive Mike Veary says the latest additions are technologically superior to the older fruit and reefer containers

"These are the first to combine the insulation efficiency (the ability to hold 25° Celsius temperatures) of the reefer container with the larger internal dimensions of a fruit container"

Previously, exporters had to use one container for fruit and another for perishables such as meat and fish One type of the new container now serves both purposes.

The company is the first in SA to take delivery of these advanced porthole insulated containers, with the shipment of 700 units earlier this year. The balance of 3 100 is due before year-end, he says



Safmarine's new acquisition, the Oranje

Imagination is needed for credit secur

SA FINANCIAL institutions are being called on to come up with imaginative packages to finance the movement of goods as more international trade doors open

With an increase in two-way trade already being recorded with neighbouring states, payment is being made by letters of credit (LCs) But demand is growing for back-to-back credit

First National Bank chief manager Pieter Myburgh says the innovative idea of back-to-back credit sounds simple, but in practice such credits are difficult to structure.

Banks are thus generally reluctant to undertake these transactions without the comfort of other security and FNB recognises the problem

Specialises

"There is a real need to provide such a service and we have a small unit, the Firness division, which specialises in providing import and export finance It has been most successful in handling back-to-back credits"

He says much trade is conducted on this basis and many sound import and export opportunities which might otherwise be lost have been concluded

Firness has also developed a method of providing finance for the import or export of goods on behalf of clients who have committed orders from acceptable buyer, but where the goods are often the only security

The deal is structured in such a way that the finance house controls the flow of documents, goods and the payment mechani

This means i heavily on freight ers to ensure the g collected and d correctly, says My

Increasi

The bank's inte division's Jimmy says banks contin an increasing role and forwarding

This includes credit and the pro shipping guarant tection of paymen sisting in author release of goods

Transnet service helps to capture lost market share

MAJOR fast freight and distribution Transnet company PX has restructured to provide an integrated service and is recapturing lost market share

PX, which this month cut its umbilical cord with Spoornet, provides a shelf-to-shelf operation based on mini-containers about one-quarter the size of normal 6m containers.

Its breakaway from the Spoornet umbrella adds a new dimension to the strategic planning of parent Transnet as a means of extending its share in the R3bn-a-year logistics and small consignment distribution sector

Headed by CE Wicus Pretorius and aided by a team of 16 000, PX has in the past 30 months succeeded in attracting more than 91-million consignments a year from a total client base of 36 000 companies and over 7 200 destinations

It had its beginnings in the former SA Transport Services (Sats) as the Parcels Express Fastfreight Service operation, initiated in 1985 after the development of the mini-container concept

To improve service and win back traffic, Transnet created three commercialised divisions out of Spoornet to deal with rail freight — PX, formerly Parcels Express, TX customised truck and train loads and CX (Container Express).

Diminished

Statistics show that during the 50-year period between the 1930s and 1980s, railways' share of the SA freight market diminished from 62% to 28%, attributable in part to certain fundamental weaknesses in this mode of transport

The invention of the mini-container of 1985 was not followed through and in 1989 the service was floundering with its users drifting to road transport, says Pretorius

However, in the past 30 months the small package distribution service has been reorganised, refined, restructured and also extended into logistics chain management

It is not just a parcel delivery but includes planning, collecting, sorting, handling, in-transit storage, dispatch and delivery as an integrated service

Pretorius says the introduction of more services has facilitated the broadening of the PX client base

Services include overnight delivery (OPX), same day delivery (SPX) and intra city (IPX), together with the fact that PX has become multi-modal by using goods and passenger trains, air freight and road vehicles

This has led to the opening of in-house distribution depots (IDC) on PX clients' premises with astounding results

The motor industry and clothing industry were originally targeted as pilot markets for the implementation of the IDC concept

At the insistence of Toyota SA, for example, transit times of parts and accessories have been reduced from an average of 10 days to four countrywide, with the same results applicable to Mercedes-Benz, Samcor and Nissan

Specialised distribution in the pilferage-prone clothing industry, resulted in the percentage defect being reduced from an average of 2,5% to 0,15% — in one instance as low as 0,95% of total merchandise value

WICUS PRETORIUS

The hub-and-spoke method adopted by PX facilitates sorting of consignments at Bloemfontein, Port Elizabeth, East London, Durban and Cape Town and Johannesburg

At the last three centres, PX makes use of computerised sorting machines that can sort 20 000 parcels an hour

An integrated accounting system facilitates immediate location of any consignments or single parcels nationwide

A new rating system also speeds up the quoting accounting and invoicing process

Pretorius says tenders are now being invited for the implementation of a bar-coding system

EDI allows shipping lines to provide a door-to-door service

THE introduction of EDI (electronic data interchange) is enabling shipping lines to track individual container loads and provide a door-to-door land-sea freight service

Among those providing the service with the aid of EDI is Unicorn, which has extended its container tracking system facility to include information from the Portnet system and to keep tabs on any container throughout its pipeline

Prompted

Unicorn's Dick Young says the development of a sophisticated computerised coastal documentation system was prompted by findings that showed coastal shipping to be slow

With the deregulation of the road haulage industry, Unicorn needs to compete effectively and has achieved this with EDI and the support of Portnet

"In addition, most of our customers wanted a documentation system that would reduce fragmented information flows and interaction between the numerous parties in the shipping process"

Young says there have been several other developments which have streamlined its service such as the linking of all Unicorn's agents around the SA coast

Among the more recent refinements has been its "thru rate" concept, offering customers the option of a single payment to one payment centre for all the integrated services such as railage, road haulage and in-transit warehousing

Links

Unicon is also developing EDI links with its customers and has four top customers linked live by EDI to its system and a number linked in test mode The EDI link provides

- A facility to capture, amend or cancel own bookings,
- A summary of cargo booked and sailing schedules,
- Tax invoice printer on site,
- Schedule of freight charges,
- Inquiry facilities for shipping movement statistics,
- Container tracking, and
- A facility for defaulting special shipping instructions

Customs services must remain competit

MORE organisations in the chain of local customs clearing and the handling of imports and exports need to improve and update their services.

So says International Federation of Furniture Removers vice-president Tom Ansley, who adds that while some organisations have upgraded in recent times, others must modernise their services to remain competitive.

"Certain companies still need to be motivated to speed up their services in order to compare more favourably with the outputs generally provided in most of the better countries abroad"

Ansley, a candidate for the presidency of the Brussels-based IFFR, says some local examples of good progress have been encouraging, notably at SA's previously state-run airports and sea ports.

"In fact, our ports now provide improved commercial facilities that compare favourably with those abroad"

SA's freight and forwarding services now rank alongside those of other advanced countries and the number of non-conference shipping operations has improved competition

With more countries worldwide opening their doors to SA, he predicts exciting challenges for shipping and inland transportation, particularly throughout Africa.

"I have no doubt that given the right goods, competitive prices and top-service, African states will show a strong tendency to support inter-Africa trade before any other.

"We must thus be prepared to take proper advantage of this and provide the necessary goods and back-up," says Ansley, who is also chair Elliott Internation

Specialising in furniture, motor domestic animals er possessions loc abroad, Elliott tional has taken ad of the improving trade situation by lishing depots in Sw and Lesotho

"We are looking starting similar operational depots babwe and Na which will include based vehicles an administrative st training programi

SA traders need to adapt to foreign practic

IN SOME cases, SA's international trade will need to conform to rapidly emerging foreign trading practices in order to land goods on foreign shores

Local traders will also need to conform to be able to compete on a global scale, says First National Bank subsidiary FirstNet MD Mike van den Bergh.

He says Electronic Data Interchange (EDI) has so revolutionised trading practices worldwide that customs offices are starting to refuse to accept information of goods where documentation has not been generated via EDI

Moreover, companies are starting to turn down business from others which have not implemented it

By providing instant electronic communication between companies' computers and those of their trading partners, including freight and forwarding and customers' offices, EDI eliminates cumbersome paperwork

Benefits extend to all links in the supply chain with EDI contributing to improved efficiency and increased profit

Hence, goods get to the right place at the right time, phone bills are cut drastically, as are queries and the need to reissue paperwork And it is only with EDI that true "quick response" (retail) and just-in-time (manufacturing) practices can be implemented, says Van den Bergh

Firstnet brought Europe's leading EDI service, TradaNet, to southern Africa Its service offers access to some 23 000 companies worldwide

Analysts agree EDI is no longer a choice but a business imperative He says the big decision, however, is who to choose EDI service prov

"Companies lo implement it shou that they properly what's available local EDI arena

"Outfits claimi EDI service prov springing up ev and the market is undated with new packages promisi the ultimate EDI

"Every compa requirements diff is essential to e supplier is able to needs"

A dash of speed to lure more rail traffic

TO RECAPTURE traffic from the road, PX — the former Parcels Express division of Spoornet — is investigating the running

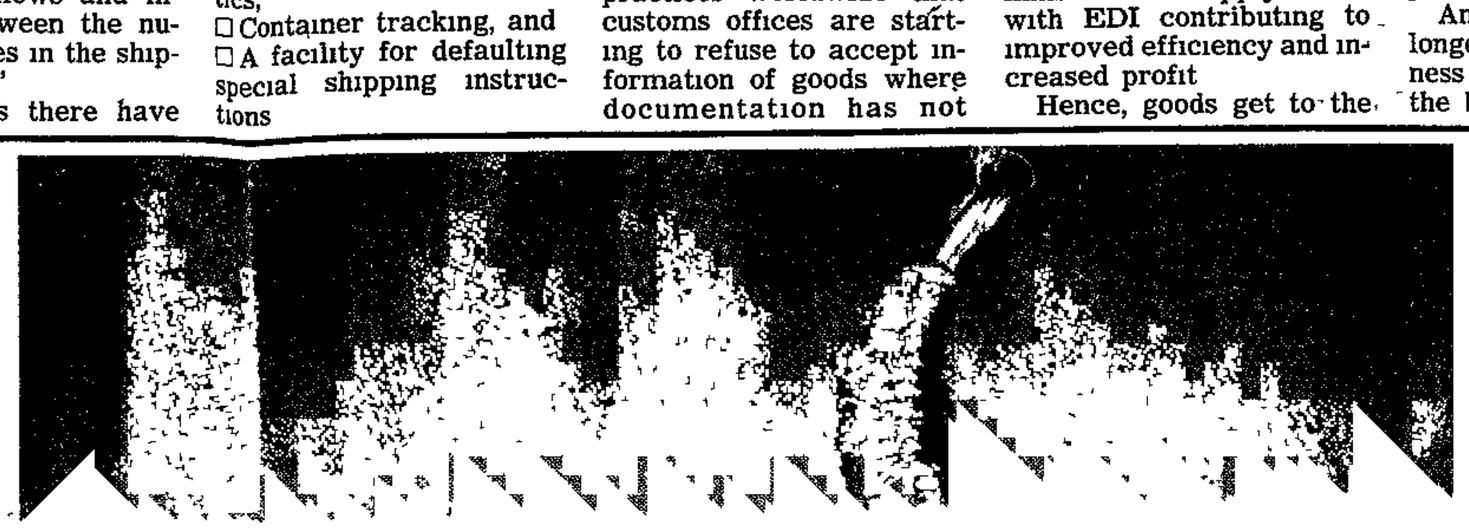
vantages taking into consideration the three types of mini-containers at their disposal"

These are regular, a ven-

net's High Speed Committee, he says these speed trains could be the forerunner of trains travelling at speeds of up to 400km/h.

lished before end-1992 and then there are also places further afield"

The distribution of small packages and multi-pack-



routes

A dash of speed has been added so far on the route between Johannesburg and Cape Town, where trains now travel up to 120km/h compared with the usual maximum of 70 km/h

This has reduced the journey time from 23 to 17 hours, says PX's CE Wicus Pretorius

"Our delivery times on this route are better than road and compare favourably with air freight

"We are only a few hours behind air freight, but our clients enjoy definite ad-

produce and an insulated unit for frozen goods and other perishables

A typical high-speed train comprises 20 specially designed trucks and one high performance Class 14E locomotive

At least 20 heavy road hauliers would be necessary to convey the typical 720-ton payload of the express train, says Pretorius

"If this service can be provided consistently and the other major routes follow suit, it will be a real threat to the road hauliers"

As chairman of Trans-

trains could travel from Johannesburg to Durban in three hours, thus making them competitive with air freight and passenger air travel

With the introduction of a PX air freight division two months ago, Pretorius also hints at PX spreading

"My clients aren't just local, but international and we have been successful in opening offices in Namibia, Lesotho, Swaziland and Botswana

"We are currently looking at other African states where we hope to be estab-

tech nature has become a growth industry in most of the developed world as improvements in communications have triggered demand for speed, efficiency and consistency in the transit and handling of goods

PX already has an estimated 60%-plus of the multi-package (10kg to 300kg) consignment sector and more than 35% of the single parcel market

He says PX's expansion programme into Africa and further afield is set to make it a major player in distribution logistics

Export credit insurance is vital as recession hits trade partners

AS MORE local companies turn to exports to boost profits hit by the severe recession, so commercial and transfer risks to new and old recession-hit markets have become a problem

SA's largest credit insurer, Credit Guarantee, warns that foreign trade is still fraught with risk thus making it vital for a company to secure its debtors by resorting to export credit insurance

Credit Guarantee MD Chris Leisewitz says opportunities for export seem to abound, but this perception needs to be tempered by an awareness of the many possible pitfalls

He says many SA exporters have regarded political risks as the main area of risk facing them

"Now with SA's changing political situation, the threat of sanctions has started to recede, but commercial and transfer risks worldwide have become a major problem"

This year, Credit Guarantee has seen a very high amount of export insurance payouts to companies which had the foresight to take out export insurance before venturing into unfamiliar markets

Biting

It should be noted that the recession is also biting in those countries which constitute some of SA's major trading partners In the US and UK last year, business failures rocketed to the highest levels in more than a decade

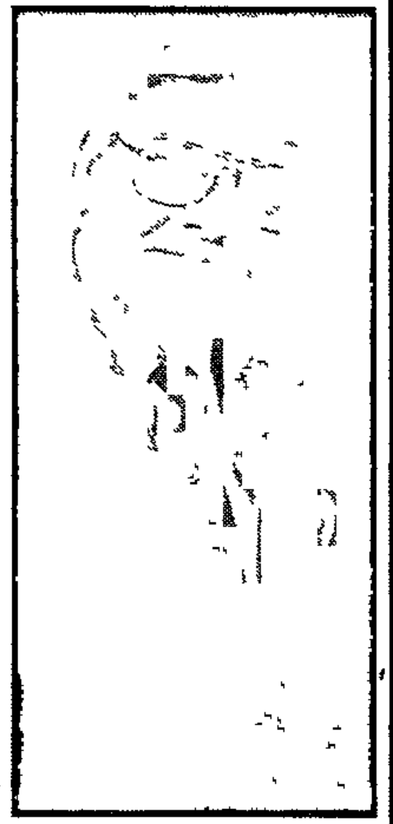
Further, there is little information available on new markets, such as eastern Europe, which many SA companies are exploring

"Many exporters have also burnt their fingers by trading in Africa," says Leisewitz

He advises most companies planning an export drive in the new year to.

- ☐ Have a long-term commitment towards exports,
- ☐ Start any plan with a zero-base approach Becoming a world class exporter requires an examination of all aspects of the business from a clean-slate perspective,
- ☐ Realise that customers are vital Understand what the customer wants and visit markets regularly, and
- ☐ Add value to products and services

"Since customers judge the value of your service, it is vital to know what criteria they use, how products can be improved and how you rate against competitors," he says



CHRIS LEISEWITZ

Shipping aided by information technology

INFORMED shippers are considering the cost implications of the total through-cost of door-to-door shipments in order to provide better value

This means shippers need not consider individual sectors such as ocean transportation in isolation, says Safmarine liner division executive director Dennis Whitehead

The latest concept also means the customer is now being offered the total or "packaged" cost of moving wares between buyer and seller

The well known "just in time" (Jit) strategy dictates that the customer opt for door-to-door shipments, also known as through transport or intermodalism or route management

"Because significant costs are incurred in landside movements and demurrage charges, it no longer makes good business sense to scrutinise one or two sectors only

"Factors such as reliability, regularity and speed of transit are crucial in determining overall costs," Whitehead says

Another increasingly important consideration is "affordable information technology", designed to allow a customer to manage freight movement data with the minimum of paper and effort

Safmarine's electronic data interchange (EDI) projects, such as "compass" and "quay" are designed to assist customers into the next century, says Whitehead

"In SA generally, EDI principles are not being as quickly accepted as they are in certain countries"

On other developments, he says that although SA's trading opportunities have broadened substantially, it needs to become more export orientated

"There has never been a better climate for trade, considering the low value of the rand"

Anticipating that there will be an export-led economic recovery in due course, Safmarine is increasing the capacity available to the Far East through the introduction of its new R100m container vessel Oranje

Capacity on the important European trade route can be increased through improving the sailing frequency by speeding up turnaround times of vessels and reintroducing a vessel built for trade which is currently out on charter

While utilising developments on the privatisation of Portnet and Spoornet to its advantage, Safmarine would prefer a more definite switch to commercialisation of these services

"Such a trend would enable us to control more directly terminal, wharf and port costs and operations with the resultant increase in productivity and the ability to be more cost effective," Whitehead says

Freight and forwarding

(269) B/Day 18/8/92

New initiative to accelerate EDI's implementation

A NEW initiative aims to accelerate the introduction of Electronic Data Interchange (EDI) based on United Nations message standards.

Its planning comes when most businesses are grappling with the technical complexities that make EDI commercially viable and have to make up much lost ground

Based on overseas experiences, a Cargo Community System is being developed to provide electronic message switching facilities between all carriers, forwarders, customs and other authorities or organisations involved in the movement of cargo.

The initial pilot phase of an EDI, to be introduced by ZA-Cargo Community System (ZA-CCS) — a company owned and controlled by carriers and forwarders — is scheduled to start during the first half of 1993

ZA-CCS management committee chairman Willi Schalk says the freight forwarding industry has recognised the need to break from traditional paper-based information communications methods, but senior managers in most companies do not know what is involved

Strategies

"While there are already a number of different electronic communications systems in use, the only method of overcoming the incompatibilities of the many different information systems is the introduction of EDI in their business strategies"

Schalk says EDI provides a key link in the global trade movement communications chain and enables a company to provide a professional service and create a competitive edge

He says a number of organisations claim to be able to provide a kind of EDI service to the forwarding industry, but none has been able to meet all requirements

Freight movers must maintain costly and sophisticated infrastructures, often with small profit margins due to competition and dependence on the economic climate This precludes the use of public EDI services which they have no control over and are normally too expensive

Schalk says the creation of a dedicated message

WILLI SCHALK

switching installation, meeting all specific requirements at an affordable cost, is the solution

ZA-CCS's services are based on the IATA Cargo Star specifications

"The aim is to meet the needs of the freight moving community in SA and southern Africa and to provide a global link to business partners via other CCSs," he says

"ZA-CCS is an accredited member of the recently formed CCS Council, the only worldwide forum for discussions on inter-connectivity and charging structures"

'One-stop-shop' the new approach to transportation

A NEW management approach is being adopted to cope with the growing complications associated with freight transportation

Victor Vaz, deputy MD of newly-formed PFV Transportation Risk Managers (TRM), says the need arises due to inadequate perceptions of legal liabilities and escalating freight costs

Other factors are high, sometimes unnecessary insurance premiums and restrictive policy wording

So far each player in the industry has been assessed independently and usually from an insurance viewpoint, Vaz says

He says the incorrect definition of liabilities or responsibilities among the players has often resulted in double insurance which adds to the financial burden and complicates the administration of claims

Formed by Durban-based PFV Natal, TRM now offers the first "one-stop-shop" facility for SA's freight transportation industry

This is the result of combining traditional marine insurance broking, specialist transportation risk management and freight forwarding services

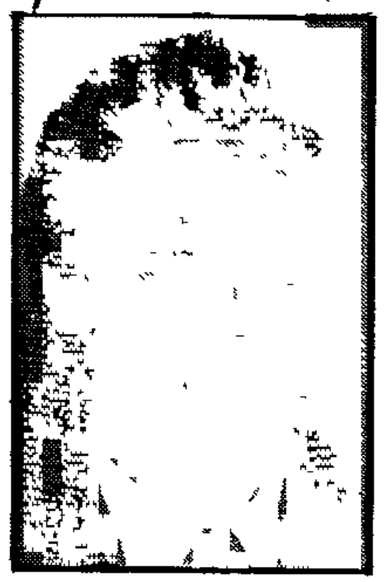
"We aim to provide every link in the freight transportation chain with effective risk management, through cost-efficient loss control techniques coupled with the optimum methods of risk financing

Integrated

Vaz says this can be achieved only through a co-ordinated approach

The company provides an integrated assessment service which analyses not only the most cost-effective methods of risk financing, but also the "logistics" of transportation, storage and distribution

It also provides the allocation of liability between the various parties that make up the transportation



VICTOR VAZ

chain, eliminating gaps and overlaps in cover

"Through assessing and interpreting evidence, potential risks and statistical data, insurers will be able to accurately evaluate the viability of transportation methods and apply optimum transportation logistics effecting considerable reductions in freight costs

"At the same time we help clients to reduce their risks and improve their profitability," says Vaz

Within TRM, the freight operators' unit has been created specifically to address the needs of the freight industry

Trade servicing indus gearing for good tim

TRADE servicing companies are gearing to meet emerging opportunities as trade barriers crumble

A number of new developments are afoot in SA's freight forwarding industry as more challenges loom for trading abroad, says SA Association of Freight Forwarders president Peter Krafft

While local forwarders are already dealing internationally, expectations are that more will tend to specialise in certain trade regions rather than work on a global basis

He says multinational organisations have a definite advantage, together with the very large players based in SA with their worldwide networks, in capturing new business

"But there is definitely also a place for the smaller agents concentrating on personalised service," Krafft says

The clearing and forwarding agent used to act as agent only "Now he acts more frequently as principal and thus also carries the greater risk and the necessity for professional indemnity insurance increases accordingly

Reichmans marketing director Clive Cohen says that as the economy begins to grow, more companies will look to trade finance, including exports, as a mechanism to fund growth

Mainstay

"As the remaining trade barriers are lifted and the full appreciation of the SA role in the wider southern African context is realised, there is little doubt that trading is going to be the mainstay of our economic recovery and future prosperity," he says

Trade with Africa is opening up and this requires facilities, both in terms of money and services, to take advantage of new opportunities

Cohen says inventories are low and traders will require assistance in funding this restocking c

Reichmans is pany gearing for sustained growt mand for impor port financing, f local purchases a financing

Plans are at an stage to launch ing drive to attra customers to u group's resources clude Investec's muscle and Reich ternational netw

Cohen says the pressive factor in wise grim econ nario of the past is the performan export sector

Despite the rec conditions experi many of its trad ners, the balance ments has show surpluses

"This can be att the attaining of kets as a result o tial lifting of sanc also to the relativ rand over this pe says

Safto urges exporters to sh around for attractive rate

EXPORTERS should shop around for the best forwarding and clearing rates as well as airfreight and shipping rates, says Safto export development services senior manager David Small

However, he cautions against forsaking dealing with a reputable company as a company offering cheaper rates may not have costed to provide adequate service

Small says companies and individuals who want to move goods should scrutinise business associates

A rule of thumb is to expect the best service from reputable concerns that operate hi-tech forwarding and clearing systems, such as electronic data interchange However, rates may vary

"With shipping and airfreight having become so competitive, it pays to shop around among all players even though one may have been satisfied with the service received so far," Small says

With new entrants a recent development is in the container depots The service has become more user-friendly and provides essential advice on how to pack boxes and safeguard against damage and loss

Checked

Still, he says, containers should be carefully checked to ensure goods will be properly protected against dampness and damage, and badly damaged or dented ones should be rejected

Checks should also be made to ensure there are no missing strapping points inside and outside the unit, and by getting inside a container and closing it off, the observance of any signs of daylight suggests damp-

ness could infiltr at sea

"With the skies up over SA airfre coming increasin petitive and some are returning abr spare cargo cap shop around for b freight rates," Sm

He says he wi surprised if some particularly ne still trying to estal ular client bases yet carrying full lo pend flights to SA recession eased means of stimula lateral trade are mented

He further adv porters to contact t national branch bank if they ex problems with le credit and recor they take cover at rates for freight m abroad

Spoornet to update

Quality

long-haul method

A MORE cost-efficient means of handling long-haul consignments, along with the introduction of additional domestic and over-border depots, are some innovations by Spoornet CX

Long-haul consignment handling is set to be upgraded through the swap-body bi-modal concept, which has become popular in Europe, the US and Japan

Though still in its infancy locally having been introduced at the Belcon depot for the Cape Town to City Deep (Johannesburg) route, it is expected to capture a substantial niche in the long distance transport market

Belcon manager Aubrey Steyn says CX has invested a large amount in specialised rail trucks and handling equipment to accommodate swap-body

Initial experience is being gained by handling three types of client a container groupage operator, a private road haulier and a manufacturer

"All of their consignments used to go by road, but they are being switched to the road-rail-road swap-body method"

CX's main market is the private road contractor and his clients who find that the bi-modal transport mode using the swap-body supplies the most cost-effective and reliable means of long-hauling their goods.

Spoornet CX also plans to expand its depot network on a market-related basis, says commercial manager Heini Rapp

Domestic and over-border depots will be opened this financial year where demand makes them viable, he says

Upgrading begins at SA's seven sea ports

A PROGRAMME to upgrade the equipment fleet at SA's seven sea ports, which have experienced an increase in traffic this year, has started

Portnet says the upgrading is in anticipation of a gradual increase in cargo volumes

Durban port manager Captain Jan Mors expects traffic in imports and exports to rise 5% next year in relation to the world economy.

Durban Harbour has been supplied with 12 additional forklifts of varying capacities and 15 haulers, while 25 haulers have been delivered to Cape Town and Richards Bay has received seven forklifts

Exports made up 82,2% of the total cargo of 10,2m tons handled in June — 11,9% up on the same period last year.

In June, about 1 160 vessels anchored at the seven ports — 50 more than in June last year and 73 more than in May this year. Trans-shipment cargo, however, was 14,1% down in the comparison period, he says.

products in demand

THE quality of SA products is resulting in great demand for them in US markets, says a representative of New York shipping company Wilhelmsen Lines.

Kjell Tonnesen says goods previously hit by sanctions, such as steel and agricultural produce, are being exported again in significant volumes Stalwarts such as paper products continue to improve market share in a country which sources from around the world, he says

"Once US state and city sanctions are lifted there will be unprecedented demand."

Tonnesen told more than 100 exporters and importers in Johannesburg that there would be many opportunities for all kinds of commodities, from primary products to manufactured goods.

Hence Wilhelmsen Lines, which has SA-owned company John T Rennie acting as ships' agents, has committed a special class of modern multipurpose vessels to the US-SA route.

Its lanes include linking New York, Baltimore, Savannah, New Orleans and Houston with Durban and Cape Town.

Subject to a continued increase in SA importer and exporter support, the line hopes to introduce additional vessels.

Association playing an increasingly vital role

THE SA Association of Freight Forwarders is playing an increasing role in assisting forwarders in tackling their problems and upgrading their services

Association president Peter Krafft says this includes a broad range of services to members, from making representations to government to organising and providing specialised training courses

"We not only have the interests of forwarders and clearing agents at heart, but also intervene for and on behalf of importers and exporters at the Department of Customs, Portnet, Spoornet and other organisations," Krafft says

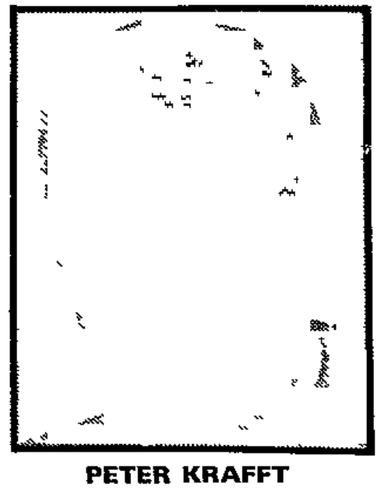
For example, the present clearing time at Jan Smuts Airport is about 16 working hours, but with the pending introduction of electronic data interchange, this will be considerably reduced

"In the EC, this is only about two hours and there is room for much improvement in SA"

The association's executive director, Alan Cowell, says the introduction of the interchange has been slow.

One of the drawbacks has been financial and staff constraints at customs

However, Krafft says the association will continue to co-operate closely with customs in order to improve services generally.



PETER KRAFFT

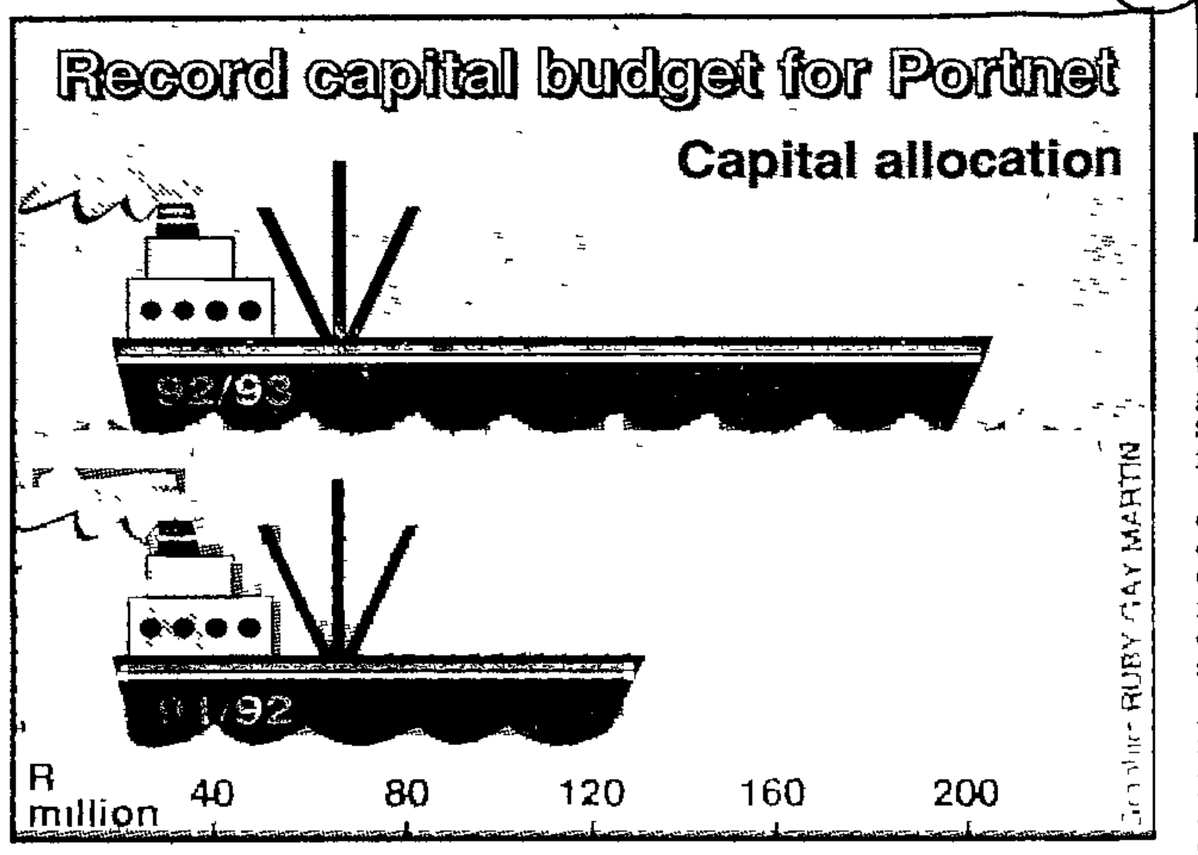
He says the association offers members a one-year course on customs affairs and a two-year course on forwarding practice.

"With the envisaged establishment of an official training board, we will fulfil all the needs of the forwarding and clearing industry," he says

(269) 18/8/92 B/Day

Business Day SURVEY

Progress in easing sanctions has encouraged forwarders to look at new destinations, particularly in eastern Europe, the Middle East and the CIS. Some SA forwarders are being assisted by parent organisations overseas in establishing links and networks in these new markets. ***LYNN CARLISLE*** *reports.*



Transnet takes the plunge with a massive budget

DUKE DAVIDSON

TRANSNET has approved a record capital-expenditure budget for its Portnet division of R206m for financial year 1992-93 — up 53,7% on last year — of which R90,6m is for new projects and equipment

Portnet CE Duke Davidson says that along with the additional R115,8m to be used to upgrade existing port facilities, this is the most ever to be spent on ports in one year

Davidson expects between 115-million and 120-million tons to be moved to year-end March 1993, compared with last year's record 110-million tons.

This includes 8-million to 10-million tons of maize imports needed to replace southern African crop failures

While this suggests a lower overall volume compared with a normal crop production season, manufacturers tend to export more during a recession

Davidson says Portnet is looking at expanding the bunkering facilities at its ports and is investigating a new strategy on dry docks

"We are planning for the future and expect exports to increase 50% by the year 2000," he says

Apart from R22,5m for minor projects, Portnet is to spend R59,5m on the complete upgrading of its straddle carriers at all ports A further R23,5m will go on cartage vehicles

Substantial funds have also been allocated for projects and equipment at Richards Bay

He says preliminary work will start this year and three extra berths will be completed at a total cost of R132m

Completion

And R50m has been allocated for an extra cargo unloader and the completion of scraper reclaimers for handling titanium oxide and rock phosphate at Richards Bay

Another R25m will go towards purchasing a giant crane plus R13m for construction of facilities to handle forest products About R4,5m is earmarked for the relocation of the ferro-alloy terminal

The port of Durban will get about R40,6m this year, including funds to provide additional equipment to handle the upsurge in containerised traffic

Other upgradings there include four additional gantry cranes that could cost R20m, and R2,5m to extend container crane tracks Also on the books is the possible purchase of two mobile cranes

Portnet is investigating a terminal for steel products at No 1 pier and is building another shed for R3,5m at berth 108/109

The Ocean Terminal at Durban Harbour is being refurbished at a cost of R6m and will become the local headquarters of Portnet

A major new cargo shed which will cost R9m is being built in Port Elizabeth It is due for completion in mid-1993

In Cape Town, R6m will be spent on the Blue Cold Storage facility

Another R4m has been allocated for the completion by year-end of another joint venture — a chemical tank farm in Cape Town

Shot in the arm for Durban harbour

FREIGHT handling at the diverse seaport of Durban is set to improve due to modernisation under way

This is indicated by its latest record capital expenditure programme amid the unfolding of greater trade prospects as more countries open their doors to SA

Although the port is not operating at fulloverall capacity because of the recession, it is preparing for growth and greater efficiency

Durban port manager Captain Jan Mors says the port believes in building alliances with importers, exporters and shipping

volumes increase, greater use will be made of Durban's harbour, particularly by local manufacturers who produce more value-added goods for export — products better suited to containerisation

Clearer

Portnet PRO Pieter Smit says such increases may be expected only once the world economy picks up and more countries abroad resume trade after further easing of sanctions, and as SA reaches a political settlement and clearer economic direction

As a full-service port

For this reason Durban, with its fast-growing container terminal, is receiving major upgradings, he says

It will receive 19 of the 20 modern straddle carriers recently ordered by Portnet, plus two extra container wharf cranes, extensions to specialised wharves, the deepening of some berths and additional chemical storage capacity

Noting that the port's future lies in the provision of flexible facilities such as combi terminals, Mors says major possible future developments could include

- The development of No 3 pier near the container ter-

including backup facilities for, and deepening of, Maydon Wharf, where tonnages handled at the many privately operated berths are below Portnet's general quay level

Durban's container terminal, now running at nearly full capacity, handles about 530 000 TEUs annually — more than double the number of the other three container terminals in Cape Town, Port Elizabeth and East London

Shift

"The number of containers handled by Durban in-

Forwarders hopeful of big boost in business

AS NEW opportunities for two-way trade begin to unfold, prospects are good for a further and significant boost in SA's forwarding industry

But, says SA Association of Freight Forwarders executive director Alan Cowell, this is subject to an improvement in the world economy and SA reaching a swift political settlement

The industry is already preparing for a further upturn in two-way trade following some improvement as a result of the gradual easing of sanctions, he says

"Progress so far has encouraged forwarders to look at new airfreight and shipping destinations, particularly in eastern Europe, the Middle East and the Confederation of Independent States

"With routing their speciality, forwarders are seeking new ports and airports that are operationally efficient"

Cowell says some SA forwarders are being assisted by parent organisations overseas to establish links and networks abroad in these new markets — previously closed to them — as and when required

Rennies Ships Agency director Des Murray says it is encouraging that ongoing political reforms are making two-way trade more acceptable for countries that would previously not deal with SA

"We will see more and more opportunities opening up for a mix of bulk, semi-finished and manufactured goods," says Murray

Growing

Encouraged by growing demand from some countries for locally beneficiated, semi-finished and finished goods, Cowell says the outlook among most forwarders is that exports could increase substantially

"But much will depend on further reductions in our rate of inflation, thereby making local products more competitive on world markets, and particularly on SA solving its political problems"

Another encouraging feature is that while shipping rates are rock bottom, there is room for an easing of airfreight rates because of the growing competition among airlines serving SA.

Airfreight is becoming a more attractive means of moving goods, especially since 12 more airlines have started operating through Jan Smuts Airport since trade sanctions were eased

"Further, with Durban and Cape Town planned to become international gateways, the prospects of competition are growing by the day," he says

Another 10 airlines are waiting in the wings for slots at SA airports and Cowell believes they are set to re-establish SA connections or start moving freight through local airports by year-end

Such an increase in competition promises some moderation of airfreight rates, which is in line with recent passenger air fare reductions for international travel

"We find the airfreight situation encouraging as it will not only create greater diversity for imports and exports, but will open up the need for greater forwarding expertise here," he says

When rates become more finely tuned, airfreight will have greater appeal among importers and exporters

Understandably, many of them have long been concerned about the total cost of freighting goods from source to destination, as well as the time cost of money

This is particularly so where certain shipments may take up to eight weeks by sea from source to destination

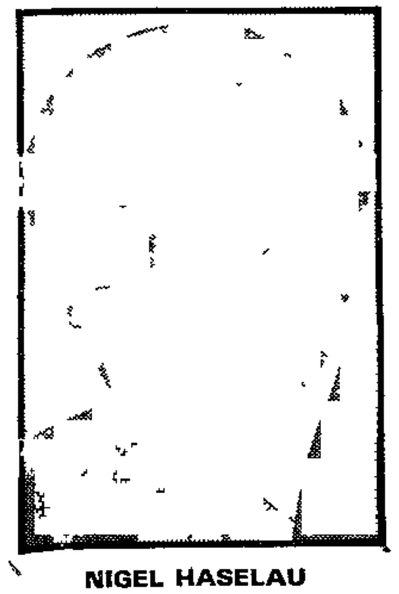
Locked up

To illustrate, R100 000 locked up in transit time at 22% per annum will cost the trader nearly R7 000 in cost money — perhaps more than the cost of sending the goods by airfreight

The lower the freight rate, the more attractive becomes the equation, he says

"Herein lies the art of just-in-time (Jit) inventorying — minimum stock inventories and improved cash utilisation"

Thus, lower airfreight rates would enable importers of products for retailing and capital equipment to order smaller, but more frequent consignments on a Jit basis



NIGEL HASELAU

Moving on a 'just-in-time' basis

A SPECIALIST handling service to get consignments to domestic and international trade fairs and exhibitions on a just-in-time (Jit) basis has been launched by Renfreight

The service assumes the logistics and documentation burden of consignments moving into and out of SA, says Renfreight projects and exports manager Nigel Haselau.

Using the expertise of Lep International, its R5-billion-a-year forwarder which operates in 20 countries, is a key factor in the service package

With the re-opening of trade doors worldwide, SA has increased its incoming and outgoing trade missions and exhibitions

Haselau says the fairs and exhibitions unit uses proven project management techniques to cope with the complexities of transporting exhibition materials and associated products

"Because many exhibits are expensive and in demand at various shows, the key is to get them in and out of the show location on a Jit basis"

He says the nature of shows tend to favour air-cargo to get consignments on-site on a Jit basis

"However, if they are not due to appear at another show immediately thereafter, seafreight is a more economical alternative A variety of time and cost options is thus available to exhibitors"

Insolvenc figures a warning t exporter

LATEST insolvency ures from some of major trading part are a warning to ex ers to take care in dealings abroad.

Credit Guarantee ior economist Luke says business closu the UK averaged 1 week in April and or 17% higher tha 1991 average

In Australia, th cession has sla small business inc and left one in fo the red before the ers can pay thems a salary.

Sony, the giant J ese manufacturer reported its first full-year loss to March 1992 of $15

Germany and t have experienced tic economic slowd and company fa have risen accord

The OECD has cast that in rich tries unemploy levels will be hig 1992 than at any since 1986, with marginal improv expected next yea

Doig says that employment gro consumers are for default on their which then impa company cashflo

While these f are vivid evider the extent of the recession, which i ly to carry on we late-1992, they not dissuade loca nessmen from pu opportunities abr

"They should encourage them prudent in their ings and to mi their risks throu fective credit ance," he says

companies to cater for their logistical needs on a dedicated basis

"Developments in SA's freight and forwarding industry plus other sectors, and the trend towards hi-tech cargo means the port cannot ignore changes in cargo-handling techniques," says Mors

Once import and export handling containers, general cargo, small bulk parcels, liquid cargoes and agricultural products, a massive 80% of its cargo emanates from, or is destined for, the PWV

Handling about 3 000 commercial ships a year, the port occasionally gets congested – especially its container facilities

minal, which will involve reclamation work,

☐ Additional quays and cargo facilities on the Bluff,

☐ Filling in of Salisbury Island and the conversion of the naval station there into commercial berths,

☐ The deepening and development of the Point berths into finger quays, and

☐ Rationalisation of berths,

indicating a shift to containerisation," says Smit

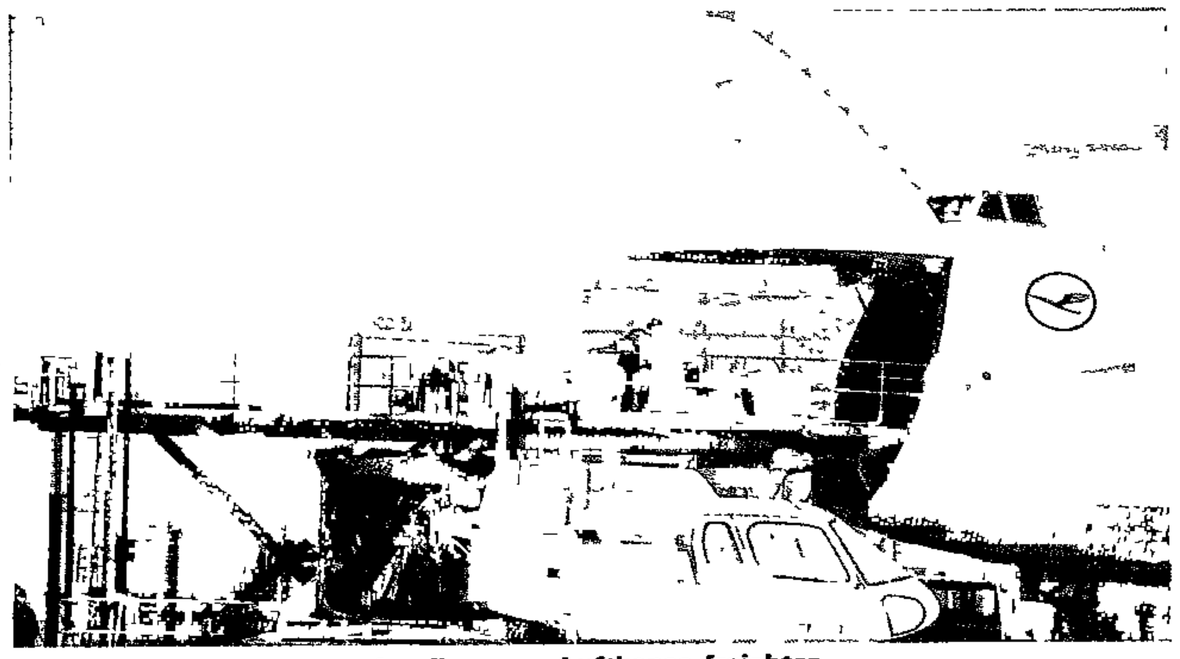
Meanwhile, maize imports will substantially increase cargo throughput this year

This temporary boost has resulted in Durban handling additional maize shipments of up to 12 650 tons a day

Lufthansa focusing on SA's export drive

THE ongoing increase in two-way air freight and the changing cargo mix between SA and Germany has prompted Lufthansa to consider more flights between the countries

The airline is considering the introduction of a second DC8 freight aircraft — which has a cargo capacity of 45 tons — by year-end, says Lufthansa PRO Karin Lambson



Loading up a Lufthansa freighter.

Increase

Lufthansa, which is the largest foreign freight carrier servicing SA, also plans to increase the number of 747/400 Combis from five to six a week Each Combi can carry up to 35 tons of cargo per flight

"Since the lifting of sanctions, an upward trend in exports can be seen," says southern Africa cargo manager Herbert Stehmeier

Lufthansa's total SA export tonnage is 5 000 tons for 1991 and is expected to reach 7 000 tons this year However, imports — mainly high-tech equipment — have stagnated

The increased exports are primarily motor components such as car seats, exhaust catalysts and bumpers, plus clothing and public telephone units

"We recently clinched a deal to transport 1 200 tons of public 'tickey box' telephone units to eastern Europe over the next four years," says Stehmeier

Six years ago, food perishables made up 66% of overall freight, but now industrial and other hard consumer supplies make up 65%, Lambson says

Specialising in just-in-time (Jit) logistics, whereby goods arrive on the factory floor just in time to be used, enables BMW SA to air freight about 350 leather trim car seats to BMW headquarters to Germany each day

They are then fitted immediately to their allotted vehicles to save on warehousing and storage costs

The Jit hanging-garment container has enabled the local textile industry to take garments off the rack and hang them in a container to arrive crinkle-free at destination

More flights as KLM boosts cargo capacity

WITH SA businesses making increasing use of Amsterdam's Schiphol Airport, KLM Royal Dutch Airlines has introduced a third weekly flight between SA and the Netherlands.

KLM cargo manager for Europe and Africa Michel Coumans says the new flight incorporates a Boeing 747-400 Combi with a 40-ton payload

"The additional cargo capacity will be attractive to shippers of all types of cargo, including perishables and live animals," he says

"A further development later in the year will be the extension of flights to and from Cape Town — to improve access to Europe even further"

The new third weekly flight leaves Schiphol every Sunday evening, arrives at Jan Smuts early on Monday morning, then flies back early that evening.

Apart from Schiphol's value as a consolidation centre, its role as a fast-turnaround gateway also makes it ideal for transit cargo where the origin or destination is the US, Canada, Scandinavia, the UK, western and eastern Europe

The KLM initiative follows closely on the introduction of direct flights between Johannesburg and the Netherlands. "It reflects the priority which we assign to South Africa as a trading partner," says Coumans

Russian line provides new shipping service

DEVELOPMENTS in eastern Europe and SA's closer ties with Russia have encouraged two-way trade and attracted new shipping services for local importers and exporters

A notable newcomer is the multipurpose lo-ro (low roll) vessel which offers container, break bulk and ro-ro (roll on, roll off) facilities to SA importers and exporters for the first time

The lo-ro ships are ideally suited to transporting forest products such as paper and pulp

Shipping agent Rennies Ships Agency has been appointed agents for The Baltic Shipping Company of St Petersburg, Russia

Rennies Ships Agency director Des Murray says Baltic provides the vessels in the name of Bester Line and has started fortnightly sailings between SA and the north-west Continental ports, as well as the UK

"Bester is a non-Conference line that will use ultra-modern lo-ro ships at competitive, but market related, rates"

He says the development of eastern Europe and closer ties with Russia are significant for SA trade and shipping

"Realising this, the Bester Line is offering through cargo facilities from Durban, Cape Town and Richards Bay into Russia and Scandinavia

"Bester also services the Canary Islands, Las Palmas and Santa Cruz, as well as the UK and Continental ports," says Murray

Skies open up, fares fly down

STAR 18/8/92

(269)

TRAVELLERS are over the moon after the Government's declaration of an open-skies policy prompted three major airlines to send their domestic air fares crashing

The battle of the airlines started when newcomer to the local route, Flitestar, took a plunge and declared several discounts on its domestic flights

South African Airways took up the challenge and also downed its fares, followed more recently by Comair

When Comair announced that it was offering a 20 percent reduction on its Johannesburg to Cape Town route, the airline placed itself ahead of the other two in the airfare race.

Comair operates a Citijet service at an economy fare of R339 for a single trip (R678 for a return trip) from Johannesburg to Cape Town

Concessions have been made for senior citizens, youths under 21, military personnel and married couples to pay R265 for single trips booked and paid for in full 10 days in advance

Not to be left behind, SAA leapt in with an offer of a series of combined air/hotel domestic packages and different types of discounted fares, including Standby, Skypex, Slumber and Spouse

At present SAA's midnight flights one-way are R259 to Cape Town, R138 to Durban and R217 to Port Elizabeth

A single Skypex ticket to Cape Town costs R328 and to Durban R172

Flitestar set the trend by offering discounted family fares on its Johannesburg/Cape Town/Johannesburg run.

Husbands and wives can pay R682 for an economy class return ticket.

A youth fare of R638 for those under 21 and a one-way flight for senior citizens at R298 and off-peak business-class one-way flights of R452, were also introduced

The reduction in airfares is set to stimulate the local tourism industry, say travel agents, and cash-strapped consumers find that they are now able to fly to local destinations at reduced prices

But the question is, will the airlines manage to sustain the low fares?

Comair marketing manager Margaret Kinsman says "We obviously like to maintain the current fares for as long as possible and do not plan an increase in the foreseeable future.

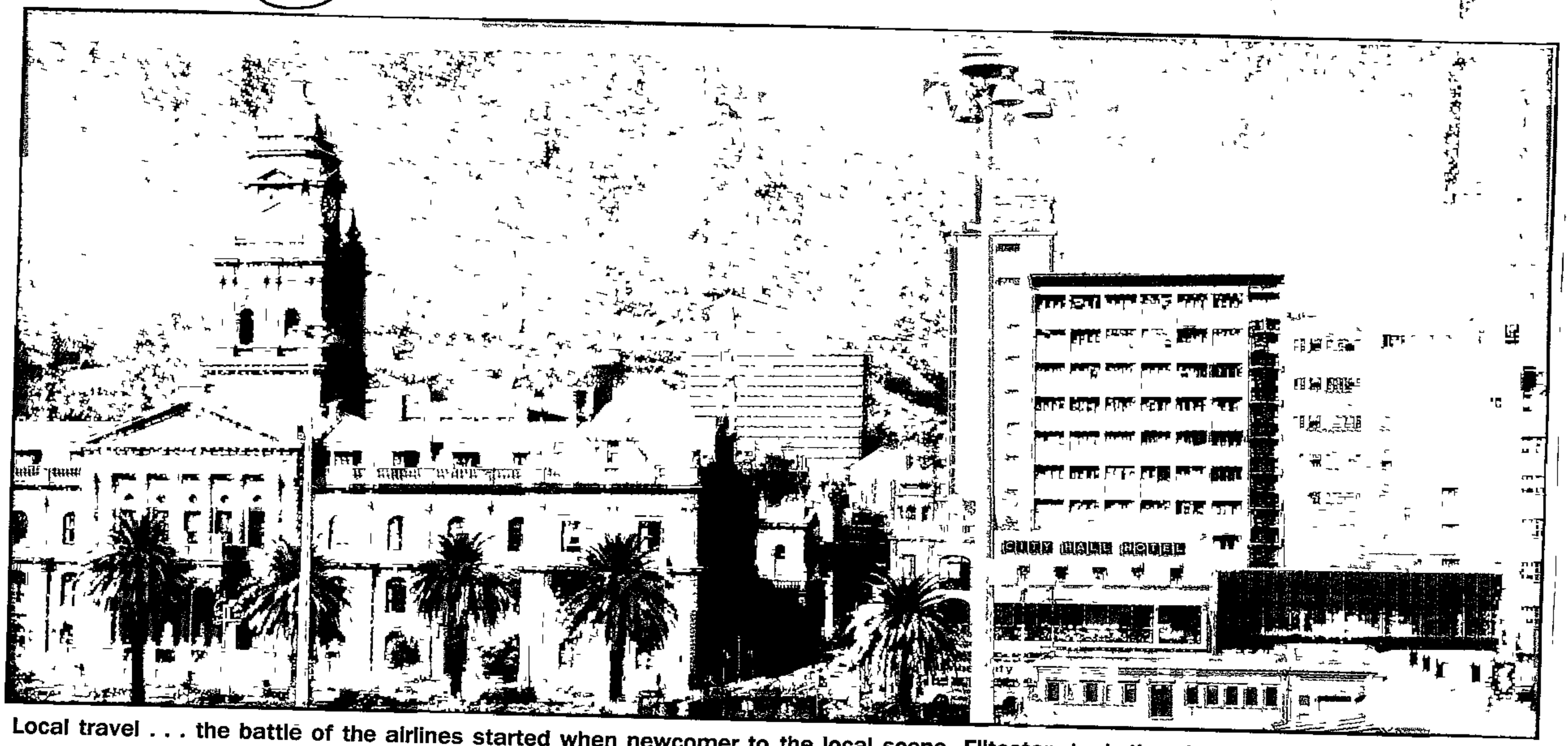
"However, should there be fuel increases in the future, this will affect the operational costs and airfares would have to be adjusted accordingly"

SAA's Mike Pheiffer says the airline will continue to watch market trends and demands, and will adjust fares accordingly.

SAA welcomes competition, especially on the country's domestic routes because this will keep all players on their toes

Carriers have to improve on their services continually to retain the market share, he says

"One of the main advantages which competition has for the travelling public is being manifested right now Passengers have lower fares to choose from," Mr Pheiffer says



Local travel . . . the battle of the airlines started when newcomer to the local scene, Flitestar, took the plunge and declared several discounts on its domestic flights, including cheaper fares on the Johannesburg/Cape Town route.

Integrated approach to social investment

STAR 19/8/92

(269)

Telkom, a employer of about 65 000 people, has introduced several social investment programmes, including cross cultural, dynamic growth (people development), managing diversity (equal opportunities), literacy, numeracy and bridging courses

An extensive range of preventative and supportative, uplifting and rehabilitating services are offered to employees and their family members who experience personal problems of a psycho-social, health and cross cultural nature.

These services offer support where problems are experienced with, for example, Aids, alcoholism, burn-out, housing, life skills (self-actualisation, interaction, self-preservation), depression, marital problems and poverty.

Equal service benefits (eg housing subsidies, allowances, etc) are available to all Telkom employees, regardless of race or sex.

In addition, the company has many developed in-house staff advancement and training programmes.

Those which warrant special mention are

- The managers' in-training programme, which has been developed for high potential employees who have been deprived of developmental opportunities in the past This programme endeavours to equip them with self-knowledge, interpersonal skills, as well as management functions within the framework of a culturally diversified milieu in order to enhance their promotability to management posts.
- Literacy/numeracy programmes: these are intended for unskilled workers, to enhance their potentail to acquire more advanced positions
- Practical technical training· a programme has been launched for employees who have been deprived of development opportunities in the past, to undergo practical technical training abroad

On the question of affirmative action, Telkom's policy is that affirmative action is not a "nice to have" programme, it is a strategic necessity to achieve sustainable competitive advantage and business viability.

Media liaison representative Fanus Bothma states that Telkom has and will aproach affirmative action with a strong commitment. It is a large organisation, and there is a real danger if a well-integrated approach is not adopted.

There is no doubt that affirmative action is complex, and is linked to wide-ranging issues.

Accordingly, Telkom has developed short, medium and long-term objectives for affirmative action

These objectives are accelerated job-skill/academic training, effective people management skills, and equal employment and promotion opportunities, whereby economic growth can be achieved

This includes, for example, upliftment, quality of work life and cross-cultural programmes and increasing employee participation to ensure a stable labour force as the established basis for interaction between management and employees

Although some problems are anticipated — externally and/or internally — with the application of affirmative action, Telkom's long-term and integrated approach and the fact that the corporation involves the unions in the structuring process, indicate that insurmountable problems will not be experienced in this regard.

Lufthansa cuts 12% off fares

STEPHANE BOTHMA 269

LUFTHANSA yesterday cut nearly 12% off fares to Europe from October 27 to December 15

A fare from Johannesburg or Cape Town to Frankfurt would cost R2 299 — more than R300 cheaper than the airline's existing Pex fare, Lufthansa executive Adrian von Dörnberg announced yesterday

The move follows the introduction in October of an additional Tuesday flight on the Johannesburg-Frankfurt route, which will boost Lufthansa's capacity from SA by nearly 30%.

Lufthansa has also introduced two new southern African destinations by extending two weekly flights to Cape Town and two to Windhoek

Durban would be serviced by subsidiary company Condor on a weekly basis from October 27, Von Dörnberg said.

In terms of air freight, Lufthansa has been operating one DC8 freighter a week between Frankfurt and Johannesburg, but last week increased this to two.

"This means we offer 255 tons weekly into SA, and by January we plan to replace the two DC8 freighters with a Boeing B747 all freighter with a capacity of 100 tons a flight," Von Dörnburg said.

Free skies 'will boost tourism'

(269) B/DAY 19/8/92

STEPHANE BOTHMA

FREEING up the skies would have an extremely positive effect on SA's economy and tourism industry, Lufthansa German Airlines executive board member Adrian von Dörnberg said yesterday

Deregulation of the aviation industry would lead to expansion in the form of additional air carriers

This in turn would lead to strong competition resulting in a decrease in fares and the generation of new demand, Von Dörnberg said at a SA-German Chamber of Commerce function in Johannesburg.

Von Dörnberg is Lufthansa marketing and passenger sales CE and is visiting SA for the launch of a special cut-price fare promotion.

He said deregulation was already under way in SA A new bilateral air treaty with Germany was concluded recently, bringing in three additional weekly flights for both the German and SA air carriers

The new agreement allowed charter carriers to fly to SA So far about 40 European charter carriers had expressed an interest in the SA route This was a clear indication of how big the expansion in SA was going to be, he said

The tendency of prices to go down in a more competitive market would put carriers under pressure to control costs and make offers favourable to travellers

"Here also state authorities are challenged They have to make sure that the regulatory framework enables companies to reach lean and competitive structrues, to achievie high productivity."

The expansion of air services could be of great help to the SA economy and tourism by

- ☐ Assisting the industry and trade to be more flexible in international business,
- ☐ Offering better opportunities to private travel, and
- ☐ Supporting the tourism industry by enhancing incoming business.

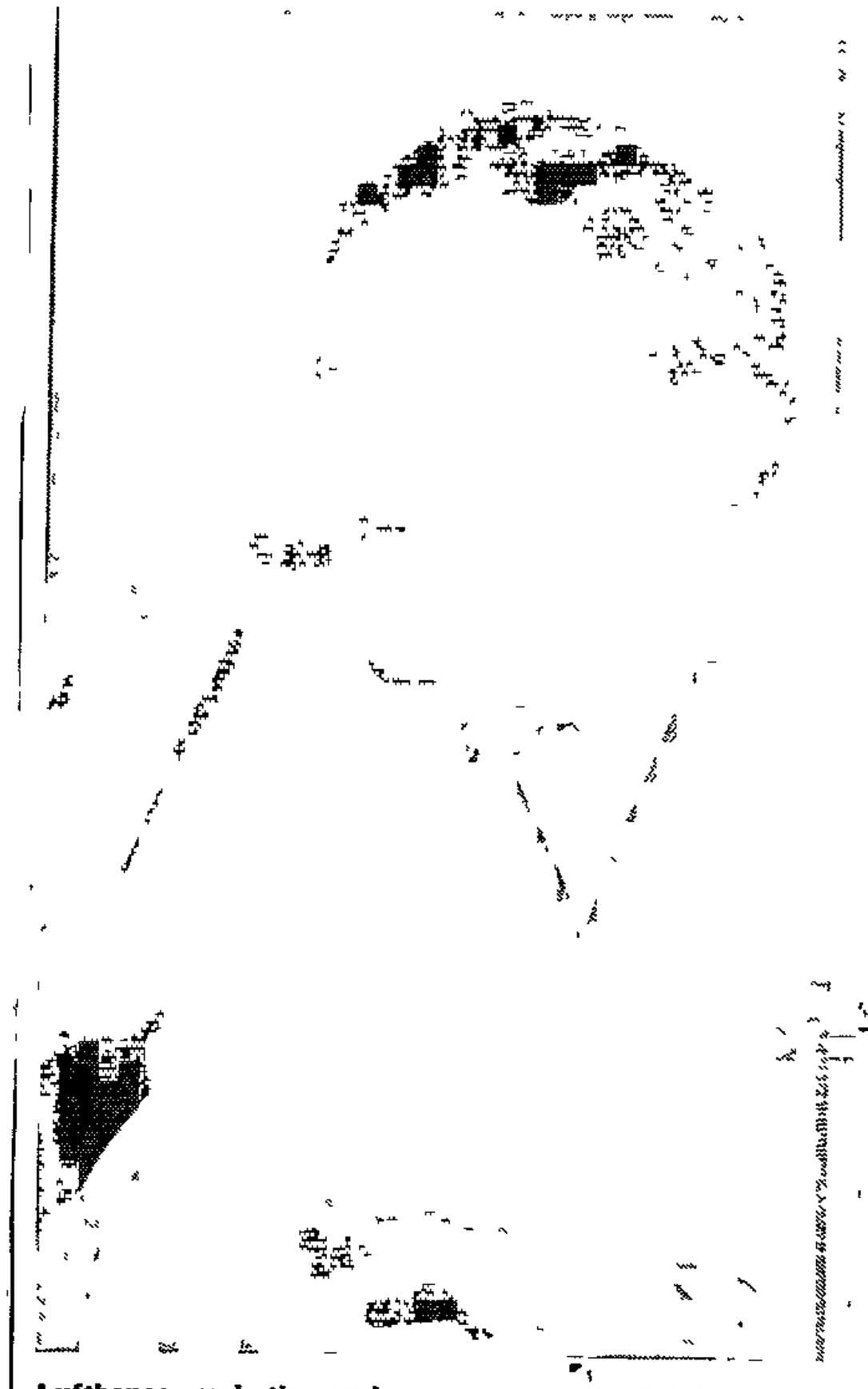
Tourism was a key SA industry, providing more than 300 000 jobs and generating about R3bn a year It was one of the economy's fastest growing sectors, Von Dörnburg said

Last year, about 368 000 Europeans visited SA, including 86 000 from Germany In the first months of this year double digit growth rate could be observed, he said

Von Dornberg said SA could learn from the deregulation process which had taken place already in Europe and the US to the benefit of the people and the industry

He said a campaign would be launched in Germany to increase public awareness of SA as a tourism destination The bulk of Germans currently visiting SA were businessmen and friends and relatives of Germans living in SA

The lifting of sanctions and SA's recently revised air traffic policy played a vital role in Lufthansa's decision to expand its services to SA, Von Dörnburg said. He said the increase in air traffic to SA indicated a "confidence to invest in a country with an economic future"



Lufthansa marketing and passenger sales CE Adrian von Dörnberg at an SA-German Chamber of Commerce function in Johannesburg yesterday. Picture ROBERT BOTHA

Lufthansa service for Cape Town

(269) CT 19/8/92

Johannesburg Bureau

A FIFTH international airline, Lufthansa, is soon to fly to Cape Town.

This follows British Airways, Air Namibia, UTA and KLM

Lufthansa is to introduce a twice-weekly extension of its route between Johannesburg and Frankfurt to Cape Town from October 27 and will be launching an almost R2 million campaign to sell South Africa as a tourist destination to the European market.

This was announced yesterday by Lufthansa's chief executive of marketing and planning, Dr Adrian von Doernberg, who also said Lufthansa would be cutting its return fare to Frankfurt by 11,5% to R2 299 from October 27 until December 15

Lufthansa's introduction of a flight service to South Africa is the sixth major international airline to do so since the lifting of sanctions The others are KLM, UTA, Singapore Airlines, Cathay Pacific and Air Namibia.

Unlike other airlines who have recently cut their prices, the Lufthansa reduction extends into the busy holiday season at the end of the year Most airlines suspend their special offers during this period.

Lufthansa spokewoman Ms Karin Lambson said the German airline would be arriving in Cape Town at 12 20pm on Wednesdays and Sundays and would leave at 6pm on those days

An additional flight will be added to the airline's timetable from October 27, increasing Lufthansa's Johannesburg operation to a daily service, except for Thursdays

Lufthansa has also introduced a twice-weekly extension of its Johannesburg-Frankfurt route to Windhoek.

Ms Lambson said as the local travel market was stagnating, Lufthansa would launch an intensive campaign in Germany and Europe to increase public awarenesss of South Africa as a destination The campaign would include introductory tour fares, travel agent study tours and a joint Lufthansa/Satour promotion.

Ms Lambson said the campaign would definitely focus on Cape Town.

"(Cape Town) is pretty easy to sell," she said

Mr Gordon Oliver, former mayor of Cape Town and chief executive officer of Captour, said yesterday the decision was a massive expression of confidence in Cape Town as a market for German and European tourists.

"Lufthansa recognises the unique value of the Western Cape as a prime tourist destination in South Africa." He said Captour was delighted by the new service to Cape Town. It would add to competition between airlines, which would make Cape Town more attractive as a tourist destination

SAA defends off-peak fares

(169)

Own Correspondent

CT 20/8/92

DURBAN. — Nearly 60% of available seats on off-peak flights have been set aside for South African Airways' new discounted fares, SAA said yesterday

SAA spokesman Mrs Elise Glading was reacting to complaints that the new domestic flight discounts were "virtually worthless" because only a small number of seats were allocated for discounts

The number of seats earmarked for discount differed from flight to flight but generally applied to 60% of seats, and only during off-peak hours, she said.

And only 10% of the cheapest 'L' class seats (50% discount) were allocated to off-peak flights

● Malaysia Airlines announced it would start operating a weekly flight to South Africa from October.

Malaysian carrier is heading for SA

B/DAY 20/8/92 (269)

STEPHANE BOTHMA

MALAYSIA Airlines will start operating a weekly flight to SA from October, the carrier has announced

The first non-stop flight between Kuala Lumpur and Johannesburg would be on October 25, the airline said in an advertisement in the Kuala Lumpur newspaper The Star

A Safto spokesman said yesterday the opening of the air route was a breakthrough for trade and industry.

SA's Directorate of Civil Aviation said yesterday talks between Malaysian and SA civil aviation authorities in June had been positive, but the bilateral air services agreement still had to be ratified

Therefore, no final starting date for flights had yet been agreed upon, although this could be reached by October and airlines would be designated to fly the route, directorate spokesman Maurena Nel said

SAA spokesman Leon Els said last night it was up to government to designate an airline. He said SAA had not been involved in negotiations.

At present there was no indication that SAA would fly to Malaysia It would serve the route only if it was economically viable, Els said.

Market sources said the route was not viable at this stage and the Far East was over-serviced with Cathay Pacific, Qantas, Thai Airways and Singapore Airlines on the route

SAA already served four Far East destinations — Singapore, Bangkok, Hong Kong and Taipei — and awaited landing slots in Tokyo.

The bilateral agreement followed a visit by Malaysia's Transport Minister Ling Liong Sik in April

Golden Arrow 'willing to talk'

(269) Staff Reporter

GOLDEN Arrow Bus Services have not ruled out the possibility that taxi drivers were responsible for the stoning and burning of their buses in Nyanga on Tuesday. A spokesman said yesterday the company would be willing to talk to the taxi body, Codeta, at any time

Airline catering service upgraded

By John Miller

The Fedix Group recently completed the first stage of a R30 million refurbishment of its in-flight catering facilities around the country.

Fedix, which has a major share in Air Chefs and Air Caterers, hopes that the upgrading of its kitchens at Jan Smuts Airport, D F Malan in Cape Town and Louis Botha in Durban will meet the expected increase in air traffic until the year 2000.

Air Chefs supplies SAA, Flitestar and 13 other international airlines while Air Caterers stocks British Airways, Swiss Air, Lufthansa, Cathay Pacific, Qantas and Singapore Airlines.

Part of the R11 million Air Chefs project led to the hot and cold food sections being separated, which is in line with overseas trends.

Johannesburg outlets are able to handle up to 70 000 meals weekly

The Cape Town facility has been increased to handle 4 000 meals daily while a completely new kitchen was opened in Durban.

Air Caterers, in a joint venture with Swiss Air, will open its new kitchen next to the Jan Smuts runway in December.

This allows it to supply 6 000 meals daily, with a planned maximum of 12 000.

From the time meals are loaded into the containers and into the plane takes a maximum of two hours. The companies also load utensils, cutlery, crockery, drinks and wine trolleys

TRANSNET FM 21/8/92

Stirring the pot

(269)

With SA Airways (SAA) losing money in the face of stiffer competition, and rail traffic regularly losing to road hauliers, Transnet MD Anton Moolman has been restructuring his top management

He made his first move early last month (*Business & Technology* July 10), when he made Spoornet CE Barry Lessing and SAA CE Gert van der Veer deputy MDs of Transnet Braam le Roux, then group GM, took over Spoornet Mike Myburgh, who was Spoornet group GM, got the top job at the airline

Their appointments came into force on August 1 and Lessing has already stepped aside for Le Roux But Van der Veer, who has assumed his new deputy MD responsibilities, plans to hold on to his former position until April 1 (*People* August 7)

A few weeks after the first reshuffle, Moolman moved again, appointing Charl Moller, Autonet's GM for freight, as Petronet's CE He switched Eric Crowley, who had headed Petronet for several years and had taken the flak for its being a monopoly, to CE manager of Protekon

Some see Crowley's move as a sideways promotion and question the reason for his shift to Protekon, which is the old SA Transport Services (Sats) civil engineering department He is a skilled financial man and served in Sats' expenditure section for several years.

Now Moolman has moved again He has appointed Willem Burger, GM of rail services, as senior GM business management When he was in charge of the rolling stock division earlier in his career, Burger had refused to cut his maintenance budget and spent millions increasing Spoornet's capacity by upgrading its wagons and on developing the Class 14E locomotive, which puts Spoornet among the world leaders in rail traction

Without the upgrading, it is questionable whether Spoornet could have handled the millions of tons of drought-relief maize that is being imported and railed to destinations in SA and to the north The drought relief is keeping the rail business on track these days.

Moolman has also upgraded the PX delivery and transport-logistics service into a business unit of Transnet — which is what Spoornet and SAA are — and promoted Wicus Pretorius from executive manager to CE. Pretorius took over PX two years ago and transformed it from an operation that

FM 21/8/92 (269)

barely covered half its costs to one that is turning over R700m a year and covers 90% of its costs (*Business & Technology* September 6)

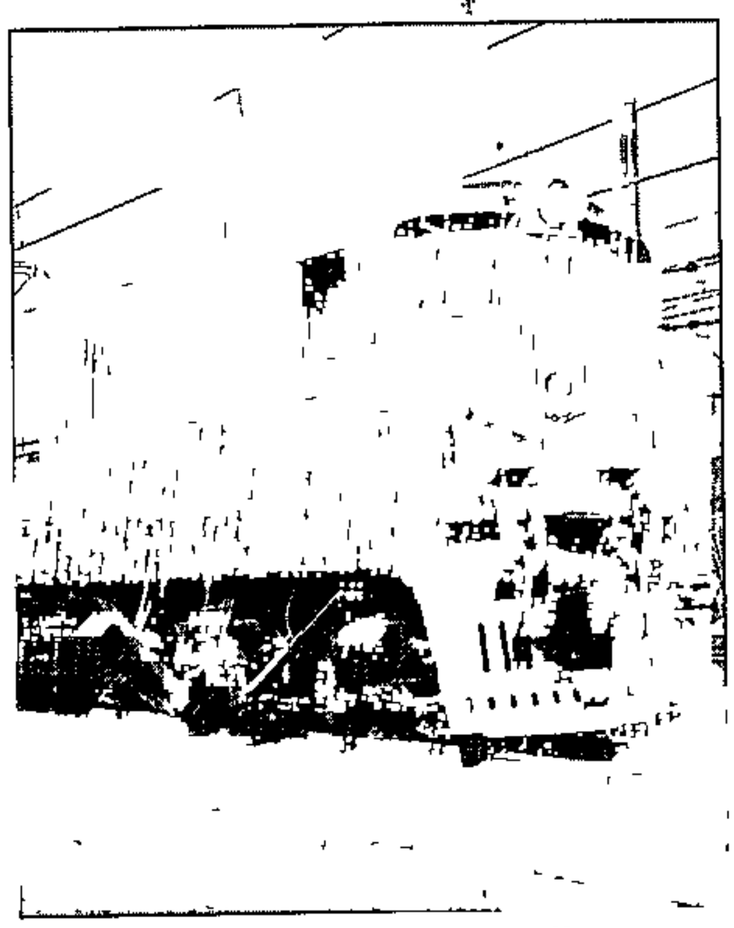
PX's logistics arm is worth about R220m a year and is showing a profit of R33m Nevertheless, this and more is being lost in the parcels operation that Pretorius inherited The volumes needed to enable its huge infrastructure to operate efficiently have not yet materialised and won't before the economy recovers

Possibly the biggest surprise is the appointment of Jan Venter, now GM for internal audit, as CE of Autonet, above the current CE, Gert Meintjes, who becomes deputy CE

Meintjes has had a rough ride as CE of Autonet When it was still called Road Motor Services in the Sats days, he was obliged to convey all the uneconomic traffic that Railways put his way. And there was plenty In the early Eighties, when Sats was still the national carrier and obliged to accept everything on offer, the answer to any branch line not covering costs was to close it and make Road Motor Services take over the service, rather than remedy the problem As a result, it was forced to operate out of numerous depots, convey most of its traffic at below cost, and its losses ran into millions

In another shift, Friedel Mulke moves from Transnet group PR manager to GM for management support It was obvious to those who knew him when he was rescuing the eastern Cape division and its narrow-gauge railway, a job started by Pretorius, that he was not really enjoying his sojourn in the PR world He is a civil engineer whose speciality is building bridges.

In his new position, he will be involved in trying to sort out the Metro shambles. Metro is the rail commuter service operated by Spoornet on contract to the Rail Commuter Corp The corporation was formed in 1990 and is beholden to parliament, as was the old Sats, but it is unlike Transnet, which is a government-owned company that complies with private-sector norms



Management shuffle .. *will it put Transnet on the right track?*

In other moves, Leo Petkoon, CE of information systems, has been appointed GM for rail operations Philip Venter, now assistant GM for rail services, has been appointed regional GM of Transnet, Pretoria ■

Charter flights in December

(269) CT 21/8/90

Staff Reporter

THE first charter flight from the United Kingdom to South Africa is scheduled to take off in early December, according to Mr Roy Miller, a spokesman for the London-based tourism firm CLS International

Mr Miller said yesterday the group had arranged the charter flights from London to South African destinations with Britannia Airways, the world's largest charter airline

The charter flights will operate from London to Cape Town and from London to Durban for a period of two months.

As a bonus, 274 travellers from Cape Town and another 276 from Durban who want to visit the UK this Christmas will be able to fly a return trip to London on a Britannia Airways flight at a cost of R2 500 per ticket, Mr Miller said.

The Cape Town flight will leave on December 2 and the Durban flight leaves on December 1.

Taxpayers carry insolvent airlines

STAR 22/8/92 (269)

MANDY JEAN WOODS

SOUTHERN African Development Community (SADC) member states' airlines are operating in a permanent state of insolvency.

The latest World Bank report on aviation in southern Africa says government interference, a lack of skilled management, poor fleet handling and an absence of commercial orientation have all contributed to spiralling losses which, given that the SADC airlines are government-owned, are carried by taxpayers

SADC member states include Angola, Mozambique, Swaziland, Lesotho, Namibia, Zambia, Botswana, Tanzania, Malawi and Zimbabwe

Despite SADC airlines' inability to cover their operating costs and overwhelming evidence that they will not be able to service additional debt, the airlines have secured investment commitments of some $1 billion (about R2,7 billion) for the period 1989-1992, the report says.

Investments totalling some $500 million (about R1,35 billion) for new long-haul aircraft have recently been negotiated or are imminent They will increase excess seating capacity, which has little prospect of being filled The result could be combined annual losses of more than $40 million (about R108 million)

The plans of the most expansive re-equippers (Malawi, Mozambique, Zambia and Zimbabwe) represent fleet capacities equal to their total international markets. Even in the unlikely event that these airlines take over all traffic, the passenger volume would still not fill 65 percent of their available seats, the World Bank notes.

The rates of loss are set to increase rapidly as re-equipment programmes are completed.

Most of the financial plans, traffic forecasts and revenue levels used by the airlines to justify these investments are based on unrealistic assumptions, misleading airlines and governments alike

With one exception, SADC airlines show losses on domestic operations, the report notes. Even with load factors averaging between 65 and 70 percent, overall losses are an appalling 30 percent of revenue because of very low fares, poor aircraft utilisation and infrastructure deficiencies.

Typical symptoms of the lack of commercial orientation include indecisive management, unclear responsibilities and authority, low staff discipline and morale, little or no interest in inter-airline co-operation, excess capacity and inappropriate aircraft.

A comprehensive strategy, including airline restructuring and the formation of an SADC aircraft leasing company, is required if the regional aviation industry is to survive, the World Bank says.

PURSUING PROFITS: Air Botswana is one of the more successful SADC airlines.

Lufthansa plugs SA as tourist destination

269

STAR 22/8/92

MANDY JEAN WOODS

LUFTHANSA announced this week it is to spend R2 million in Germany and Europe promoting South Africa as a destination.

This is the first time the German carrier has officially supported South Africa as a destination.

SA Tourism Board chairman Piet van Hoven says this is a mark of a "substantial, extraordinary moral commitment".

So confident is Lufthansa of successfully attracting large numbers of German tourists to South Africa that it simultaneously announced it was increasing its capacity to southern Africa by more than 30 percent from October.

This does not include the additional capacity from Germany in the form of weekly flights to Durban by Lufthansa's charter subsidiary, Condor.

According to Lufthansa spokesman Karin Lambson, the airline has managed to maintain its market share and its position as the second-largest airline serving South Africa despite the numerous new carriers.

Adrian von Dornberg, Lufthansa's chief executive, sales and passenger services, says Lufthansa will now be operating a daily service (with the exception of Thursdays) between Frankfurt and Johannesburg.

In addition, it will be taking Air Namibia head on by extending one of its weekly flights to Johannesburg to Windhoek, and it adds Durban as a destination in South Africa to its portfolio through the services to be rendered by Condor.

SAA calls for private sector investment

B/DAY 26/8/92

STEPHANE BOTHMA

PRIVATE companies would have to invest in SAA for the country to succeed in the international aviation field, SAA CE Gert van der Veer said yesterday

Speaking at a Transport Department civil aviation policy conference at Midrand, Van der Veer noted that SAA had lost about 63% of its Far East capacity share during the past year. Even higher losses on the route were expected this year, he said, and the same trend could be expected on the US route

Van der Veer said SAA would also have to explore alliances and combine forces with other carriers. "I believe private enterprise is willing to invest in the airline industry and it should be allowed to do so.

"The government, as the only shareholder, cannot afford to invest the necessary additional equity in the airline, as its capital resources are needed for much higher priorities in the social, educational and housing fields."

SAA could also not continue to finance its growth through long-term loans only

Since the scrapping of sanctions, SAA's "golden route" had been transformed into a normal, highly competitive one "In the case of the Far East market, fierce competition has emerged as efficient Far East carriers have entered the market SAA's capacity has been drastically reduced from nearly 100% to no more than 37% within 12 months"

The airline's share would decrease to as low as 27% later this year when Malaysia Airlines entered the SA market.

Van der Veer said. "Although at present SAA is the only carrier operating the direct route to the US, a repeat of the Far East experience will most likely occur within the next 12 months"

SAA had spent R93m this year to promote SA as a tourism destination The airline was the largest single contributor to the incoming tourism effort

as competition takes its toll

(269)

SAA's turnover in 1991/92 was R3,2bn, of which R1,8bn was from its international services. The net balance of payment contribution of SAA international services amounted to more than R1bn in the 1991/92 financial year — equivalent to the annual total earnings of iron ore exports

However, the total international aviation market to and from SA from April 1990 to March 1991 was estimated to be R4,7bn About R3bn or roughly 64% went to foreign carriers, Van der Veer said

He said he was not asking for government protection, but for treatment equal to that being received by any other industrial sector "No protection against foreign competition is provided to the industry through the mechanism of custom duties, or import surcharges such as most other industrial sectors are enjoying"

The international aviation industry was a vital link in the tourism chain but government's White Paper on tourism provided no incentives for the industry.

If major industrialised nations such as France, Australia and Japan considered it necessary to introduce measures to ensure the survival of their national carriers, an underdeveloped country such as SA should take serious note

● See Page 4

SAA loses 63% of Far East market

CT 26/8/92 (269)

MIDRAND. — SA Airways has lost 63% of its market share in the Far East since airlines from that region entered the South African market.

This was confirmed by SAA CE Gert van der Veer when he addressed a civil aviation policy conference at Midrand yesterday.

SAA's market share in the Far East was expected to dwindle to 27% with Malasia Airlines entering the South African route in October, he said.

The same trend was expected on the United States direct route in the next year.

To level international opportunities for SA carriers, the government should not allow foreign operators to fly to SA unless local airlines were allowed to operate corresponding direct services.

● Meanwhile South Africa's proposed new aviation policy, although more liberal than the existing one, does not represent an "open skies" approach, Lexetran MD V Prins told the conference yesterday.

Economic regulation was approached with a view to encouraging competition in SA but within limits to protect the national interests where necessary, he said. — Sapa.

Flexible aviation policy is possible

B/DAY 26/8/92, (269)

STEPHANE BOTHMA

SA's proposed new aviation policy was based on selected deregulation rather than a complete "open skies" approach, Directorate of Civil Aviation (DCA) commissioner Japie Smit said yesterday

Addressing delegates at a Transport Department conference on civil aviation policy in SA held at Midrand, Smit said an "open skies" policy would mean foreign airlines could fly into SA even if other governments denied SA carriers a fair chance to compete on an equal basis

The necessary legislation giving effect to the new policy would be submitted to Parliament next year. It was hoped to implement it not later than July 1, he said.

"The SA approach, having already taken some progressive steps, is to move with circumspection — even if it means being criticised for the protection of vested interests

"The reason is the desire to develop and expand an aviation environment which is above all stable The course to follow is to steer clear of the pitfalls of regulatory protectionism on the one side and destructive competition on the other," Smit said

The new policy had already stimulated foreign countries to the extent that since November the Transport Department had been involved in 28 bilateral meetings and a further 15 were scheduled for this year

The proposed policy would be flexible enough to allow government to pursue its national objectives in an integrated international environment within a bilateral regulatory framework. The SA economy, and more specifically trade and tourism, the consumer and the aviation industry, would all gain substantially from the greater competition, Smit said

The implementation of the new policy included the ratification of certain existing international aviation conventions.

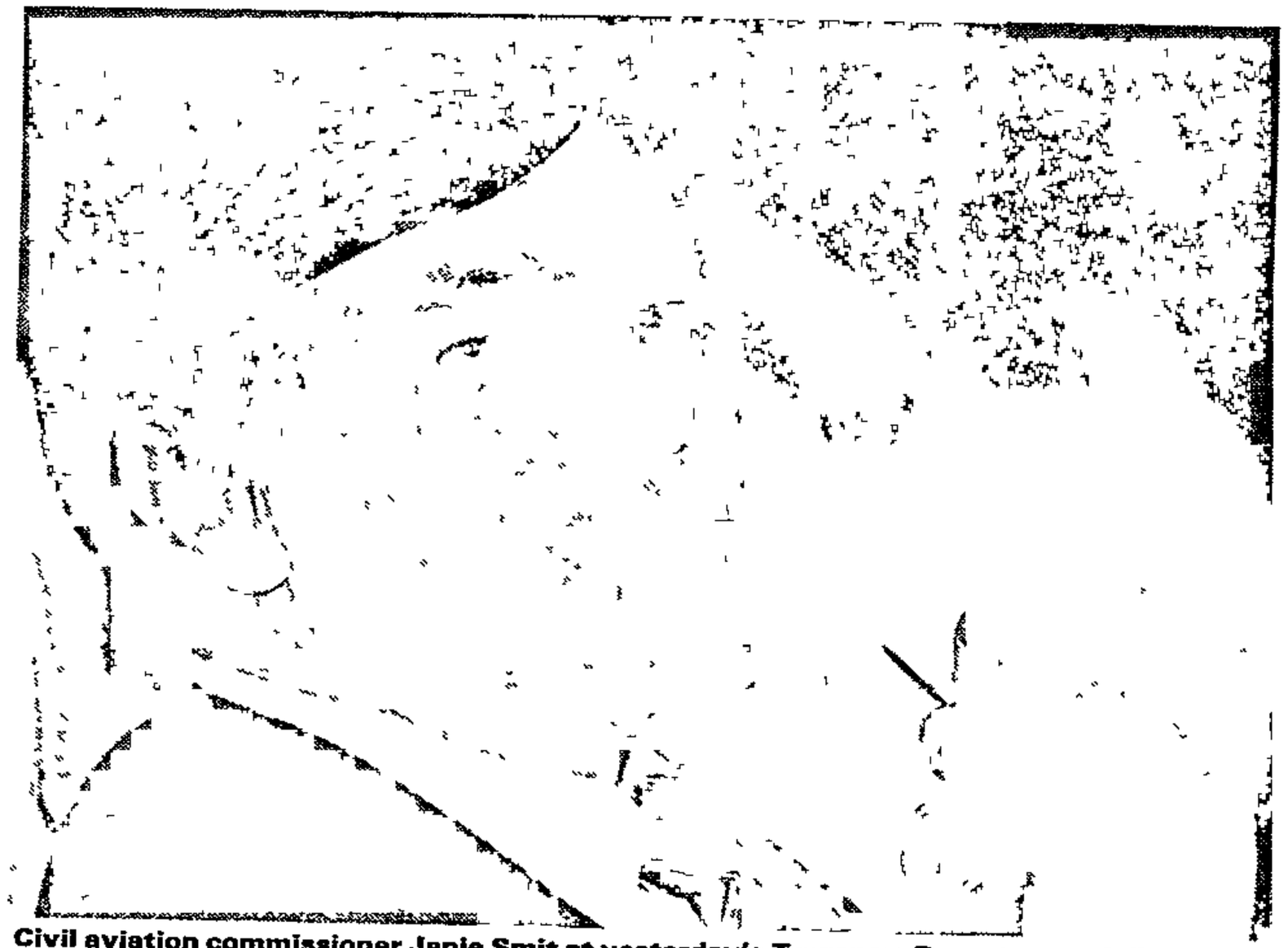
Also speaking at the conference, Lexetran MD Victor Prins said the basic objective of the new policy was to continue the development of a network of regular scheduled international air transport services to and from SA within a well-defined regulatory framework — including some economic regulation

Prins said the new regulatory framework consisted of a new International Air Services Act providing for a new licencing system, and a council to administer the system and new bilateral agreements based on a set of new principles.

For instance, he said, no cabotage rights — allowing foreign airlines to operate domestic routes in SA — would be granted

SA Tourism Board chairman Piet van Hoven predicted that in contrast to 1992, where 28 foreign airlines served SA, 37 foreign carriers would fly to SA in 1994, offering 10 035 services and 2 465 608 seats

Van Hoven believed that soon carriers from India, Egypt, the Middle East, Canada, Argentina and Japan would enter the SA market. This year income from tourism could be higher than that from agriculture, but the opportunity for tourism to grow depended on the marketing of SA as a destination, he said



Civil aviation commissioner Japie Smit at yesterday's Transport Department civil aviation policy conference in Midrand

Picture ROBERT BOTHA

Drought, recession and debt sink Superlink

SUSAN RUSSELL

B/DAY 26/8/92

NATIONAL supermarket supplier Superlink Stores (Pty) Ltd was liquidated in the Rand Supreme Court yesterday with debts of R4,2m Superlink had brought the urgent application for its own winding up, which was granted by Judge P Bleiden.

MD Johannes Jacobus Lombard said in court papers that Superlink had assets of R3 163 070 (including trade debtors of R1,7m) against liabilities of R4 257 130 This amounted to a shortfall of about R1 094 059

Lombard said Superlink had started trading when there was already a downturn in business "This problem has been exacerbated by the general recession and political turmoil throughout SA"

Superlink also had been severely affected by the drought, which had placed its largest members and their customers in severe financial difficulties

In addition, one of Superlink's major competitors recently tightened up its credit arrangements with customers, many of whom were also customers of Superlink and were now unable to pay their debts

Africa boosts local tours

Sowetan 269

■ **Air links to boost SA visitors:**

27/8/92

By Isaac Moledi

AFRICA is on the verge of becoming one of South Africa's most important tourism markets, said the South African Tourism Board.

Satour said about 1,5-million tourists from Africa alone were expected this year as compared to 1,1-million from the continent and the Indian Ocean islands last year.

"This total is not an unrealistic one judging from the current arrivals figures," Satour's chief director of tourism promotions Dr Ernie Heath said.

Tourist hot spots

Zimbabwe, Namibia, Kenya and Egypt were the main four priority incoming markets, Heath said.

"Although arrivals by air from Africa are less than 20 percent of the total arrivals from Africa, this figure is larger than the air arrivals from North and South America, Australia and Asia combined.

"This means that air arrivals from Africa could soon be on par with air arrivals from the whole of Europe, should the 1,5-million arrivals materialise," he said.

Heath said the interest in the country's political and economic future and in tourism by other African states had reflected a dramatic increase in visits to this country.

Added air routes

New air routes from Luanda (Angola), Antananarivo (Madagascar), St Denis (Reunion), Moroni (Comores), Mahe (Seychelles) and Kinshasa (Zaire) to South Africa have been established to boost the movement of visitors.

Routes still to be developed include Dar es Salaam (Tanzania), Brazzaville (Congo), Abidjan (Ivory Coast) and Dakar (Senegal).

SAP pledges major security move on trains

RAY HARTLEY (269)

POLICE would evaluate the security at Johannesburg railway station and decide whether it needed improving, SA Rail Commuter Corporation (SARCC) spokesman Koos Meyer said yesterday.

And police spokesman Capt Piet Brandt said police would announce today major changes that would affect the way they dealt with train security.

The developments follow the ANC's threat yesterday to renew its train boycott in protest against poor security.

Three commuters were shot dead and seven others injured between Johannesburg and Springs yesterday. And nine passengers were injured in gunfire at Johannesburg Station on Tuesday

Meyer was speaking after an ANC-organised inspection by journalists of Johannesburg Station yesterday morning. The group, including journalists carrying camera bags, was not searched or scanned by metal detectors B/DAY 27/8/92

Few security guards were seen and at one platform there was no security at all

Meyer said. "If we look at what police are doing, they really give of their best. Perhaps the group was there in the off-peak period There are a number of roving police operators there.

"We are in the process of upgrading. I don't think anyone can accuse us of dragging our feet

"As long as people die, it (security) is not enough," he said

After the tour, the ANC said it was "quite clear" the SARCC had "done nothing" to implement the agreement, reached in May, to prohibit dangerous weapons.

ANC PWV spokesman Paul Mashatile said a combination of incompetence and a lack of commitment to end the killings were to blame for the delay.

Meyer said the SARCC was keen to discuss the issue with the ANC.

● Picture Page 3

'Commercialise state airports'

B/Day 27/8/92

STEPHANE BOTHMA

THE commercialisation of state airports and air traffic and navigation services was necessary to ensure a healthy airport industry able to provide the level of service expected by passengers, Directorate of Civil Aviation (DCA) acting chief director Stewart Huckwell said yesterday.

The nine state-owned airports in SA had a current turnover of R120m but ran at a loss, resulting in the state having to subsidise the operation by 35%, Huckwell told a Transport Department conference on SA's civil aviation policy held at Midrand

Twelve government departments were involved in the operation and development of airports and air traffic and navigation services, which hampered flexible and dynamic running of the service, he said

(269)

Red tape resulted in long operational delays and insufficient allocation of funds, resulting in backlogs.

Airports were in dire need of skilled management, property managers and chartered accountants, Huckwell said. Landing tariffs were grossly inadequate while air traffic and navigation services were free

The proposed commercialisation policy involved the formation of two companies which would be assigned all operational functions of airports and traffic and navigation services. The remaining functions would be handled by government — the sole shareholder in the companies.

The state would not interfere in the companies' day-to-day business although it would regulate technical aspects such as safety and security standards

British Airport Authority legal services director Richard Everitt told the conference he strongly supported commercialisation of airports as it offered advantages to all concerned

Since privatisation, turnover of UK airports had increased from £493m in 1989 to £793m this year, he said.

Call for probe into SAA tactics

(269)

B/DAY 27/8/92

STEPHANE BOTHMA

SAA's seemingly predatory tactics in the domestic market urgently required investigation by the Competition Board, Lexetran MD Victor Prins told a civil aviation conference yesterday.

Assessing the developments in the domestic aviation market since deregulation took place on July 1 last year, Prins said in Midrand SAA's significant expansion of capacity on certain routes, despite a decline in the total number of passengers, warranted further investigation.

Another seemingly predatory action by SAA was the recent leasing to Comair of a Boeing 737 for flights at discounted fares on the highly competitive Johannesburg-Cape Town route, an act Prins said had been described as a "surrogate attack on Flitestar".

"Seen in the light of the instruction to the Competition Board in the (government) policy document to investigate such matters, it would appear that an investigation is now urgently required," he said.

Since Flitestar entered the deregulated domestic market, SAA had lost close to 20% of its market share

Despite an overcapacity in the aggregate market, significantly reduced air fares had been introduced by all domestic passenger carriers in recent months

Prins said statistics showed that with 1984 as a base, the increase in SAA fares had remained below the increase in both the overall CPI and the transport price index. This implied a real decrease in SAA fares over the past years.

The dominance of SAA, as a state-owned enterprise, could lead to it severely prejudicing private sector-owned airlines in a deregulated market, he said These airlines did not have the same resources.

"These issues should be addressed as a matter of urgency, especially in light of the potential for these issues to threaten the successful functioning of the deregulated market," he said.

Responding to Prins's call for an investigation into SAA, the airline's CE Gert van der Veer said, "If cutting prices means being predatory, each and every airline is guilty."

He added that the competition which followed deregulation was welcomed by SAA

Van der Veer said fares on SA's domestic routes were already too low, compared to world standards.

● Comment Page 8

R1,7bn at June 30 this year from R1,1bn in 1991, and Iscor paid R403m in finance charges in the year, covered 1,8 times by net operating profit.

tain its plant, equipment and production capacity. He estimated that the replacement value of the group's assets was in the order of R40bn

have droped further behind forecasts in its listing prospectus. The shares touched 99c earlier this week, and have fallen 10c in the past month

VAT lifts Safcor's turnover

B/DAY 28/8/92

EDWARD WEST

SA Freight Corporation (Safcor) turnover improved by nearly a third in the year to end-June 1992 and, as a result of this, forecasts were met with earnings up a creditable 14% over the previous year

MD Peter Desilla said the introduction of VAT on imports resulted in the group having to fund importer's VAT commitments This was reflected in the increase in turnover to R1,2bn from R918m in the 1991 financial year

However, because of the difficulty of recovering cost escalations in the poor economic environment, profit margins were lower and operating income increased 13% to R34,6m (1991 R30,5m), said Desilla.

After taxation of R15,9m (R14,3m), taxed-profit was higher at R18,7m (R16,1m). Associated companies' share of after-tax profits dropped substantially to R129m (R338m) leaving attributable profits 14% higher at R18,8m (R16,5m)

An extraordinary income of R2m (R1,2m) related to the sale of the trucking company Storm and Company Natal on July 1 1991.

Because of that, net profit after extraordinary items was 18% higher at R20,8m (R17,6m)

The average number of shares in issue increased slightly to 22,5-million from 22,4-million.

Earnings a share, which did not include the extraordinary item, increased to 83,5c (73,5c) The final dividend was raised to 29c (24c) a share, bringing the total dividend for the year to 47c (37c) a share

Increase lost

B/DAY 28/8/92

DUMA GQUBULE

GENERAL Optical reported a 4% decline in profit as higher finance charges and a higher tax rate wiped out a 14% increase in sales.

Turnover was not disclosed, but operating income advanced 5% to R7m from R6,7m Pre-tax profit rose marginally to nearly R4m from R3,9m.

The tax rate increased to 49% from 46% and after-tax profit fell to R2m (R2,1m), equivalent to 73,6c (76,6c) a share An unchanged dividend of 20c a share was declared

Swiss firm to come to SA

B/DAY 28/8/92

GAVIN DU VENAGE

SWISS-based fragrance and flavouring company Firmenich would take over operations from its agent Southern Aromatics from October 1, SA MD Jurgen Metzer said yesterday.

Metzer declined to say how much Firmenich would bring into the country Firmenich is a $400m a year company with offices in 108 countries worldwide It specialises in producing fragrances for everything from soap to perfume, and also flavouring for a wide variety of foods.

Metzner said Southern Aromatics would now service parts of Africa as well as SA

KENNISGEWING 766 VAN 1992

DEPARTEMENT VAN VERVOER

WYSIGINGSWETSONTWERP OP STEDELIKE VERVOER, 1993

Die Departement van Vervoer publiseer hierby die Wysigingswetsontwerp op Stedelike Vervoer, 1993, soos uiteengesit in die meegaande Bylae vir algemene inligting en kommentaar.

Enige staatsdepartement, streeks-, provinsiale of plaaslike owerheid, ander instansie of persoon wat 'n belang by die voorgestelde wetgewing het, word hierby versoek om sy kommentaar of vertoe in verband daarmee skriftelik aan die Direkteur-generaal: Vervoer, Posbus 415, Pretoria, 0001, vir aandag mnr S. F. de Jager voor **30 September 1992** deur te stuur.

Telefoniese navrae kan gerig word aan mnr. S. F. de Jager by Telefoon (012) 290-2659.

BYLAE

ALGEMENE VERDUIDELIKENDE NOTA:

[ ] Woorde in vetdruk tussen vierkantige hake dui skrappings uit bestaande verordenings aan.

——— Woorde met 'n volstreep daaronder, dui invoegings in bestaande verordenings aan.

WETSONTWERP

Tot wysiging van die Wet op Stedelike Vervoer, 1977, ten einde die funksies en bevoegdhede van die padraad aan die Minister en Direkteur-generaal oor te dra en voorsiening te maak vir aangeleenthede wat daarmee in verband staan.

Wysiging van artikel 1 van Wet 78 van 1977 soos gewysig by artikel 17 van Wet 109 van 1985 en artikel 1 van Wet 77 van 1990

1. Artikel 1 van die Wet op Stedelike Vervoer, 1977, hierna genoem die Hoofwet word hierby gewysig—

(a) deur die omskrywing van "beampte" deur die volgende omskrywing te vervang:

" 'beampte' 'n beampte van die Departement van Vervoer;",

(b) deur die volgende omskrywing na die omskrywing van "beampte" in te voeg:

" 'Direkteur-generaal' die Direkteur-generaal: Vervoer;"; en

(c) deur die omskrywing van "padraad" te skrap.

269

NOTICE 766 OF 1992

DEPARTMENT OF TRANSPORT

URBAN TRANSPORT AMENDMENT BILL, 1993

The Department of Transport hereby publicize the Urban Transport Amendment Bill, 1993 as set out in the attached Annexure, for general information and comment

Any department of State, regional, provincial or local authority, other instance or person who has an interest in the proposed legislation, is hereby invited to submit before **30 September 1992,** comments and/or representations in connection therewith to the Director-General: Transport, P.O. Box 415, Pretoria, 0001, for attention Mr S. F. de Jager.

Mr De Jager can also be contacted for enquiries at Telephone (012) 290-2659.

ANNEXURE

GENERAL EXPLANATORY NOTE:

[ ] Words in bold type in square brackets indicate omissions from existing enactment

——— Words underlined with a solid line indicate insertions in existing enactments.

BILL

To amend the Urban Transport Act, 1977, so as to transfer the functions and power of the Roads Board to the Minister and the Director-General and to provide for matters connected therewith.

Amendment of section 1 of Act 78 of 1977, as amended by section 17 of Act 109 of 1985 and section 1 of Act 77 of 1990

1. Section 1 of the Urban Transport Act, 1977, hereinafter referred to as the principal Act is hereby amended—

(a) by the insertion after the definition of 'core city' of the following definition:

" 'Director-General' means the Director-General: Transport;";

(b) by the substitution for the definition of "officer" of the following definition:

" 'officer' means an officer of the Department of Transport;", and

(c) by the deletion of the definition of "roads board."

Wysiging van artikel 3 van Wet 78 van 1977, soos gewysig deur artikel 2 van Wet 77 van 1990

2. Artikel 3 van die Hoofwet word hierby gewysig deur die woorde wat paragraaf (a) van subartikel (1) voorafgaan, deur die volgende woorde te vervang.

"Ondanks die bepalings van enige ander wet kan die Minister **[op aanbeveling van die padraad, gedoen]**, na oorleg met die betrokke Administrateur of Administrateurs, by kennisgewing in die *Staatskoerant*—.".

Wysiging van artikel 4A van Wet 78 van 1977, soos ingevoeg deur artikel 4 van Wet 77 van 1990

3. Artikel 4A van die Hoofwet word hierby gewysig deur subartikel (1) deur die volgende subartikel te vervang.

"(1) die Minister kan met die regering van 'n selfregerende gebied 'n ooreenkoms aangaan om ten behoewe van of in 'n gebied in daardie selfregerende gebied enige bevoegdheid werksaamheid of plig ingevolge hierdie wet uit te oefen, of te verrig en die geld ten opsigte daarvan uit die Fonds te bestee of deur 'n raad of kernstad te laat uitoefen of te verrig en die geld daarop te bestee.".

Vervanging van artikel 5 van Wet 78 van 1977, soos gewysig deur artikel 10 van Wet 77 van 1990

4. Artikel 5 van die Hoofwet word hierby deur die volgende artikel vervang:

Werksaamhede van Minister ten opsigte van oogmerke van hierdie Wet

"5. (1) Ten einde die oogmerk van hierdie Wet te bereik, moet die **[padraad]** Minister behoudens die bepalings van subartikel (2)—

(a) die formulering en toepassing van 'n stedelike vervoerbeleid wat volgens sy oordeel doelmatig is, in enige metropolitaanse vervoergebied reel en beheer,

(b) die werksaamhede bepaal van enige instansie betrokke by die uitvoering van sodanige beleid,

(c) toesien dat so 'n instansie sodanige beleid in alle opsigte behoorlik uitvoer;

(d) alle sake rakende stedelike vervoer in die Republiek koordineer en toesig daaroor hou,

(e) self of in samewerking met of deur bemiddeling van **[die Nasionale Instituut of]** 'n ander persoon of instansie—

(i) toesien dat navorsing in verband met stedelike vervoeraangeleenthede op 'n nasionale grondslag gekoordineer word;

Amendment of section 3 of Act 78 of 1977, as amended by section 2 of Act 77 of 1990

2. Section 3 of the principal Act is hereby amended by the substitution for the words preceding paragraph (a) of subsection (1) of the following words

"Nothwithstanding the provisions of any other law, the Minister may **[on the recommendation of the roads board, made]**, after consultation with the Administrator or Administrators concerned, by notice in the *Gazette*— "

Amendment of section 4A of Act 78 of 1977, as inserted by section 4 of Act 77 of 1990

3. Section 4A of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection.

"(1) The Minister may enter into an agreement with the government of any self-governing territory to exercise such powers, perform such duties and functions in terms of this Act, and spend such money on behalf of or in any area within such self governing territory, as may be agreed upon, or have such powers exercised, duties or functions performed and have the moneys spent in respect thereof from the fund, by a board or a core city.".

Substitution of section 5 of Act 78 of 1977, as amended by section 10 of Act 77 of 1990

4. The following section is hereby substituted for section 5 of the principal Act·

Functions of Minister in respect of objects of this Act

"5 (1) In order to achieve the objects of this Act, the **[roads board]** Minister shall, subject to the provisions of subsection (2)—

(a) in any metropolitan transport area regulate and control the formulation and application of an urban transport policy which is in **[its]** his opinion efficacious,

(b) determine the functions of any authority concerned in the implementation of such policy,

(c) ensure that any such authority implements such policy property in all respects,

(d) co-ordinate and supervise all matters concerning urban transport in the Republic;

(e) by **[itself]** himself or in collaboration with **[or through the National Institute or]** any other person or authority—

(i) ensure that research in connection with urban transport matters is co-ordinated on a national basis,

(ii) navorsing doen of laat doen of ander ondersoek instel of laat instel, hetsy binne of buite die Republiek, in verband met stedelike vervoerbeplanning of verkeerbeheer, of enige ander aangeleentheid wat volgens die oordeel van die **[padraad]** Minister die oogmerke van hierdie Wet sal bevorder,

(iii) ondersoek instel of laat instel in verband met vervoeraangeleenthede met die oog op die verklaring van 'n bepaalde gebied tot 'n metropolitaanse vervoergebied,

(f) oorleg pleeg met belanghebbende instansies en plaaslike besture ten einde toe te sien dat toereikende voorsiening gemaak word vir enige voorsienbare toename of verandering in vereiste en stedelike vervoergeriewe, **[en wel met betrekking tot enige bevolkingsgroep]**;

(g) **[die]** enige ander **[take]** taak verrig wat binne die oogmerke van hierdie Wet val **[en wat die Minister die padraad oplê]**

(2) Die **[padraad]** Minister verrig sy werksaamhede ingevolge paragrawe (a), (b), (c) en (d) van subartikel (1) **[slegs]** na oorleg met die betrokke Administrateur **[en met die goedkeuring van die Minister]**

[(3) Die padraad moet aantekening laat hou van die verrigtinge op elke vergadering wat hy in verband met sy werksaamhede ingevolge hierdie Wet hou]."

Vervanging van artikel 6 van Wet 78 van 1977, soos gewysig deur artikels 5 en 10 van Wet 77 van 1990

5. Artikel 6 van die Hoofwet word hierby deur die volgende artikel vervang

Algemene bevoegdhede van Minister

"6 (1) Ten einde sy werksaamhede, te verrig, kan die **[padraad]** Minister—

(a) **[behoudens die bepalings van subartikel (7)]** 'n behoorlik opgestelde vervoerplan met betrekking tot 'n metropolitaanse vervoergebied wat deur 'n Administrateur aan hom voorgelê is, oorweeg en sodanige plan goedkeur, afkeur of wysig,

(ii) do research or cause research to be done, or make any other investigation or cause any other investigation to be made, whether in the Republic or elsewhere, in connection with urban transport planning or traffic control or any other matter which in the opinion of the **[roads board]** Minister will promote the objects of this Act;

(iii) make or cause to be made any investigation in connection with transport matters with a view to the declaration of any particular area to be a metropolitan transport area;

(f) consult with interested authorities and local authorities in order to ensure that adequate provision is made for any foreseeable increase or change in urban transport facilities needed, **[and in relation to any population group]**;

(g) perform **[such]** any other task filling within the objects of this Act **[as the Minister may impose upon the roads board]**

(2) The **[roads board]** Minister shall perform **[its]** his functions in terms of paragraphs (a), (b), (c) and (d) of subsection (1) **[only]** after consultation with the Administrator concerned **[and with approval of the Minister]**.

[(3) The roads board shall cause records to be kept of the proceedings at every meeting held by it in connection with its functions in terms of this Act] "

Substitution of section 6 of Act 78 of 1977, as amended by sections 5 and 10 of Act 77 of 1990

5. The following section is hereby substituted for section 6 of the principal Act

General powers of Minister

"6 (1) In order to perform **[its]** his functions the **[roads board]** Minister may—

(a) **[subject to the provisions of subsection (7)]** consider **[and approve]** a properly prepared transport plan in relation to any metropolitan transport area which has been submitted to **[it]** him by any Administrator and approve, reject or amend such plan,

(b) **[behoudens die bepalings van subartikel (7) die veranderings wat hy aan so 'n plan nodig ag, aanbring en]** die uitbetaling van geld wat reeds beskikbaar gestel is vir die uitvoering **[daarvan]** van 'n plan bedoel in paragraaf (a), nadat dit aldus goedgekeur is, **[beskikbaar gestel is]** terughou of staak indien die **[padraad]** Minister rede het om te vermoed dat die beoogde doelwitte van sodanige plan belemmer sal word deur die wyse waarop dit uitgevoer sal word, maar behoudens die verpligtings wat **[die padraad]** reeds in so 'n geval opgeloop **[het]** is;

[(c) roerende of onroerende goed vir die doeleindes van hierdie Wet met inbegrip van kantoorakkommodasie vir homself of sy beamptes vir sodanige doeleindes koop, huur of op 'n ander wyse verkry, of sodanige goed hou of dit verkoop, verruil, verhuur of op 'n ander wyse van die hand sit of daarmee op 'n ander wyse handel;

(d) die invoering van wetgewing betreffende enige aangeleentheid wat verband hou met stedelike vervoer of stedelike verkeerbeheer en wat volgens die oordeel van die padraad die oogmerke van hierdie Wet sal bevorder, by die Minister aanbeveel;

(e) versekering aangaan teen 'n risiko, verlies of skade in verband met die uitoefening van sy bevoegdhede of die verrigting van sy werksaamhede ingevolge hierdie Wet;],

(f) die vorm waarin of die wyse waarop enige vervoerstudie of-plan of enige aansoek of ander aangeleentheid aan hom ingevolge hierdie Wet voorgelê, opgestel of gedoen moet word, voorskryf,

(fA) riglyne vir programme met betrekking tot onderhoud en die periodieke bywerk daarvan stel,

269

(b) **[subject to the provisions of subsection (7), effect such alterations to any such plan as it may consider necessary, and]** withhold or discontinue the payment of moneys already made available for **[its]** the implementation of a plan referred to in paragraph (a), after being so approved, if the **[roads board]** Minister has reason to believe that the contemplated purpose of such plan will be frustrated by the manner in which it will be implemented, but subject to any obligation **[the roads board]** which may have been incurred in any such case;

[(c) purchase, hire or otherwise acquire, or hold, sell, exchange, let or otherwise dispose of or deal with, moveable or, immovable property for the purpose of this Act including office accommodation for the roads board or its officers for such purposes;

(d) recommend to the Minister the introduction of legislation regarding any matter connected with urban transport or urban traffic control and which in the opinion of the roads board will promote the objects of this Act;

(e) take out insurance against any risk, loss or damage in connection with the exercise of its powers or the performance of its functions in terms of this Act;]

(f) prescribe the form or manner in which any transport study or plan or application or other matter to be submitted, prepared or made to **[it]** him in terms of this Act;

(fA) lay down guidelines for programmes in respect of maintenance and the periodic updating thereof;

(g) toesien dat openbare passasiersvervoer in enige stedelike **[verkeersreëlingstelsel]** vervoerplan voorkeur geniet op enige wyse wat hy goedvind;

(h) toesien dat persone wat openbare stedelike vervoer onderneem, bestuurspraktyke wat volgens die oordeel van die **[padraad]** Minister geskik en doeltreffend is ten genoee van die **[padraad]** Minister toepas en gereeld hersien;

(i) **[met die goedkeuring van die Minister]** enige ander stappe doen wat volgens **[die]** sy oordeel **[van die padraad]** nodig is om die oogmerke van hierdie Wet te bereik.

(2) 'n Goedgekeurde vervoerplan moet ten opsigte van die gedeelte van die betrokke metropolitaanse vervoergebied waarop die **[padraad en]** Minister na oorleg met die betrokke Administrateur **[ooreenkom]** besluit, die verhouding van die toelaatbare vloeroppervlakte van enige gebou tot die oppervlakte van die grond waarop dit opgerig is of staan te word, soos bepaal by die betrokke dorpsbeplanningskema, aandui, en van sodanige verhouding mag daar nie sonder **[voorgaande oorleg met die padraad]** die goedkeuring van die Minister afgewyk word nie

(3) Die betrokke Administrateur moet toesien dat ten opsigte van enige gebou waarop die **[padraad en]** Minister na oorleg met die Administrateur **[ooreenkom]** besluit en wat ingevolge die een of ander dorpbeplanningskema in 'n metropolitaanse vervoergebied opgerig staan te word, vir die op- en aflaai van goedere die voorsiening gemaak word wat volgens die oordeel van die Minister **[Administrateur en die padraad]** toereikend is

(4) 'n Beampte **[van die padraad]** wat of in die algemeen of in 'n bepaalde geval deur **[hom]** die Minister skriftelik daartoe gemagtig is, kan, behoudens die bepalings van subartikel (5), ter inligting van die **[padraad]** Minister te alle redelike tye 'n boek, staat of ander stuk wat wel of vermoedelik betrekking het op 'n buspassasiersvervoerdiens in enige metropolitaanse

269

(g) ensure that public passenger transport has preference in any urban **[traffic planning and and regulative system]** transport plan in any manner **[it]** he may think fit;

(h) ensure that persons undertaking public urban transport apply and regularly revise, to the satisfaction of the **[roads board]** Minister management practices which in the opinion of the **[roads board]** Minister are appropriate and efficient;

(i) **[with the approval of the Minister]** take other steps which in **[the]** his opinion **[of the roads board]** may be necessary to achieve the objects of this Act.

(2) Any approved transport plan shall, in respect of such portion of the metropolitan transport area concerned as may be **[agreed]** decided upon by the **[roads board and]** Minister after consultation with the Administrator concerned, specify the ratio of the permissible floor space of any building to the area of the land upon which it has been or is to be erected, as provided by the town-planning scheme concerned, and from such ratio there shall be no deviation without **[prior consultation with the, roads board]** the approval of the Minister.

(3) The Administrator concerned shall ensure that in respect of any building **[agreed]** decided upon by the **[roads board and]** Minister after consultation with the Administrator and which is to be erected in any metropolitan transport area in terms of any town-planning scheme, such provision is made for the loading and off-loading of goods as is adequate in the opinion of the **[Administrator and the roads board]** Minister

(4) Any officer **[of the roads board]** who is either generally or specially authorized thereto by **[it]** the Minister in writing may subject to the provisions of subsection (5), for the information of the **[roads board]** Minister at all reasonable times examine or make copies of, or take extracts from, any book, statement or other document which refers or is suspected to refer to any public bus passenger transport

vervoergebied gedryf en ten opsigte waarvan 'n toekenning uit die fonds gemaak word of om sodanige toekenning aansoek gedoen is, ondersoek of afskrifte daarvan of uittreksels daaruit te maak.

(5) Indien 'n beampte bedoel in subartikel (4) aldus versoek word, moet hy voordat hy 'n bevoegdheid uitoefen wat hy daardie subartikel aan hom verleen word, die skriftelike magtiging wat ingevolge daardie subartikel aan hom uitgereik is, toon aan iemand wat deur die uitoefening van sodanige bevoegdheid geraak sal word.

(6) Indien 'n Administrateur of plaaslike bestuur volgens die oordeel van die Minister in gebreke bly om enige bevoegdheid of werksaamheid wat by of ingevolge hierdie Wet aan hom verleen of opgedra word, uit te oefen of te verrig, kan die Minister **[op aanbeveling van die padraad en]** na skriftelike kennisgewing aan daardie Administrateur of plaaslike bestuur, na gelang van die geval, **[die padraad gelas om]** sodanige bevoegdheid of werksaamheid **[uit te oefen]** uitoefen of **[te]** verrig of **[te]** laat uitoefen of verrig, en die **[padraad]** Minister kan die uitgawe daaraan verbonde op daardie Administrateur of plaaslike bestuur verhaal.

[(7) Indien die padraad en die betrokke Administrateur nie eenstemmigheid kan bereik nie aangaande enige aspek van 'n besluit van die padraad kragtens subartikel (1) (a), of (b), moet die padraad bedoelde aspek na die Minister verwys, wie se beslissing afdoende is.].".

Beskikking oor eiendom

6. Die Hoofwet word hierby gewysig deur die invoeging van die volgende artikel na artikel 6

"6A Roerende en onroerende goed wat ingevolge die bepalings van hierdie Wet by die Nasionale Vervoerkommissie, ingestel kragtens artikel 3 van die Wet op die Koordinering van Vervoer, 1948 (Wet No. 44 van 1948), berus, gaan by die inwerkingtreding van die Wysigingswet op Stedelike Vervoer, 1993, oor op die Staat, ongeag of sodanige goed op die Suid-Afrikaanse Padraad, ingestel by artikel 2 van die Wet op die Suid-Afrikaanse Padraad, 1988 (Wet No. 74 van 1988), oorgegaan het of nie."

(269)

service conducted in any public bus passenger transport service conducted in any metropolitan transport area and in respect of which a grant from the fund is made or has been applied for.

(5) If any officer referred to in subsection (4) is so requested, he shall, before exercising any power conferred upon him by that subsection, exhibit the written authority issued to him in terms of that subsection to any person who will be effected by the exercise of such power.

(6) If any Administrator or local authority fails to exercise or to perform any power or function conferred or imposed on him or it by or in terms of this Act, the Minister may **[on the recommendation of the roads board and]** after written notice to that Administrator or local authority, as the case may be, **[direct the roads board to]** exercise or perform or cause to be exercised or performed such power or function, and the **[roads board]** Minister may recover from that Administrator or local authority the expenditure in connection therewith.

[(7) If the roads board and the Administrator concerned fail to agree on any aspect of a decision of the roads board under subsection (1) (a) or (b), the roads board shall refer such aspect to the Minister whose decision shall be final.]."

Disposal of property

6. The principal Act is hereby amended by the insertion of the following section:

"6A. Movable and immovable property vesting in terms of the provisions of this Act in the National Transport Commission, established under section 3 of the Transport (Co-ordination) Act, 1948 (Act No. 44 of 1948), shall vest in the State at the commencement of the Urban Transport Amendment Act, 1993, irrespective of whether or not such property devolved upon the South African Roads Board established under section 2 of the South African Roads Board Act, 1988 (Act No 74 of 1988)".

Vervanging van artikel 7 van Wet 78 van 1977, soos gewysig deur artikel 10 van Wet 77 van 1990

7. Artikel 7 van die Hoofwet word hierby deur die volgende artikel vervang.

Vervoerstudies, -ondersoeke en -planne

"7. (1) 'n Administrateur kan **[na oorleg]** met die goedkeuring van die **[padraad]** Minister 'n studie, ondersoek of plan met betrekking tot vervoer instel of opstel of laat instel of opstel ten opsigte van die regsgebied of regsgebiede van een of meer bepaalde plaaslike besture met die oog op die totstandkoming van 'n metropolitaanse vervoergebied en sodanige studie, ondersoek of plan word na die betrokke plaaslike bestuur of besture vir **[sy]** kommentaar verwys.

(2) Dié Administrateur moet 'n aldus opgestelde vervoerplan aan die **[padraad]** Minister vir oorweging en goedkeuring ingevolge artikel 6 (1) (a) of (b) voorlê, met die oog op die uitvoering daarvan, indien aldus goedgekeur, deur die betrokke plaaslike bestuur of besture.".

Wysiging van artikel 8 van Wet 78 van 1977, soos gewysig deur artikel 10 van Wet 77 van 1990

8. Artikel 8 van die Hoofwet word hierby gewysig—

(a) deur subartikels (1) en (2) deur onderskeidelik die volgende subartikels te vervang.

"(1) Die **[padraad stel 'n]** fonds **[in]** wat kragtens hierdie artikel ingestel is en wat die Stedelike Vervoerfonds heet **[en waarin gestort word]** bly voortbestaan en daarin word gestort—

(a) die bedrag van enige bydrae waartoe die (padraad) verplig is ingevolge die bepalings van artikel 2 (3) (c) van die Wet op Nasionale Paaie, 1971 (Wet No. 54 van 1971) **[, met betrekking tot die aanlê van 'n deurpad binne die regsgebied van 'n plaaslike bestuur in 'n metropolitaanse vervoergebied, indien sodanige deurpad deel uitmaak van 'n goedgekeurde vervoerplan wat in sodanige metropolitaanse vervoergebied in werking gestel is of sal word]**,

(b) geld wat die Parlement vir die fonds bewillig;

(c) rente op belegde kontantsaldo's wat aan die fonds behoort,

Substitution of section 7 of Act 78 of 1977, as amended by section 10 of Act 77 of 1990

7. The following section is hereby substituted for section 7 of the principal Act·

Transport studies, investigations and plans

269

"7. (1) Any Administrator may **[after consultation]** with the **[roads board]** approval of the Minister, conduct or prepare or cause to be conducted or prepared a study, an investigation or a plan in relation to transport in respect of the area or areas under the jurisdiction of one or more specified local authorities with a view to the coming into being of a metropolitan transport area, and such study, investigation or plan shall be referred to the local authority or authorities concerned for **[its comments]** - comment

(2) The Administrator shall submit a transport plan so prepared to **[roads board]** Minister for consideration and approval in terms of section 6 (1) (a) or (b), with a view to its implementation, if so approved, by the local authority or authorities concerned.".

Amendment of section 8 of Act 78 of 1977, as amended by section 10 of Act 77 of 1990

8. Section 8 of the principal Act, is hereby amended—

(a) by the substitution for subsections (1) and (2) of the following subsections, respectively·

"(1) The **[roads board shall establish a]** fund **[to be]** established under this section and which is known as the Urban Transport Fund, **[into which]** shall continue to exist and into it shall be paid—

(a) the amount of any contribution for which the roads board is liable in terms of the provisions of section 2 (3) (c) of the National Roads Act, 1971 (Act No. 54 of 1971) **[, in relation tio the construction of a freeway in the area under the jurisdiction of a local authority in any metropolitan transport area, if such freeway constitutes part of an approved transport plan which has been or will be put into operation in such metropolitan transport area]**;

(b) moneys appropriated by Parliament for the fund,

(c) interest on invested cash balances belonging to the fund;

(d) enige ander geld **[deur die padraad]** wat die fonds ingevolge hierdie Wet of vir die doeleindes daarvan **[ontvang]** toeval.

(2) Die **[padraad]** Direkteur-generaal bestuur die fonds, onderworpe aan die beheer en voorskrifte van die Minister, en bestry daaruit, behalwe vir sover die Parlement met betrekking tot 'n bepaalde goedgekeurde vervoerplan wat in werking is in, of met betrekking tot 'n plaaslike bestuur wie se regsgebied of van wie se regsgebied 'n deel opgeneem is in, 'n metropolitaanse vervoergebied, ander voorsiening maak, **[en behoudens die bepalings van artikel 12 van die Wet op die Koördinering van Vervoer, 1948 (Wet No. 44 van 1948),]** alle uitgawes aangegaan in verband met die uitoefening of verrigting van **[sy bevoegdhede of werksaamhede]** enige bevoegdheid of werksaamheid ingevolge hierdie Wet of die regulasies daarkragtens uitgevaardig.",

(b) deur subartikel (3) te skrap;

(c) deur subartikels (4), (5) en (6) deur onderskeidelik die volgende subartikels te vervang:

"(4) Die **[padraad]** Direkteur-generaal moet begrotings van uitgawes wat uit die fonds bestry moet word, jaarliks aan die Minister vir sy goedkeuring voorlê, en maak geen betaling uit die fonds nie behalwe ooreenkomstig 'n aldus goedgekeurde begroting of met die vooraf-verkree goedkeuring van die Minister.

(5) Die **[padraad]** Direkteur-generaal kan geld in die fonds wat **[hy]** nie onmiddellik vir die doeleindes van hierdie Wet nodig **[het]** is nie, met die goedkeuring van die Minister belê.

(6) Die **[padraad]** Direkteur-generaal moet behoorlik boekhou van alle geld wat die fonds toekom of wat daaruit betaal word, en sodanige boeke word deur die Ouditeur-generaal geouditeer.", en

(d) deur paragraaf (a) van subartikel (7) deur die volgende paragraaf te vervang

"(a) Wanneer 'n Administrateur of 'n plaaslike bestuur geld ten behoewe van die fonds vorder of ten behoewe van die fonds aan die **[padraad]** Direkteur-generaal oorbetaal, moet die Administrateur of plaaslike bestuur, na gelang

269

(d) any other moneys **[received by the roads board]** which may accrue to the Fund in terms of or for the purposes of this Act

(2) The **[roads board]** Director-General shall administer the fund, subject to the control and directions of the Minister, and shall defray from it, except in so far as Parliament may in relation to any specified approved transport plan in operation in, or in relation to any local authority of which the area under its jurisdiction has been included in, any metropolitan transport area, provide otherwise, **[and subject to the provisions of section 12 of the Transport (Coordination) Act, 1948 (Act No. 44 of 1948),]** all expenditure incurred in connection with the exercise or performance of **[the powers or functions of the roads board]** any power or function in terms of this Act or the regulations made thereunder ";

(b) by the deletion of subsection (3);

(c) by the substitution for subsections (4), (5) and (6) of the following subsections, respectively:

"(4) The **[roads board]** Director-General shall annually submit to the Minister for his approval, estimates of expenditure to be defrayed from the fund, and shall make no payment from the fund except in accordance with estimates so approved or with the prior approval of the Minister

(5) The **[roads board]** Director-General may with the approval of the Minister invest moneys in the fund not immediately required **[by it]** for the purposes of this Act.

(6) The **[roads board]** Director-General shall keep proper accounts of all moneys accruing to or paid out of the fund, and such accounts shall be audited by the Auditor-General ", and

(d) by the substitution for paragraph (a) of subsection (7) of the following paragraph:

"(a) When any Administrator or any local authority collects moneys or pays moneys to the **[roads board]** Director-General on behalf of the fund, the Administrator or local authority, as the case may be, shall in respect thereof

van die geval, ten opsigte daarvan jaarliks aan die **[padraad]** Direkteur-generaal rekeningstate vir opname in **[sy eie]** die rekenings wat vir die doeleindes van hierdie Wet gehou word, **[in die vorm deur die Tesourie na oorleg met die Ouditeur-generaal goedgekeur]** wat in die geval van 'n plaaslike bestuur, geouditeer is deur **[die ouditeur van die betrokke provinsie of]** iemand wat ingevolge 'n wet as ouditeur van die plaaslike bestuur optree, **[na gelang van die geval]** en gestaaf is deur sodanige **[ouditeur of]** persoon se verslag en die nodige dokumentêre getuienis.".

Vervanging van artikel 9 van Wet 78 van 1977, soos gewysig deur artikel 10 van Wet 77 van 1990

9. Artikel 9 van die Hoofwet word hierby deur die volgende artikel vervang:

Lenings

"(9) (1) Die **[Minister]** Direkteur-generaal kan met die goedkeuring van die Minister van tyd tot tyd uit geld wat die Parlement daarvoor bewillig, **[aan die padraad]** lenings **[toeken]** opneem vir die doeleindes van hierdie Wet.

(2) Die **[padraad]** Direkteur-generaal betaal uit die fonds die rente op 'n aldus toegekende lening, en los uit die fonds 'n aldus toegekende lening in die paaiemente en binne die tydperk af wat die Minister met die instemming van die Minister van **[Finansies]** Staatsbesteding bepaal."

Wysiging van artikel 10 van Wet 78 van 1977, soos gewysig deur artikels 6 en 10 van Wet 77 van 1990

10. Artikel 10 van die Hoofwet word hierby gewysig—

(a) deur die woorde wat paragraaf (a) voorafgaan deur die volgende woorde te vervang:

"Die Direkteur-generaal kan met die goedkeuring van die Minister en op die voorwaardes wat die Minister bepaal, uit die fonds—";

(b) deur paragrawe (j) en (k) te skraap

Wysiging van artikel 13 van Wet 78 van 1977, soos gewysig deur artikels 8 en 10 van Wet 77 van 1990 en artikel 1 van Wet 14 van 1992

11. Artikel 13 van die Hoofwet word hierby gewysig deur subartikel (3) deur die volgende subartikel te vervang.

"(3) 'n [Lid van 'n raad], uitgesonder die voorsitter word aangestel vir die tydperk (maar hoogstens twee jaar) en op die voorwaardes wat die betrokke Administrateur in

submit annually to the **[roads board]** Director-General, for inclusion in **[its own]** the accounts kept for purposes of this Act, statements of account **[in such form as the Treasury after consultation with the Auditor-General may approve,]** which, in the case of a local authority have been audited by **[the auditor of the province concerned or]** any person who acts as auditor of the local authority in terms of any law, **[as the case may be,]** and are supported by such **[auditor's or]** person's report and the necessary documentary evidence.".

Substitution of section 9 of Act 78 of 1977, as amended by section 10 of Act 77 of 1990

9. The following section is hereby substituted for section 9 of the principal Act.

Loans

"(9) (1) The **[Minister]** Director-General may, with the approval of the Minister from time to time, from moneys appropriated by Parliament therefor, **[grant]** raise loans **[to the roads board]** for the purposes of this Act.

(2) The **[roads board]** Director-General shall from the fund pay the interest on any loan so granted and redeem any loan so granted in such instalments and within such period as the Minister with the concurrence of the Minister of **[Finance]** State Expenditure may determine.".

Amendment of section 10 of Act 78 of 1977, as amended by sections 6 and 10 of Act 77 of 1990

10. Section 10 of the principal Act, is hereby amended—

(a) by the substitution for the words preceding paragraph (a) of the following words:

"The Director-General shall on the instructions of the Minister and on such conditions as the Minister may determine from the fund—"; and

(b) by the deletion of paragraphs (j) and (k)

Amendment of section 13 of Act 78 of 1977, as amended by sections 8 and 10 of Act 77 of 1990 and section 1 of Act 14 of 1992

11. Section 13 of the principal Act, is hereby amended by the substitution for subsection (3) of the following subsection:

"(3) A member of the board, other than the chairman, shall be appointed for such period (not exceeding two years) and on such conditions as the Administrator con-

elke besondere geval bepaal: Met dien verstande dat dié Administrateur, indien daar volgens sy oordeel gegronde redes daarvoor bestaan, **[na oorleg met die padraad]** die dienste van so 'n lid te eniger tyd voor die verstryking van sy ampstermyn kan beëindig.".

Wysiging van artikel 14 Wet 78 van 1977

12. Artikel 14 van die Hoofwet word hierby gewysig—

(a) deur subartikel (1) deur die volgende subartikel te vervang:

"(1) Die besoldiging en toelaes van die lede van 'n raad, uitgesonderd die besoldiging van 'n lid wat in diens van die Staat is, soos deur die betrokke Administrateur **[na oorleg met die padraad]** met die goedkeuring van die Minister bepaal, word uit die betrokke vervoerfonds betaal."; en

(b) deur subartikel (3) deur die volgende subartikel te vervang:

"(3) Indien die Minister **[op aanbeveling van die padraad en]**, na oorleg met die Minister van **[Finansies]** Staatsbesteding, van oordeel is dat 'n lid in subartikel (2) genoem, behalwe die voorsitter, al sy tyd of 'n aansienlike deel van sy tyd aan sy werksaamhede as 'n lid van 'n raad bestee, kan die Minister, na sodanige oorleg, gelas dat die raad die besoldiging wat aan sodanige lid as iemand in diens van die Staat betaal word, of soveel daarvan as wat die Minister na sodanige oorleg bepaal, aan die Staat uit die betrokke vervoerfonds vergoed ".

Wysiging van artikel 17 van Wet 78 van 1977, soos gewysig deur artikel 10 van Wet 77 van 1990

13. Artikel 17 van die Hoofwet word hierby gewysig—

(a) deur paragraaf (b) deur die volgende paragraaf te vervang·

"(b) 'n toepaslike goedgekeurde vervoerplan op die wyse wat die betrokke Administrateur **[na oorlegpleging met die padraad]** bepaal, uitvoer;"; en

(b) deur paragraaf (k) deur die volgende paragraaf te vervang.

"(k) die ander werk verrig in verband met stedelike vervoer in sy metropolitaanse vervoergebied wat die betrokke Administrateur **[na oorleg met die padraad]** aan hom opdra,".

269

cerned may in every particular case determine: Provided that such Administrator may; if in his opinion there exist sufficient reasons therefor, **[after consultation with the roads board]** terminate the services of any such member at any time before the expiry of his period of office.".

Amendment of section 14 of Act 78 of 1977

12. Section 14 of the principal Act, is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) The remuneration and allowances of the members of a board save the remuneration of any member who is in the service of the State, as determined by the Administrator concerned **[after consultation with the roads board]** with the approval of the Minister, shall be paid out of the transport fund concerned."; and

(b) by the substitution for subsection (3) of the following subsection:

"(3) If the Minister **[on the recommendation of the roads board and]**, after consultation with the Minister of **[Finance]** State Expenditure, is of the opinion that a member mentioned in subsection (2), other than the chairman, devotes the whole or a substantial portion of his time to his functions as a member of a board, the Minister may, after such consultation, direct the board to refund to the State from the transport fund concerned the remuneration paid to such member as a person in the service of the State, or so much thereof as the Minister may after such consultation determine.".

Amendment of section 17 of Act 78 of 1977, as amended by section 10 of Act 77 of 1990

13. Section 17 of the principal Act, is hereby amended—

(a) by the substitution for paragraph (b) of the following paragraph:

"(b) implement any applicable approved transport plan in such manner as may be determine by the Administrator concerned **[after consultation with the roads board]**;"; and

(b) by the substitution for paragraph (k) of the following paragraph:

"(k) do such other work in connection with urban transport in its metropolitan transport area as the Administrator concerned may **[after consultation with the roads board]** with the approval of the Minster direct it to do,"

Wysiging van artikel 19 van Wet 78 van 1977, soos gewysig deur artikel 10 van Wet 77 van 1990

14. Artikel 19 van die Hoofwet word hierby gewysig deur subartikel (2) deur die volgende subartikel te vervang

"(2) Tensy deur die betrokke Administrateur **[na oorleg met die padraad]** daartoe gemagtig of ingevolge die een of ander wet of toepaslike dorpsbeplanningskema gemagtig of verplig om dit te doen, mag iemand vanaf die datum van publikasie van 'n goedgekeurde vervoerplan of 'n verandering daarvan ingevolge subartikel (1), enige grond of gebou wat deur daardie plan of verandering geraak mag word, gebruik vir enige ander doel as dié waarvoor dit op gemelde datum gebruik is of 'n gebou op bedoelde grond oprig of byvoegings by of veranderings aan 'n gebou op bedoelde grond wat die verhouding van die toelaatbare vloeroppervlakte van die betrokke gebou tot die oppervlakte van die grond waarop dit opgerig is, enigsins verander, aanbring nie.".

Wysiging van artikel 24 van Wet 78 van 1977, soos gewysig deur artikel 10 van Wet 77 van 1990

15. Artikel 24 van die Hoofwet word hierby gewysig deur subartikel (1) deur die volgende subartikel te vervang:

"(1) Die **[padraad]** Minister kan **[onderworpe aan die goedkeuring van die Minister]** enige **[bevoegdhede]** bevoegdheid wat by hierdie Wet aan hom verleen word, aan 'n **[lid of]** beampte **[van die padraad]**, 'n Administrateur of die gemagtigde van 'n kernstad delegeer.".

Vervanging van woord in Wet 78 van 1977

16. Die Hoofwet word, behoudens die bepalings van hierdie Wet, hierby gewysig deur die woord "padraad", waar dit ook al voorkom, deur die woord "Minister" te vervang.

Wysiging van die Wet op Deregulering van Vervoer, 1988 (Wet 80 van 1988)

17. Artikel 3 van Wet 80 van 1988 word hierby gewysig deur subartikel (1) deur die volgende subartikel te vervang.

"(1) Met ingang van die datum van inwerkingtreding van hierdie artikel word daardie bevoegdhede, werksaamhede en pligte wat by of kragtens die Wet op Nasionale Paaie, 1971 (Wet No. 54 van 1971) en die Wet op Nasionale Verkeersveiligheid, 1972 (Wet No 9 van 1972), **[en die Wet op Stedelike Vervoer, 1977 (Wet No. 78 van 1977,]** aan die Kommissie verleen of toegewys is, deur die Suid-Afrikaanse Padraad uitgeoefen en verrig en word laasgenoemde Raad, by die toepassing van genoemde Wette, vir alle doeleindes geag die opvolger van die Kommissie te wees ".

Amendment of section 19 of Act 78 of 1977, as amended by section 10 of Act 77 of 1990

14. Section 19 of the principal Act, is hereby amended by the substitution for subsection (2) of the following subsection·

"(2) As from the date of publication of any approved transport plan or any alteration thereof in terms of subsection (1), no person shall, unless authorized thereto by the Administrator concerned **[after consultation with the roads board]** or authorized or required to do so in terms of any law or applicable town-planning scheme, use any land or building which may be affected by such plan or alteration, for any purpose other than that for which it was used on the said date, or erect or make additions or alterations to any building on such land which in any way vary the ratio of the permissible floor space of the building in question to the area of the land on which it has been erected.".

Amendment of section 24 of Act 78 of 1977, as amended by section 10 of Act 77 of 1990

15. Section 24 of the principal Act, is hereby amended by the substitution for subsection (1) of the following subsection.

"(1) The **[roads board]** Minister may **[subject to the approval of the Minister]** delegate any power conferred on **[it]** him by this Act to any **[member or]** officer [of the roads board], any Administrator or the deputy of a core city.".

Substitution of word in Act 78 of 1977

16. The principal Act, is hereby amended, subject to the provisions of this Act, by the substitution for the words "roads board", wherever it occurs, of the word "Minister".

Amendment of the Transport Deregulation Act, 1988 (Act 80 of 1988)

17. Section 3 of Act 80 of 1988, is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) With effect from the date of commencement of this section those powers, functions and duties which are conferred upon or entrusted to the Commission by or under the National Roads Act, 1971 (Act No 54 of 1971) and the National Road Safety Act, 1972 (Act No. 9 of 1972), **[and the Urban Transport Act, 1977 (Act No. 78 of 1977),]** shall be exercised and performed by the South African Roads Board and for the purposes of the said Acts the last mentioned Board shall for all purposes be deemed to be the successor of the Commission ".

Kort titel

18. Hierdie Wet heet die Wysigingswet op Stedelike Vervoer, 1993 en die bepalings daarvan tree in werking op 'n datum wat die Staatspresident by proklamasie in die *Staatskoerant* bepaal.

OOGMERKE VAN DIE WYSIGINGSWETSONTWERP OP STEDELIKE VERVOER, 1993

In die wetsontwerp word voorgestel dat die funksies, werksaamhede en bevoegdhede van die Suid-Afrikaanse Padraad aan die Minister oorgedra word uitgesonderd die bestuur van die stedelike vervoerfonds wat aan die Direkteur-generaal onderhewig aan die Minister se voorskrifte, oorgedra word.

(28 Augustus 1992)

Short title

18. This Act shall be called the Urban Transport Amendment Act, 1993, and shall come in to force on a date fixed by the State President by proclamation in the *Gazette*

MEMORANDUM ON THE OBJECTS OF THE URBAN TRANSPORT AMENDMENT BILL, 1993

In the Bill it is proposed that the functions, powers and duties of the roads board be transferred to the Minister excluding the administration of the Urban Transport Fund which is being transferred to the Director-General subject to the directions of the Minister

(28 August 1992)

KENNISGEWING 767 VAN 1992 • NOTICE 767 OF 1992

VOORLOPIGE OPGAWE VAN HANDELSTATISTIEK VAN DIE REPUBLIEK VAN SUID-AFRIKA VRYGESTEL DEUR DIE KOMMISSARIS VAN DOEANE EN AKSYNS

PRELIMINARY STATEMENT OF TRADE STATISTICS OF THE REPUBLIC OF SOUTH AFRICA RELEASED BY THE COMMISSIONER FOR CUSTOMS AND EXCISE

Opmerking: Die in- en uitvoersyfers wat in hierdie opgawe verskyn is grootliks aangepas om dit in ooreenstemming te bring met die vereistes wat gestel word vir die opstel van die betalingsbalans.

L.W.: Die oorskakeling na die Geharmonieerde Tariefstelsel met ingang van 1 Januarie 1988 het die indeling van sekere kommoditeite verander Wanneer die afdelingstotale vir 1988 en later jare dus met dié van vorige jare vergelyk word, moet die moontlike verskille as gevolg van die oorskakeling nie uit die oog verloor word nie.

Remark: The import and export figures reflected in this statement have been adjusted largely to bring them into line with the requirements for the compilation of the balance of payments.

N.B.: The change-over to the Harmonized Tariff System with effect from 1 January 1988, altered the classification of certain commodities When comparing the section totals for 1988 and later years with those of previous years the possible differences due to the change-over should therefore be taken into consideration

TYDPERK: JANUARIE TOT JULIE 1992 • PERIOD: JANUARY TO JULY 1992

TABEL A: TOTALE IN MILJOENE RAND VOLGENS WÊRELDSTREKE EN SKEEPS- EN VLIEGTUIGVOORRADE
TABEL A: TOTALS IN MILLIONS OF RAND ACCORDING TO WORLD ZONES AND SHIPS' AND AIRCRAFT STORES

Wêreldstreke—World Zones	Invoere—Imports		Uitvoere—Exports	
	1992	1991	1992	1991
Afrika—Africa	717,6	—	3 507,1	—
Europa—Europe	13 217,7	—	13 243,5	—
Amerika—America	4 686,1	—	3 575,6	—
Asië—Asia	6 704,6	—	6 837,1	—
Oseanie—Oceania	358,7	—	197,5	—
Ander ongeklassifiseerde goedere en betalingsbalansaansuiwerings Other unclassified goods and balance of payments adjustments	3 517,9	—	10 659,6	—
Skeeps-/vliegtuigvoorrade—Ships'/Aircraft Stores	—	—	418,9	—
GROOTTOTAAL—GRAND TOTAL	29 202,6	28 390,1	38 439,3	37 390,7

TABEL B: TOTALE IN MILJOEN RAND VOLGENS AFDELINGS VAN DIE GEHARMONIEËRDE STELSEL
TABLE B. TOTALS IN MILLION RAND ACCORDING TO SECTIONS OF THE HARMONIZED SYSTEM

Afdelings—Sections	Invoere—Imports		Uitvoere—Exports	
	1992	1991	1992	1991
I Lewende diere, dierlike produkte Live animals, animal products	209,4	128,0	403,2	355,3
II Plantaardige produkte Vegetable products	1 092,2	714,6	1 631,0	1 314,5
III Dierlike of plantaardige vette en olies en splitsprodukte, voorbereide spysvette, dierlike en plantaardige wasse Animal or vegetable fats and oils and their cleavage products; prepared edible fats, animal and vegetable waxes	257,5	149,6	84,7	64,2

Fund crisis derails train security

W/Mail 28/8 - 3/9/92. (269)

By ROSALEE TELELA

RECOMMENDATIONS made earlier this year by the Goldstone Commission on how to improve security on railway stations had not been carried out in full because of a lack of funds

While transport authorities this week explained the reasons to the commission, 12 more people died in a spate of train attacks in the PWV

Giving evidence to the commission which is investigating violence on trains, the South African Rail Commuter Corporation (SARCC) said R14-million would be needed to upgrade the security systems on seven Soweto stations alone.

The corporation said it did not have "that kind of finance" to implement changes suggested by the commission

Among the interim recommendations made by the commission are that the police force be restructured so that commuters regain their trust in them, control points be shifted to outside the stations, existing police facilities at the stations be upgraded; lighting on platforms should be improved, telephones should be in working order and a permanent security guard be placed at each entrance to the station.

The SARCC said it had applied on August 12 to the government for funds to finance the implementation of suggested security measures.

The corporation said it would "provide effective police facilities nationally", and told the commission that in the southern Transvaal alone it would cost an extra R25-million in 1992/1993 to upgrade existing facilites

The budget for improving the security on railway stations in the southern Transvaal is R95,998-million for 1992/1993, with an additional R26,90-million to be spent in 1993/94.

The commission heard that the SARCC and the South African Police had joined a committee aimed at "reconstruction of the police force in metropolitan areas"

The SAP representative, Lieutenant Colonel Marthinus Marx, said in June and July there had been a decrease of about 50 percent in train violence on the Reef.

He added that it was the result of "the establishment of a central co-ordinating centre" and an increased police presence.

However, counsel for the ANC, Gys Rautenbach, said that on two occasions the organisation had sent someone to check the security on two different stations This person found no police presence inside or outside the station.

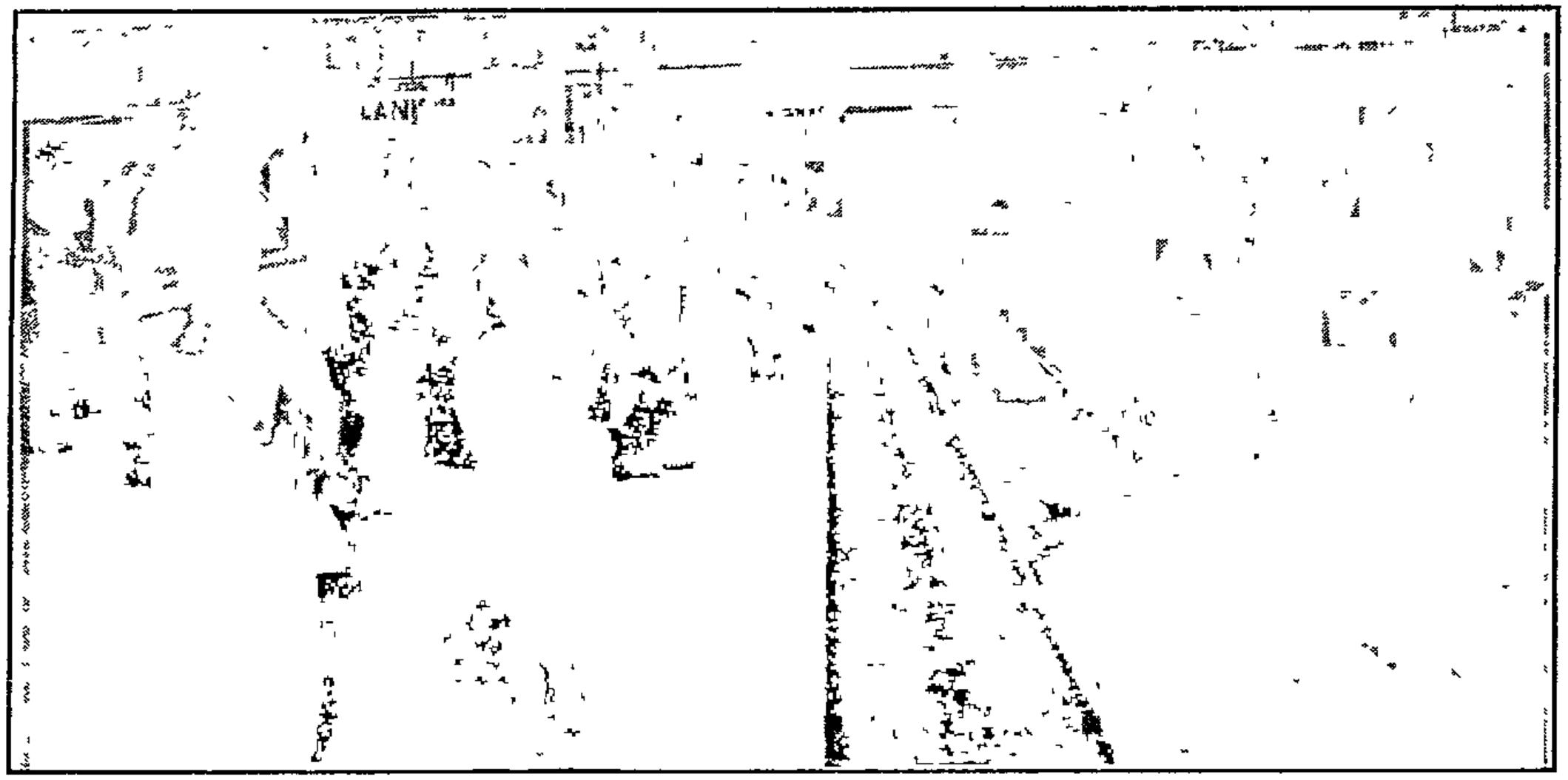
While the SARCC and SAP presented their reports in the committee room, their statements were challenged outside the commission by the Civic Association of Southern Transvaal (Cast).

Cast member Dumisani Daniel said that representatives from the organisation had visited Park station, Johannesburg, on Wednesday — the day after eight people were shot and injured — and found "no security personnel at the gates to the platform when we arrived".

Later, he said, at about 2pm, "when we went to the same platforms accompanied by railway officials and senior policemen there were a number of police on the station, including Spoornet security"

NEWS FEATURE IFP man pleased by statement that comrades are responsible for killings

● The train killers have claimed the lives of 130 people this year alone



Security forces swarm the platform and tracks at Mlamlamkunzi station, Soweto. The station has been the scene of violence.

Train carnage

Sowetan 28/8/92 (269)

NO SECURITY The police were nowhere to be seen at the railway stations:

By Mokgadi Pela

"I AM EXTREMELY happy that the truth has finally come out about the sinister forces behind the train killings," said an Inkatha Freedom Party supporter from Soweto's Nancefield Hostel yesterday.

The man claimed that two of the three people killed on the Johannesburg-Springs line on Wednesday morning were IFP members from Nongoma He gave the name of one of them as Kubheka In the attack seven people were severely injured and admitted to the Boksburg-Benoni Hospital

Mr Ephraim Mpanza was reacting to a report in *Sowetan* yesterday which quoted police spokesman Captain Ida van Zweel as saying· "A group of young men who had been singing ANC freedom songs burst into a coach, attacked people and caused panic-stricken passengers to jump from the moving train "

However, one of the victims who

still on the same old track

Sowetan 28/8/92 (269)

was seriously injured in Wednesday's train attack on the Springs-Johannesburg line refutes the impression created by police that the assailants were ANC supporters

Mr China Seapelo, whose lacerated face appeared on the front page of *Sowetan* yesterday, said. "I have travelled with comrades on the Johannesburg-Springs train for a long time, and they wouldn't commit such beastly acts.

"It's outsiders masquerading as comrades who attacked us They trick commuters by singing freedom songs so that we'll think they are also opposing this rotten system of colonial occupation," he said

These attacks have continued despite the signing of the much-publicised agreement on May 14, which guaranteed security on trains

An investigation by the Sowetan team this week on the Johannesburg-Springs route showed that the main aspects of the agreement had not yet been implemented

Police presence at most stations remained unrecorded

We went in and out of many Reef stations without being searched

The fear on the faces of thousands of tax-paying commuters, whose lives are at risk every time on the platforms, was unmistakable

At about the same time Sowetan conducted its random check, African National Congress official Mr Ronnie Mamoepa and a group of journalists on Wednesday visited Park Station, where a train attack had occurred the previous night, and inspected the Soweto-Johannesburg train, number 9366

Speaking during the inspection in loco, Mamoepa remarked that there was hardly any security 24 hours after four gunmen armed with AK-47 rifles opened fire on a train, injuring eight commuters at the station

But, the solution to the continuing train attacks seem to be elusive.

The senior general manager of the South African Rail Commuter Corporation, Mr Koos Meyer, this week said there was nothing they could do as the police were responsible for ensuring that such people did not enter the trains

"For our part, we are still investigating our rail commuter guards We are, however, satisfied that the police are still investigating the matter We are very sorry about these incidents," Meyer said.

A special unit assigned to deal with train attacks has yet to record success in its tracking of train killers.

Captain Thys du Plessissaid people should not expect any "quick fix to the ongoing carnage".

Terror trains

Train killers have taken the lives of 130 this year

In September 1990-exactly 26 people were killed and 100 injured near Jeppe station

Between January and May this year more than 130 commuters have been killed — either shot, stabbed, or hacked to death - and 235 injured in about 130 attacks on trains and stations.

The four-month death toll exceeds that of the previous 18 months when about 100 commuters were killed and nearly 500 injured in 34 attacks.

Between May and August over 30 people have died and more than 50 injured in the trains in the country.

Transnet depots to close

Staff Reporter ARG 28/8/92 (269)

TRANSNET train services depots at Daljosafat, Riversdale and Touws River are to close.

About 30 staff will be affected, and are to be offered posts elsewhere, training for other jobs, or redundancy packages.

Air levy to double next year?

(269)

CT 28/8/92

Own Correspondent

JOHANNESBURG. — The international passenger levy at South Africa's nine airports is likely to be doubled from R10 to R20 early next year

However, a proposal that airline passengers be forced to pay a further levy of R35 each to subsidise a "tourism drive" was unlikely to materialise, a source said yesterday The government had decided the tourism levy should be levied in the hotel industry, he said

Planned improvements at airports, the estimated costs of which were R69,3 million in 1990, are now likely to cost R120m, a meeting between the Directorate of Civil Aviation (DCA) and the Board of Airline Representatives (BAR) was told earlier this month

A proposal by BAR that passenger departure tax be increased from R10 to R20 in an attempt to cover the escalating cost of improvements, would be considered by the DCA, an industry source said yesterday

Passenger levies, introduced in 1990 to partly fund the improvements, had to date been built into the the price of air tickets

However, airlines have indicated they are not prepared to continue with this practice From next year the increased levy should be shown on the air ticket as a tax — imposed by the government and not the airlines, BAR suggested at the meeting.

Initially, DCA intended to impose the new R20 levy on September 1, but has now given BAR the assurance that it will not be implemented on that date

The meeting was told that only R23,3m had been accumulated from passenger levies during 1991/92.

Should all air routes lead to SA?

(269)
FM 28/8/92

Transport Minister Piet Welgemoed has an ambitious plan for Jan Smuts airport He wants to make it the hub airport for the southern half of Africa Huge jets from around the world would land at Jan Smuts and disgorge thousands of passengers, who would be shuttled to smaller planes waiting on the tarmac and whisked to Gaborone, Lusaka, Nairobi and other African destinations

During a trip to Europe this month, Welgemoed met with aviation officials and pitched his idea of a hub-and-spoke system for Africa with Jan Smuts at the centre "Their response was very positive. They know that Jan Smuts is the most advanced airport in Africa south of the equator"

But Welgemoed knows that the R100m now being spent to upgrade Jan Smuts is peanuts compared with what would have to be spent to turn it into an international hub. The airport can handle no more than 1 000 arriving and departing passengers in an hour now, hubs must handle up to 2 000 in a half hour.

The idea dovetails with proposals by others to make the entire country an international economic hub (*Business & Technology* July 24) Government won't have to confront the air-hub issue for several years, when the advent of the next generation of mega-planes will reduce the status of small airports to mere feeders for the big airports But Welgemoed points out that if SA does not start planning for the age of the super jumbos now, the many advantages of being a hub could be lost to another airport in the region.

Spurred by deregulation in 1978, the hub-and-spoke system has dominated the US airline industry for more than 10 years. Large aircraft fly into a hub airport, where passengers are spoked to smaller regional airports on smaller aircraft timed to take off soon after the larger planes arrive.

Travellers who don't live in a hub city don't like the system because it can double their flying time by forcing them to switch planes to get to their destination And sometimes one airline comes to dominate a hub, driving out the competition and raising prices. But US cities vie to become hubs because the economic and convenience advantages are clear And it's allowed US carriers to cut costs and lower airfares overall

Jan Smuts *will all the new flyers fit?*

British Airways is already looking at how the concept would apply in southern Africa, says local manager Malcolm Freeman. A preliminary evaluation is that it will make sense to "hub into Jan Smuts and spoke from there to other destinations that are up to about 75 minutes flying time away; that will open many opportunities to smaller airlines"

He adds. "Jan Smuts is the biggest and most sophisticated airport in southern Africa. It is the only airport that can be used as a hub It would also make sense for the smaller airlines to drop their international aspirations and operate the regional routes from Jan Smuts."

The development that will force airports to decide between being a hub or a spoke is the plans of the big aeroplane manufacturers for the next generation of planes that will seat at least 600 people, almost twice the capacity of today's jumbo jets Airbus Industrie is considering designs and configurations for ultra-high capacity aircraft with a range of 13 000 km They could be double decker-planes with six to eight seats abreast on each deck, or they could have single decks containing two cabins side-by-side with six seats abreast in each Also undecided is whether their holds will be used for cargo or for in-flight gymnasiums or cinemas.

Boeing stresses that it "hasn't made a commitment to build a large aeroplane" but it has formed a large-aeroplane division under vice-president John Hayhurst, previously in charge of Boeing Airplane Group's marketing efforts, to study building and marketing a 750-seat aircraft.

The radical changes on the horizon will accelerate the trend towards mega-airlines dominating international aviation SA Airways could benefit from this trend and expand its dominance in Africa or it could be swallowed up by a mega-carrier from abroad So the designs on the drawing boards in France and the US will present enormous challenges for Jan Smuts and SAA.

VAT lifts Safcor's turnover

B/Day 28/8/92

EDWARD WEST

SA Freight Corporation (Safcor) turnover improved by nearly a third in the year to end-June 1992 and, as a result of this, forecasts were met with earnings up a creditable 14% over the previous year.

MD Peter Desilla said the introduction of VAT on imports resulted in the group having to fund importer's VAT commitments. This was reflected in the increase in turnover to R1,2bn from R918m in the 1991 financial year

However, because of the difficulty of recovering cost escalations in the poor economic environment, profit margins were lower and operating income increased 13% to R34,6m (1991 R30,5m), said Desilla

After taxation of R15,9m (R14,3m), taxed-profit was higher at R18,7m (R16,1m). Associated companies' share of after-tax profits dropped substantially to R129m (R338m) leaving attributable profits 14% higher at R18,8m (R16,5m).

An extraordinary income of R2m (R1,2m) related to the sale of the trucking company Storm and Company Natal on July 1 1991

Because of that, net profit after extraordinary items was 18% higher at R20,8m (R17,6m).

The average number of shares in issue increased slightly to 22,5-million from 22,4-million.

(269)

Earnings a share, which did not include the extraordinary item, increased to 83,5c (73,5c) The final dividend was raised to 29c (24c) a share, bringing the total dividend for the year to 47c (37c) a share.

Air travel levy set to double

269

STEPHANE BOTHMA

THE international passenger levy at SA's nine state airports is likely to be doubled from early next year

However, a proposal that airline passengers be forced to pay a further levy of R35 each to subsidise a "tourism drive" was unlikely to materialise, a source said yesterday Government had decided this should be levied in the hotel industry

Planned improvements at SA airports, estimated at R69,3m in 1990, were now likely to cost R120m, a meeting between the Directorate of Civil Aviation (DCA) and the Board of Airline Representatives was told earlier this month

A board proposal that passenger departure tax be increased from R10 to R20 to help cover the escalating costs would be considered by the DCA, an industry source said yesterday.

Passenger levies, introduced in 1990 partly to fund the improvements, have to date been built into the price of air tickets. But airlines have indicated they are not prepared to continue with this practice.

The board suggested at the meeting that from next year the increased levy be shown on the air ticket as a tax imposed by government and not the airlines. Initially, the DCA had intended to impose the new R20 levy from September 1.

The meeting was told that only R23,3m had been raised from passenger levies during 1991/92 — an amount "dramatically surpassed" by the improvement costs

Airlines can also expect a 15% increase in airport charges from November 1.

B 1014 28/8/92

Toll of train violence in two years near 300

(269)

B/DAY 28/8/92.

RAY HARTLEY

AT LEAST 20 rail commuters have died violently in the past two weeks, bringing the death toll since July 1990 to nearly 300.

A Human Rights Commission (HRC) report released today said 295 rail commuters had been killed, nine on the East Rand on Wednesday.

Police said yesterday they were searching commuters on an ad hoc basis at Johannesburg Station in an effort to enforce a ban on weapons Additional manpower could be deployed to assist with train security, they said

Referring to the proposed "rail guard", police said "A project has already been launched and the first formal report will be presented to the SA Rail Commuter Corporation on September 15"

Witwatersrand police spokesman W/O Andy Pieke said yesterday it was too early to say with certainty what had caused the latest spate of attacks, but they could have been revenge attacks sparked off by earlier killings

Sapa reports police shot and injured a man and a woman in Phola Park yesterday, after they were attacked by angry residents at the conclusion of a crime prevention operation.

A policeman fired into a crowd after stones were thrown at police, a police spokesman said

Police said they detained nine people in the operation for offences ranging from murder to possession of dagga

The ANC-linked Peace Action Group slated the exercise as harassment of local residents "Shack doors were broken down and teargas was used All men were herded into two yards created with razor wire and were forced to stand in the rain for approximately five hours," it claimed

Renewed calls for the Goldstone commission to investigate violence in the Esikhawini area were issued yesterday following the killing of eight people there on Wednesday

ANC northern Natal chairman Aaron Ndlovu also reiterated a call following the killings for the permanent presence of UN violence monitors in the region

SA women should condemn acts of aggression and urge government to bring perpetrators of violence to book, African Women's Organisation of Azania (AWO) president Ellen Mothopeng said yesterday

She said AWO, the PAC women's wing, wanted to point out most victims of violence "happen to be women and children"

SA women should therefore bring pressure to bear on government to stop its "delaying tactics" and to arrest and prosecute the perpetrators of violence.

Justice unable to cope, says Von Lieres

CHARLIE PRETZLIK

B/DAY 28/8/92

THE criminal justice system was unable to deal adequately with rising crime levels, Witswatersrand Attorney-General Klaus von Lieres und Wilkau told a conference of the SA Security Association at Nasrec yesterday

Intimidation of witnesses and delays in summoning the police resulted in insufficient evidence to charge criminals

One result of this was the fact that during the past year more than 1 000 politically related killings in the East Rand region had gone unsolved, he said

Pointing to the increased prominence of "people's courts" in townships, Von Lieres said the criminal justice system faced a crisis of legitimacy

"If this problem is not dealt with then we will be on the slippery slide to anarchy," he warned.

Government had already taken steps in the right direction by repealing discriminatory legislation, but more needed to be done to encourage the black community to assist in sentencing cases in court, he said

"Moves are also afoot to take some of the weight off the criminal justice system by transferring more responsibilities for matters like traffic offences and violent disputes onto justices of the peace."

Deregulation is right course for SA airlines

STAR 28/8/92.

(269) Flitestar

By John Miller

Higher domestic airfares and a limited choice of carriers and flights could result if South African Airways failed to adhere to Government recommendations on deregulation, the Civil Aviation Conference heard this week.

Domestic air travel was deregulated last year, allowing other airlines to compete with SAA

Leading transport consultant Dr Willie Prins and FliteStar MD Jan Blake both said they believed SAA should adhere to the Government policy document on deregulation issued last year

The document recommends, among other things, that SAA should avoid predatory and restrictive practices to control the market

It also recommends structural changes in the organisation and discontinuing the practise of cross-subsidising international and domestic operations

Dr Prins said flights between the major centres had increased by between 20 and 80 percent since deregulation, while seating capacity had increased by between 10 and 35 percent.

Substantial discounts were also now available.

He questioned SAA's motives in reducing economy class fares while it continued to lose money

Mr Blake questioned the 300 percent increase in the fee for using SAA's computer reservations system shortly before deregulation and Flitestar's joining it.

He also accused SAA of overcharging by about 80 percent for ramp handling fees.

Mr Blake said that domestic fares were far too low and needed to be increased substantially to allow airlines to make a reasonable profit.

Defending SAA from the floor, chief executive Gert van der Veer was quick to point out that the latest discounts were an attempt to stimulate a declining market.

He denied that any cross-subsidisation was taking place He also said SAA was stuck with surplus old aircraft, which were impossible to get rid of.

Most speakers were generally satisfied with the year-long deregulation, however they made it clear that certain aspects would need regular revision and attention.

The conference also heard that South Africa's nine state-run airports were running at a loss.

Director of airport services of the Department of Civil Aviation, Stewart Huckwell, said the airports had to be run like "any shopping centre", with property and marketing managers and accountants.

The commercialisation of airports would avail much-needed money for upgrading to put them on a par with overseas airports

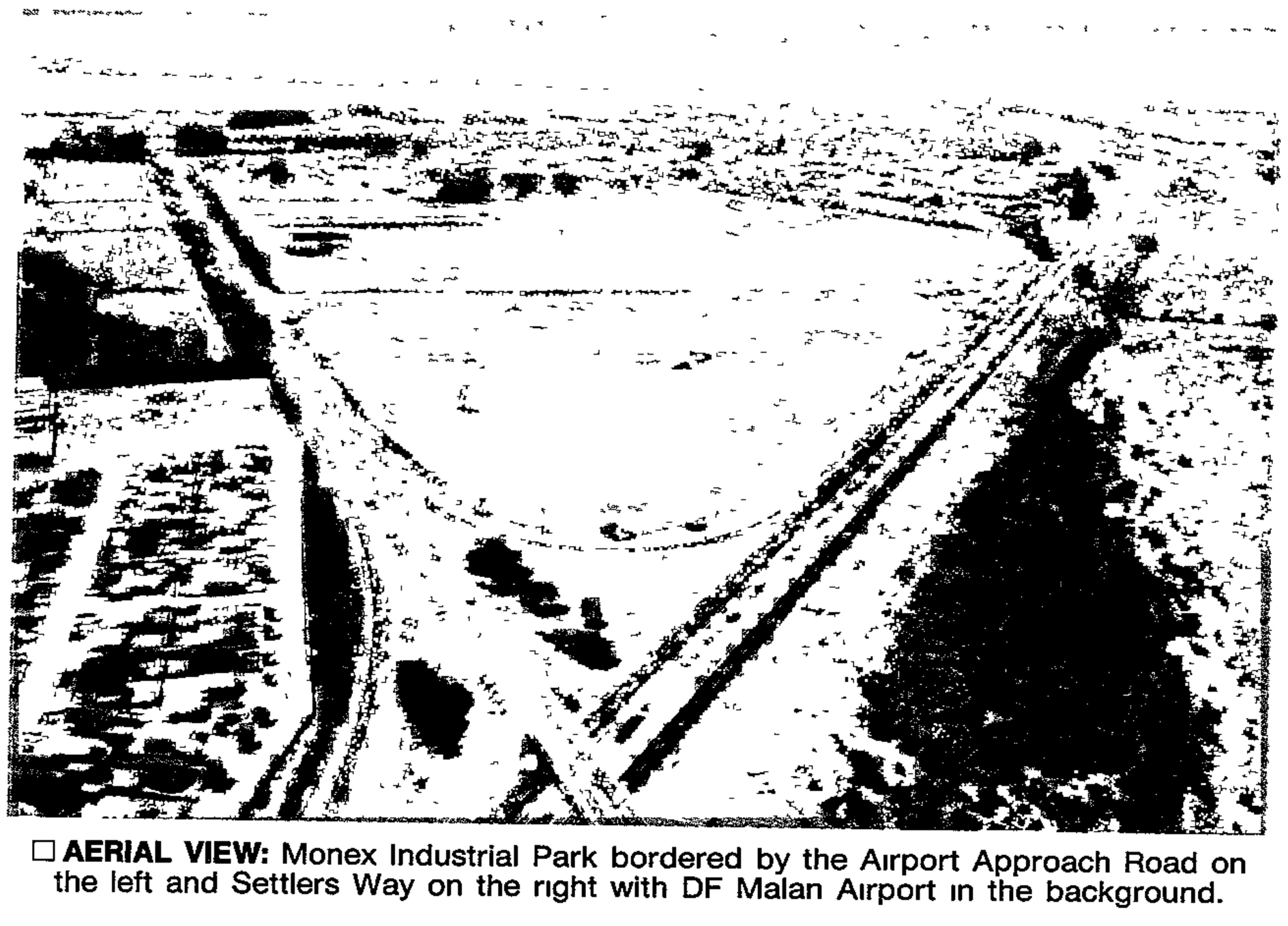
Currently 12 Government departments were involved in the day-to-day running of the airports.

Passenger and aircraft fees needed to be changed drastically, Mr Huckwell said

(269) ARG 29/8/92

AIA get the 'green light'

Compiled by CHARLENE CLAYTON



□ **AERIAL VIEW:** Monex Industrial Park bordered by the Airport Approach Road on the left and Settlers Way on the right with DF Malan Airport in the background.

Demand for airport park land

THERE has been a steady demand for land at the Monex Industrial Park beside D F Malan Airport, says a spokesman for the company.

Several freight forwarding companies were looking for space in expectation of an increase in international and domestic air traffic.

The spokesman said that internationally, airports provide a hub for industrial and commercial development. In this regard there had been inquiries from a hotel group and a banking institution.

Land within the Industrial Park had already been bought and developed by major concerns such as Delta Cables, XPS and Sturrock Construction, a building and civil engineering contractor.

The park would ultimately form an industrial complex with a parkland theme. Each component erected in the park would be fronted by a green belt and parking areas would be landscaped.

There were plans for a major security presence within the park which would include units being electronically linked to a central control point with a mobile armed response service.

Sites varied in size from 1800 m² to 10 ha and would be fully serviced to local authority standards.

Prices depended on location and size and varied from R65 per square metre to R85 exclusive of VAT.

For information contact Keith Watkins or Brian Pearce on ☎(021)24-8106 or fax (021)24-9593.

■ The Airport Industrialists Association have been given the go-ahead by landowners in the Western Cape to move ahead with plans to establish their own management board. In the event of it being established, it would be the first of its kind.

THE Western Cape Regional Services Council has been slammed by the Airport Industrialists Association who have been given the mandate by landowners in the area to move ahead with plans to establish their own management board.

At a meeting of land and business owners in Airport Industria last week, it was unanimously agreed to go ahead with the proposal to form an industrial management board and a sub-committee was elected to investigate the political implications of such a move

"We are extremely alive to the fact that our proposals must be based upon a solid political foundation to ensure that the inevitable political upheavals immediately ahead of us in both regional and national government are allowed for," the chairman of the meeting, Mr Keith Watkins, said.

In the event of an authority of this kind being established, it would be a first of its kind

Mr Brian Cardis, chairman of the AIA, summed up the problems experienced by businessmen in the area by saying that the association had for the past five years being trying to improve the lot of property owners in the area, and that the dealings with the WCRSC had been less than satisfactory to the point of being intolerable

He criticised the WCRSC for unprecented increases in rates and taxes unaccompanied by appropriate services to the area.

He also claimed the WCRSC could not provide the association with complete and accurate breakdowns of how their rates and taxes were spent — despite several requests in the past to do so.

Tempers were further fuelled the morning of the meeting, by notice from the WCRSC to increase rates for businesses in the area by 29 percent in the next financial year.

"The future of several businesses in this area hangs in the balance Some of them cannot afford the R300 AIA membership fees — the RSC has no idea of the impact of their latest rates increase," Mr Cardis told Weekend Argus.

A financial analysis by AIA member, Mr Jan Lievens, based on WCRSC budget figures for 1992/93, indicates a 157,2 percent increase in general expenses alone from 1990/91 to 1992/93

The increase in real terms for this period is, in fact, 539 6 percent which includes the annual cost of a 24-hour security service The cost of the security service was included in the members' annual rates account at the request of the AIA.

"Gross expenditure from 1990/91 to 1992/93 went up 66 5 percent and now landowners have just been slapped with a 29 percent rates increase for the next financial year — despite a substantial accumulated surplus in the areas rates account.

"It is frightening how they get away with just adding on, especially on the expenditure side," Mr Lievens told the meeting

Airport Industria, which fomerly fell under the jurisdiction of the divisional council and now the Western Cape Regional Services Council, was only supplied with water-bourne sewerage last year — 18 years after first being established as an industrial area

They have also been criticised for not repairing the Old Klipfontein Road to the standards which they require of developers after ripping it up to get sewerage lines laid

"The AIA has fought an on-going battle to get sewerage laid to this area and even today, there are enclaves not linked into the system," M dis told Weekend Argus.

"The lack of sewerage services for so years was the reason for a large pharmac company who some years back considered lishing themselves in the area to go elsev Mr Cardis said.

Mr Keith Watkins of Monex Developmen pany told Weekend Argus that the WCRSC date not complied with their undertaking t duct improvments to the link between Bor Quarry Road and Michigan Avenue

The agreement between Monex and the W almost a year ago, was that they would sha cost of roughly R60 000 worth of improveme cessitated by the additional traffic flow whi Monex Development would generate. Mone completed their portion of the improvement

The high rates, red tape and inefficient s is also negatively affecting future internatio vestment in the area.

"Landowners here cannot get a return on investment," says Mr Paul Schubel, managi rector of Rudolf Chemicals, who is firmly b the move of the AIA to establish their own agement board Mr Schubel was instrumen getting foreign finance to develop a block of factories in Airport Industria

Another issue causing dissatisfaction and the WCRSC cannot specifically explain are th called "betterment levies" — obligatory fees has since fallen away but was paid by many d opers in the area.

"We are unsure whether this money was used for the betterment of Airport Industria, Watkins said

In his address to the AIA meeting, Mr C said "You as investors in the area are faced potentially stifled growth

"We are all well aware of the problems of u ployment and urbanisation and the developme new industrial areas and optimal use of exis areas can only be achieved by attracting nat and international investment."

Prior to the meeting, the AIA appointed a q fied expert on civic matters to conduct a viab study into the possibility of establishing man ment board and reported to the landowners the functions were well within the ambit of s an independent authority.

● The allegations were faxed to the WCRSC, chief executive officer Mr Chris Mocke was available for comment

□ **INDEPENDENT BOARD:** The sub-committee elected by the landowners in Airport Industria to study the implications of setting up an independent management board for the area. The members are, seated, from the left, Mr Pierre le Roux, Mr Brian Cardis, Mr Keith Watkins with Mr Hennie Grobbelaar, left, back, and Mr John Jackson Not present is Mr Paul Schübel.

Bus workers tell firm: Beef up safety

(269) ARG 29/8/92

■ Lack of safety appears to be the main gripe in a row between sacked Golden Arrow workers and the company management.

VUYO BAVUMA
Weekend Argus Reporter

DISMISSED Golden Arrow bus workers have accused the company of putting profits before their lives by failing to take sufficient steps to protect them from township violence

The workers, most of whom belong to the Transport and General Workers' Union, also claim the company reneged on an agreement to install bullet-proof cabs in buses to protect them

They claim the company agreed to do so after driver Mr Raman Hansen was shot dead in Khayelitsha while driving a fully-laden bus at the height of the taxi conflict last year

One sacked Golden Arrow worker, who refused to named, said the company had promised to install the bullet-proof cabs last year, but later said it would be too expensive.

"This indicates that the company doesn't care about our lives and is only concerned about profits"

He said workers were told they were insured for R100 000 — "but that's not worth anyone's life".

The sacked workers have demanded their jobs back as well as an end to retrenchments which began after a Boland depot was closed down in April

Workers said they were being caught up in the "cross-fire" of a dispute between the company and taxi representatives

Two weeks ago, nine bus workers — five drivers and four inspectors — were kidnapped and locked up in a shack in Kuwait, Khayelitsha, by angry taxi representatives

The workers were released unharmed after the company negotiated with the taxi representatives.

The taxi men accused Golden Arrow of failing to pay for repairs to minibuses which were involved in accidents with buses

In the past three weeks, several bus workers have been robbed at gunpoint in the townships One driver lost an eye after being shot during a hold-up

Tension between workers and management heated up after three workers were fired for disciplinary reasons two weeks ago

In response, about 150 workers went on strike and demanded unconditional reinstatement of their colleagues and "safe passage" into the townships

Another fired worker said the company was leaving the workers in the lurch for refusing to lay charges against the kidnappers

"It's an offence for us to leave a bus unattended, but the company is dragging its feet about laying charges against the perpetrators of such serious crimes," he said

On Monday, striking workers were ordered off company premises and fired

This week, workers held meetings at the offices of the Food and Allied Workers' Union in Guguletu

They also held marches in Khayelitsha to advertise their cause and seek solidarity from the community

Golden Arrow spokeswoman Mrs Jeanne Welsh wouldn't comment and referred Weekend Argus to a statement issued by general manager Mr Frans Mayoss this week which said the dismissed workers had refused to work after repeated warnings

Workers had disrupted bus services by inciting others to strike and had blockaded the Arrowgate depot

Feeder airline Airlink signs co-operation pact with SAA

(269)

B/DAY 31/8/92

STEPHANE BOTHMA

AIRLINK Airline has signed an interline operating agreement with SAA aimed at promoting an exchange of traffic and developing co-operation between the carriers, the airline announced at the weekend.

Airlink, the largest domestic feeder air carrier in southern Africa, was established in June this year when it acquired the fixed assets and infrastructure of the provisionally liquidated Link Airways.

The agreement between the two airlines would, for example, enable Airlink to make international passage bookings for passengers and baggage, and cargo could also be "inter-lined", Airlink marketing GM for sales and travel Terry Anderson said. Anderson predicted that the SAA agreement would be the forerunner of several other domestic and international joint agreements, but he would not elaborate at this stage

The main objective of the interline agreement was to promote an exchange of traffic between carriers by developing co-operation and by fostering inter-line understanding in field offices

The agreement was aimed also at generating traffic through domestic feeder carriers by emphasising to the customer the convenience of connecting times and by enabling passengers to pay for a ticket involving both airlines in a single currency, even though a journey through many different countries was involved

Meanwhile, Airlink introduces a special scheduled service between Johannesburg and Maseru next month

The new service was aimed particularly at the business community, Airlink operations manager Trevor Johnstone said.

For the first time, travellers would be able to fly into and out of Maseru on the same day, he said.

Two flights would be offered every weekday, departing from Jan Smuts in the early morning and returning in the late afternoon. Duration of the flights will be one hour and Airlink will utilise its 14-seater Metroliners and 11-seater King Air aircraft on the route

The only other airline offering a service from the Reef to Maseru is Lesotho Airways However, its flights require overnight stays

Airlink is also the designated SA carrier to Mozambique and Swaziland

Pensioners' discount goes in air fares move

(269) STEPHANE BOTHMA

THE blanket 30% discount previously available without any restrictions to senior citizens and national servicemen on all SAA domestic flights has fallen away. B/DAY 31/8/92

SAA's recent announcement of a 50% discount on a first come, first served basis on some flights replaced the previous concession, SAA spokesman Leon Els said at the weekend.

The 50% discount was available only on a limited number of seats, on off-peak flights. Tickets had to be booked and purchased at least three months in advance and carried a 25% cancellation fee

Although the previous discount to pensioners and servicemen, and on special bookings for sport groups, was available only in limited numbers, booking and cancellations carried no conditions or restrictions.

Els said that in terms of SAA's new fare structures, the airline's Super Saver Fares at 30% discount were also available to all, with the only restriction being that tickets had to be booked and purchased at least seven days in advance.

Saver Fares — a 20% discount — carried no advance purchase proviso.

All the discounted fares were were available on a first come, first served basis, but in limited numbers, and carried a 25% cancellation fee. Reservations, payment and ticketing was a simultaneous transaction and if flight details changed the next highest fare would be charged.

Talks on transport

SOUTH African and TBVC transport ministers met in the Ciskei yesterday to discuss the development of a southern African transport policy for the Economic Community of Southern Africa.

They also discussed road safety and the co-ordination of road traffic legislation for the region, and signed interim agreements on cross-border passenger and freight transport activities.

B/DAY 11/9/92

Council to decide whether to resume train boycott

RAY HARTLEY

A MEETING of the ANC-aligned PWV Regional Action Council will decide tomorrow whether or not to resume a boycott of commuter trains in the region, says ANC PWV spokesman Ronnie Mamoepa.

Mamoepa said yesterday the committee, on which the ANC, Cosatu, the SACP and the Civics Association of the Southern Transvaal (Cast) serve with several other organisations, would draft an "elaborate plan" to counter train violence.

A meeting with the SA Rail Commuter Corporation and the ANC was being planned to discuss the matter. This follows a low-key meeting last week.

Mamoepa described a heightened police presence at the station on Friday as a token show of force

"If you go to Johannesburg station now, you won't see them there," he said.

Meanwhile, two more people were killed in train attacks at the weekend — one at Johannesburg's Jeppe Station — according to police.

Police reported yesterday the deaths of seven more people in other incidents of violence, Sapa reports.

Four people were hacked to death and then burned at Inanda near Durban in a revenge attack after a man was killed on Saturday No arrests were made.

Sapa reports that a young police constable is in a critical condition in hospital after being shot in the head at Meadowlands, Soweto, on Sunday night.

Police said Const Helmut Schubert, 22, had lost an eye and was in a critical condition in the Garden City Clinic His attacker had not been arrested.

And police found the body of a man killed by the "necklace" method at Sharpeville, near Vereeniging. Another man was shot dead at Bekkersdal on the West Rand, the police report said.

Two men appeared in the Maritzburg Regional Court yesterday on several charges of attempted murder and public violence, including the petrol-bombing of the house of Greytown ANC leader Solomon Mzolo.

Staff theft 'is main cause of shrinkage'

CHARLIE PRETZLIK

SHOP assistants with their hands in the till were the main cause of shrinkage in the retail trade, Sacob president Hennie Viljoen told a Security Association of SA conference in Johannesburg last week.

He said retailers were having to allow for between 1% and 2,4% of turnover for shrinkage.

Worst hit were medicine and beauty outlets.

Security company Lodge Services MD Errol Ashman, also addressing the conference, calculated that 13 000 trolley loads of goods were pilfered each day.

Viljoen warned that the law was ineffective as a tool to combat shrinkage.

The solution, he said, lay in "sound industrial relations, with a contented and motivated workforce"

Transnet move restores calm to Elfi bond market

(269)

B/DAY 2/9/92

HILARY GUSH

CALM has returned to the Elfi bond market following Transnet's recent move which set limits on the stock's carry facilities

The limits, negotiated with market participants in June, cleared up market uncertainty by clarifying both the rate at which, and the amount to which, carry facilities on Transnet's equity linked fixed interest financial instruments (Elfi stock) would be accommodated by the transport utility

Treasury manager Johan van Schoor said while Transnet undertook to keep on rolling over carries within the set limits at the fixed rates, "any new carries outside the set limits will be rolled over at market related rates"

The total value of stock carried at the rate fixed by Transnet has been limited to around R20m per institution However, the market believes that some institutions have limits as high as R100m

The short and long position carry rates, within the set limits, on Elfi III stock — which matures in April next year — are 14,75% and 15,25% respectively, while those on Elfi IV stock — which matures a year later in April 1994 — are slightly lower at 14,25% and 14,75%

A carry rate is a money market rate against gilts or bonds If a trader is long on Elfi stock — ie stock is bought without being paid for immediately — Transnet, or another financial institution, will lend the dealer the funds or "carry" the stock on his behalf The financing cost is calculated at the carry rate

If a dealer is short on Elfi stock — when stock is sold and the dealer does not receive payment immediately — in effect, the security is being lent out The cost incurred to the buyer is the short position carrying rate.

As money market rates are now lower than Transnet's fixed carry rates, dealers short on stock can earn 14,75% from Transnet's carry facility while paying less on cash borrowed.

Following falls in money market rates earlier this year, the market became jittery expecting a drop in Transnet's carry rates

Fixed carry rates remove interest rate risk and allow traders, by simple net present value calculation, to work out the stock's future price. Earlier this year when unlimited volume was permitted at these fixed rates, traders who had been selling futures and bear tranche stock ran up short positions until Transnet was carrying almost its entire issue.

Government-guaranteed Elfi loan stock is largely a derivative instrument and consists of both a bull and a bear tranche linked to movements in the JSE all-share index. Providing a fixed rate of interest, these loan stocks also furnish investors with a hedge against fluctuations in their share portfolios

More deaths meet new rail violence talks

B/DAY 3/9/92

RAY HARTLEY

THE ANC's PWV region will meet SA Rail Commuter Corporation (SARCC) and Law and Order Department representatives tomorrow to find ways of ending train violence which claimed two more lives yesterday

ANC PWV spokesman Ronnie Mamoepa said if demands for the installation of TV surveillance equipment in coaches, improved access control systems and the fencing off of stations were not met, the train boycott was likely to resume.

He said a similar multilateral meeting in mid-May had agreed these things would be implemented speedily but nothing had been done.

A meeting of the PWV Action Council — which includes representatives of union and community groups — would evaluate the discussions and decide on further action on Saturday, he said

Police said the bodies of two people killed in train violence were found at Kwesini and Mayfair stations near Johannesburg yesterday.

The latest deaths bring to 92 the number of people killed in train violence since the mid-May agreement, according to Human Rights Commission (HRC) figures.

In another incident, ticket controller Elijah Tokwe was in a serious condition in the Garden City Clinic after being shot in the head and thrown off a train near Germiston. Witwatersrand police spokesman W/O Andy Pieke said Tokwe had been found at Kutalo station near Germiston at 5 30am. And a man was badly injured when he was stabbed and thrown from a train to Boksburg.

Police are investigating.

Sapa reports that police Const Z P Phunewane was killed and his eight-year-old daughter Portia wounded when unknown gunmen opened fire on their vehicle in Sebokeng on the East Rand yesterday afternoon

(269)

SAP spokesman Capt Piet van Deventer said Phunewane was hit in the neck, chest and arm He died in the Sebokeng Hospital. His daughter was being treated for a bullet wound in the shoulder.

Sapa also reports that an ANC Natal leader, Sgubudu Chiya, was shot and killed at Wema in Natal yesterday This assassination follows the earlier killing of the chairman of the Zuma branch, Morris Gumede, his son and an unidentified neighbour

Recently, another ANC member, Sylvester Nkosinathi Mabaso, was killed at Izingolweni The ANC southern Natal media officer, Dumisani Makhaye, said Chiya was shot in the back of his head at Wema on Monday evening He had survived several previous assassination attempts.

The police have not yet commented on the killings

SA AIRWAYS

Casting about for a lifeline

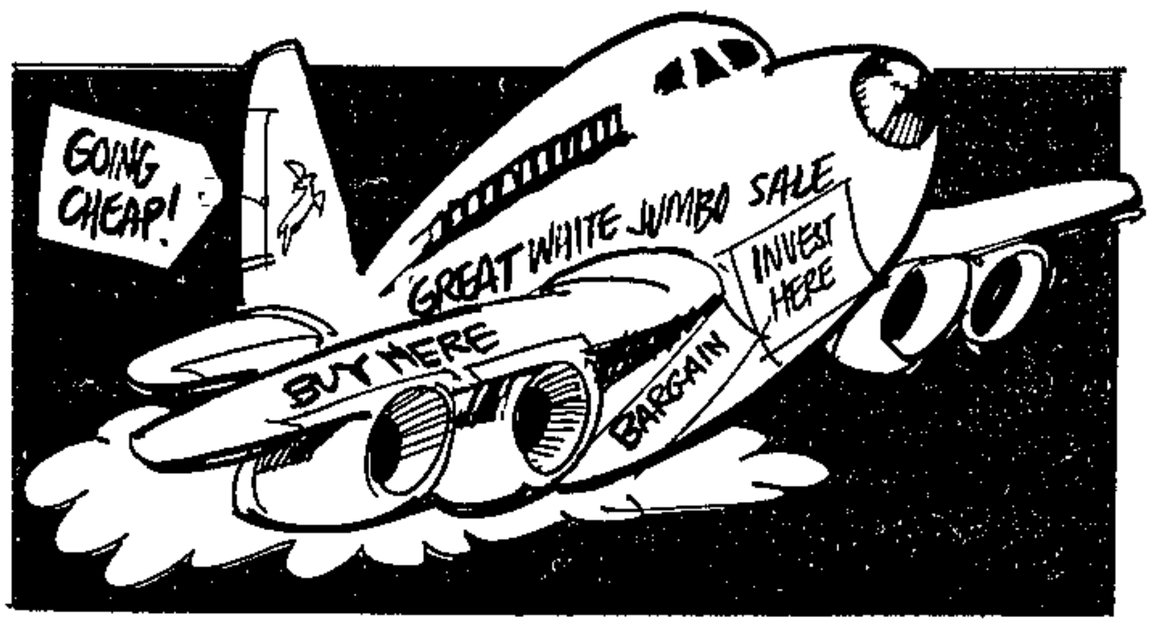
(269)

FM 4/9/92.

A few years ago there would have been no shortage of takers if the talk of privatising SA Airways had come to anything With the price-fixing and cosy cartel arrangements on international routes, SAA showed healthy profits, even when government forced the airline to keep domestic fares down

All that has changed A more liberal government policy on international routes and the end of sanctions have spurred fare wars on formerly lucrative overseas routes and encouraged foreign competitors to slice off shares of the market And domestic deregulation has seen two feisty competitors — Flitestar and Comair — take on SAA's monopoly on the main local routes

The result. SAA has lost an estimated R60m in each of its last two fiscal years, ending March 31. Then, in this year's June quarter alone, it lost R38m on international services and R33m on domestic flights SAA expects the red ink to continue in the September quarter, says spokesman Leon Els



SAA CE Gert van der Veer has chosen this time to announce that the airline is finally interested in at least a partial privatisation But now government wouldn't be asking investors to share in SAA's profits; instead, government would be asking the private sector to throw SAA a lifeline So far, in the week since Van der Veer made the offer, no would-be investors have expressed any interest to SAA, Els says

Foreign carriers looking to build a larger network would be the most likely investors, but Malcolm Freeman, British Airways' local head, says "At that level of losses, no foreign airline would want to buy in There would have to be long-term viable opportunities"

Van der Veer issued his plea for help at last week's Conference on Civil Aviation Policy in SA, held in Midrand, saying that because of its social commitments, government "cannot afford to invest the necessary additional equity in the airline"

He added "Similarly, SAA cannot continue to finance its growth through long-term loans only. I believe private interprise is willing to invest in the airline industry It should be allowed to do so. It would allow government to reduce its involvement in a pure business enterprise and allow it to do what governments do best

"Throughout the world, there is a strong and consistent move towards privatisation, or part privatisation, of airlines, the latest examples being Lufthansa, Japan Airlines, Kenya Airways and Qantas I believe that will be the route to follow for SA, if it wants to succeed in international aviation"

Van der Veer's proposal is certainly an about-face Instead of being privatised in the late Eighties, SAA has undergone commercialisation — being run like a business while still owned by government — as a division of Transnet When Transnet was formed in 1990, MD Anton Moolman said there could be no talk of privatising a division until it had gone through the commercialisation process and was making money

Els says the airline, which turned over R3,2bn in its last fiscal year, showed a profit on its operating budget but registered a loss when items such as depreciation and payments on its new aircraft were taken into account. It began taking delivery of new aircraft worth R3bn in 1991 and this will continue until next year

So why is SAA not profitable? For one thing, it had only 14 competitors on international routes 10 years ago, now it has 28 Its share of the Far East market has dropped from 100% to 37% since July 1991, when Cathay Pacific started flying to SA and was followed by Singapore and China airlines

Liberalisation has meant that SAA can no longer dictate international fares Each airline sets its own fares, often forcing SAA to follow the leader on discounts It had to match British Airways' limited offer of R1 992 return to London and, to remain competitive to the Far East, it reduced its economy fares by 66% (*Business & Technology* July 3)

On the completely deregulated domestic market, SAA is apparently fighting back by adopting bully-boy tactics, some critics say Flitestar, which started last October and pegged its fares to SAA's, cut SAA's share of domestic passenger traffic from 94,2% in April 1991 to 80,7% in April 1992 In response, and despite a drop in the size of the total market, SAA has increased its frequencies and the number of seats offered on some of the routes where it competes with Flitestar — while holding down fares

Keeping fares below the level that can be matched by a rival makes sense to Flitestar MD Jan Blake, provided the airline is covering costs or at least not damaging itself But in this case, he is convinced SAA can continue doing this only because it is being subsidised

"The only sources from which SAA's costs can be funded are the user or the taxpayer, as shareholder, due to the diminishing value of the organisation"

He says that before deregulation, SAA claimed it was breaking even at its domestic occupancy level of 75% Now, he believes, by offering more seats, SAA's occupany is down to about 60%

SAA has not published financial statements for two years, since it came under Transnet, but says it will release financial details later this year. For now, SAA won't say how it is funding its losses

At the conference, Blake called on the Competition Board to investigate SAA "Should the government-owned airline, therefore, not be operating as an economical, viable entity — meaning on a profitable basis with a reasonable return on shareholders' equity — it will be impossible for any private carrier operating for its own account to survive It is, therefore, in the interests of the industry that the board strictly applies the Competition Act to ensure that all operators adhere to policy principles and do not apply predatory principles.

"They are cutting fares, not to improve their situation but to maul us If they increased their fares by 15% and we remained at our present level, we could, at most, gain another 5% of the market. Even if they lost that 5%, they would be 10% better off."

Last month, board chairman Pierre Brooks indicated that he was concerned over the effects commercialisation was having on the competitiveness of the private sector. So, instead of getting private investors poring over its books, SAA may end up with board investigators checking out its finances

David-Pincus

ABACOR

All systems go

FM 4/9/92.

With the advertising campaign under way for several weeks now, government is confident that the State abattoir corporation, Abacor, is on track for a November JSE listing But State officials aren't revealing many details yet The sale is expected to take place No-

Tough year ahead for Tollgate

(269) CT 4/9/92

By ARI JACOBSON

"ITS going to be a tough year," said Tollgate Holdings (TGH) chairman Julian Askin at its AGM in Cape Town yesterday.

The group, expecting to announce its results for the half year to December 1992 in the next few weeks, has its companies operating at profitable levels.

"But we need to bring down the debt inherited some two years ago with the old TGH management."

Askin said the new management had invested some R70m into the group — taking a three- to five-year view on this investment.

"TGH is probably 18 months behind where we projected," said Askin.

This he blamed on the slow response of the local and overseas economies, in moving out of the recession.

Askin said the gameplan of the group was to reduce debt (already down by R400m in two years) and to sell off the non-strategic investments of the group.

SA-born Askin headed up powerful UK-based Thompson T-Line, which controlled cash-rich Vernon soccer pools, before returning in July 1990 to take over troubled TGH.

The group has taken advantage of Askin's insights overseas to build a successful currency hedge with the purchase of UK-based fastener manufacturer Jaton Holdings.

However TGH's share price has toppled from R6,25c a share at the beginning of September 1991 to its current position, exactly a year later, at R2,20c a share.

This negative market reaction has come, even though the group has returned to profitablity under the new management.

Safair in Russian air freight venture

(269) CT 4/9/92

Own Correspondent

JOHANNESBURG — South African freight carrier Safair has clinched a deal with a Russian company which will put a large number of Soviet-built cargo aircraft at the disposal of the airline, for use in Africa

And SAA is expected to announce today that it will also start using Russian-built Antanov aircraft for freight purposes

SAA Cargo is expected to launch the new service today, with five Antanovs currently parked at an Mmabatho airport being the first craft brought into service

Safair chief Mr Braam Loots announced yesterday that the company had entered into a joint venture agreement with the Russian company Ecotrends in terms of which Safair would market and manage services by a wide range of Russian aircraft in Africa

Among the aircraft available to Safair are the Antanov 124, the largest aircraft in the world and capable of lifting 120 tons. Helicopters with lifting capacities of up to 20 tons will also be used

Initial operations are likely to involve the distribution of emergency food aid to drought-stricken parts of the continent, under a UN contract

Safair will not invest any capital in the venture The aircraft and qualified crews are to be supplied by Ecotrends free of charge and profits would be split equally, Mr Loots said

SAAF airlift to Somalia

THE SAAF will airlift 30 tons of medicine and food supplies to starving Somalian refugees tomorrow as part of relief operations by the Jamiatul Ulama and the Africa Muslim Agency in Johannesburg. In addition, the SA Navy will transport a further 200 tons of supplies by sea on September 19. (269)

B/DAY 19/9/92

Rail boycott threat again

THE Pretoria-Witwatersrand-Vaal region of the ANC has threatened to resume the train boycott that was halted in May and agreement reached with the train commuter corporation.

This follows the latest wave of attacks on commuters on trains in the PWV region; said ANC spokesman Mr Ronnie Mamoepa.

He said the ball was in the court of the South African Rail Commuter Corporation and the Ministry of Law and Order to see to it that more security personnel are deployed at stations. (269)

Mamoepa said the decision would be taken today after a meeting between ANC, SARCC and Law and Order Minister Mr Hernus Kriel.

Sowetan Repoter

Sowetan 4/9/92

Safair clinches deal with Russian company

B/DAY 4/9/92 (269)

STEPHANE BOTHMA

FREIGHT carrier Safair has clinched a deal with a Russian company which will place a large number of Soviet-built cargo aircraft at its disposal for use in Africa

And SAA is expected to announce today that it will also soon start using Russian-built Antonov aircraft for freight purposes.

SAA Cargo is expected to launch the new service today, with five Antonovs currently parked at a Mmabatho airport being the first craft brought into service

Safair MD Braam Loots told a news conference in Johannesburg yesterday that Safair had entered into a joint venture agreement with Russian company Ecotrends in terms of which Safair would market and manage services by a wide range of Russian aircraft in Africa Among the aircraft available are the Antonov 124, the largest aircraft in the world, capable of carrying 120 tons. Helicopters with capacities of up to 20 tons will also be used.

Initial operations are likely to involve emergency food aid distribution to drought-stricken countries under a UN contract.

Loots said the Russian planes and helicopters would dramatically cut distribution time. He estimated that maize could be airlifted from Durban docks to a Zambian village within three hours.

Recent developments had made it vital for Russia to earn foreign currency, making the deal ideal for both parties, he said.

Safair would not invest any capital. The aircraft and crews would be supplied by Ecotrends free of charge and profit would be split equally. Joint operations are likely to start within the next few months.

● Picture: Page 3

FM 4/9/92 (215) (269)

COAL SHIPPING

Return to sender

The four-month-old saga of the *MV Afthoros* is drawing to a close The ship nearly sank at Richards Bay while loading coal destined for Spain Since May 1, the ship has been stranded in the middle of the bay, laden with 66 000 t of cargo and waiting for someone to decide its fate.

Now the coal is being unloaded at the port while there are claims that the coal is heating up Trans-Natal, which produced and sold the coal, is buying it back — and at much less than its US$2m value if it could've been delivered to consumers Trans-Natal MD Mike Salamon declines to name the purchase price.

The 77 000 t *Afthoros* started sinking at the rate of a metre an hour after an inlet pipe burst (*Business & Technology* May 22) After teams of divers from Portnet and a Durban commercial firm sealed the pipe, about 15 000 t of sea water were pumped out With its electrical system out of commission, the ship was towed to the harbour's inner anchorage, where it has sat helplessly ever since

A raft of legal motions followed in the wake of the near-sinking The suppliers of the diving teams have claims against both the ship's owner, Andros Maritime of Malta, and the Spanish power-generating company that was having the coal shipped to Spain, amounting to an estimated total of $650 000 The Spanish company — which all the parties refuse to identify — has claims against the ship's owner for non-delivery; the ship's owner has claims for non-payment for transport

And Portnet is believed to have an attachment order against the ship

Meanwhile, the coal is being unloaded into rail wagons and will be moved to Trans-Natal's stockpile at the Richards Bay Coal Terminal

Trans-Natal executive director Gordon Osterloh says the whole affair has been a nuisance "We certainly didn't enter the arrangement for the purpose of gain We've done it to help the purchaser, who is a long-standing customer Normally we wouldn't entertain getting involved in a distressed cargo"

He challenges reports that the coal has begun to heat up "There's been a continuous monitoring programme conducted both by the cargo owners and ourselves and we're quite satisfied with the results There's no way we will accept contaminated product (coal that has lost some of its ability to burn)."

It is uncertain what will happen to the *Afthoros* after all the coal is unloaded Durban attorneys Shepstone and Wylie's Krish Reddy, representing the owner, declines to comment and refers questions to London solicitor Marcus Bowman He's not very talkative either "I've no authority from the owners to speak about this issue"

The most likely possibilities appear to be either that a public auction will be held and the ship sold for scrap, or that the owner will settle with Portnet and have the vessel towed away.

The episode has given Greek shipping another black mark The ship operators, Polembros Shipping of Greece, is the same company that operated the *Katina P*, which sank in the Mozambique Channel in April and spilled oil that is still polluting the Natal coast ■

FM 4/9/92 (269)

PORTS (269) FM 4/9/92

Taking care of business

Despite the recession, business has been fairly brisk at the top ports. And to be in a position to take advantage of any economic upturn, Durban and Cape Town are launching major capital development drives that together are worth at least R130m

Each port has a different reason for its uptick in business Traffic through Durban is being boosted by drought relief shipments for SA and its neighbours, while Cape Town's fruit exports are on the crest of a wave, thanks to the country's improving international image abroad And, for Richards Bay, the mechanised loading of coal ships grinds on relentlessly — in May, the terminal hit the milestone of half a billion tons of exported coal

Since April, 1,5m t of maize and other food — delivered by 70 ships — has passed through Durban In total, the port handled 4,9m t of imports from January through June, compared with 4,5m t for the same period last year. There was also a rise in exports from 6,9m t for the first six months of 1991 to 7,2m t through June this year

The total number of vessels docking in Durban also rose — from 2 563 for the first half of last year to 2 656 this year.

Similarly, according to Portnet's Cape Town financial manager, Martin Swanepoel, even without maize — Cape Town is on the periphery of the food-relief operations — the harbour traffic to July has grown by about 3%, compared with the first seven months of last year. The growth is evenly split between imports and exports And Swanepoel says export growth is by no means confined to fruit; the container terminal is also doing increased business

Nevertheless, the ports, which between them handle 90% of the country's imports and exports, are still operating well within themselves So in the event of an international economic upturn, Durban and Cape Town would be able to accommodate the extra cargo

But the ever-increasing international trend towards containerised shipping means that these ports will have to upgrade their facilities Durban port manager Jan Mors says Portnet is spending nearly R100m on its container terminal in the next year The investment is in two new gantries, replacing straddle carriers, and the computerisation of the handling facilities

And Swanepoel says Cape Town harbour, which has seen minimal infrastructural investment recently, is getting a R20m quayside cold store (constant temperature of −6°C). It is also planning the phased development of a chemical tank farm, with the first stage costing R10m

Meanwhile at Richards Bay, coal moguls still aren't satisfied with the vast tonnage being exported from the terminal. The Coal Export Joint Venture last month approved a 10-month feasibility study into the construction of a rival second 10m t-a-year coal terminal at the port But owners of the existing 53m t-a-year terminal have voiced concern that additional capacity could depress the price of SA's export coal. ■

Jan Smuts hub for property development

(269)

S/Times (BUSS) 6/9/92

By CIARAN RYAN

JAN Smuts Airport will become the hub of huge property development because of a Cabinet decision to commercialise it in April 1993.

The Department of Transport says companies are queuing up with proposals.

Two have presented plans for multimillion-rand developments around the airport to the Department of Transport. The plans include a conference centre, international hotel, office block, shops and parking.

One R600-million proposal by the Engineering Foundation was turned down because it required State guarantees for funding, says the department.

The department has drawn up a master plan for development of the airport and its surroundings.

But no decision on projects will be taken until April next year. Large tracts of land are available. Private-sector managers will be brought in to run the property portfolio. Property development is the key to improving the airport's financial position.

Stuart Huckwell, director of airport systems and development, says "Jan Smuts will have to start looking at ways of improving profitability. It will have to become involved in airport-related developments and joint ventures with the private sector."

Facilities

The Government plans to separate airport management into two companies. One will run the airport, terminal and apron activities and the other traffic control.

Companies will be invited to take part in further airport upgrades and new developments, says Mr Huckwell.

Passenger and terminal handling facilities are already being upgraded at Jan Smuts. The R100-million project will increase airport handling capacity from 5,5-million in 1991 to 11-million pasengers eventually.

Based on projected annual increases of 7% in international traffic and 5% in domestic passengers, the present upgrade will last until 2003.

Mr Huckwell says Jan Smuts Airport will start planning a second upgrade before 1996 based on these projections.

But latest figures from the SA Tourism Board (Satour) show a 15,6% increase in foreign tourists to SA in the first six months of the year. If the trend continues, Jan Smuts will require another upgrade well before the end of the decade.

Satour expects the number of foreign visitors to increase by 18% a year.

"Cape Town and Durban have now been declared alternative points of entry to the country, particularly for charter flights," says Satour spokesman Derina Holtzhausen.

"This will ease pressure on Jan Smuts, but even then I think activity has been under-projected."

NEWS Gluckman conducts a post-mortem on woman ● Train violence talks f

Indaba flops as train violence rages on

269

■ **Police fail to provide crucial statistics:**

Sowetan 7/9/92.

A COMMUTER was killed and thrown off a train at Fellside Station, Elsburg, near Germiston on the East Rand on Saturday, according to a police unrest report

Eighty-five incidents of train violence, in which 95 people were killed and 152 injured, have occured since May

In a related development, a regional peace conference in Johannesburg on train violence collapsed on Friday because police delegates failed to provide crucial information required to make progress in combating the carnage, conference participants said.

The conference was postponed to Friday to enable the police to collate and provide the required information.

The information concerned the number of security personnel deployed in areas affected by train violence, arrests, court cases and convictions, and cohesive strategy to combat the violence

The conference was also attended by representatives of the South African Railway Commuter Corporation, the African National Congress, the South African Communist Party, the Congress of South African Trade Unions, Civic Associations of Southern Transvaal and the Institute of Contextual Theology.

Asked if any progress was made at the conference, SA Railway Commuter Corporation managing director Wynand Burger said the gathering failed to achieve what it had set out to do because information required from the police was unavailable - *Sapa*

Mr Marks Mabote points at the shrapnel marks on the kitchen wall of his home in Tladi, Soweto, following a handgrenade blast on Saturday night in which four people, including a woman, were killed.

Police given ultimatum to produce station records

BDAY 7/9/92 (269)

RAY HARTLEY

POLICE had until Friday to provide information on the numbers of officers deployed at PWV stations and their records of arrests, prosecutions and convictions, Cosatu spokesman Amos Masondo said at the weekend.

He said talks between the ANC, Cosatu, police and the SA Rail and Commuter Corporation (SARCC) had been postponed after it became clear key information was not available

"They basically had no information The very little they had was unsatisfactory," he said

"We were also not satisfied by the inability of the police to provide a coherent strategy (to combat train violence)," said Masondo.

The meeting was attended by SAP Witwatersrand commander Gen Erasmus and SARCC MD Wynand Burger as well as representatives from Cosatu, the SACP and the Civic Associations of Transvaal (Cast)

Burger said a great deal of progress had been made in implementing recommendations for improved train security made by the Goldstone commission

"From the SARCC side, we are very concerned about the situation, the violence, the deaths and the injuries," he said

A Witwatersrand police spokesman said yesterday police would furnish the information needed on the number of police deployed at stations and their record of arrests, prosecutions and convictions at Friday's meeting

Meanwhile, Sapa reports that a commuter was killed and thrown off a train at Fellside Railway Station, Elsburg, near Germiston on the East Rand on Saturday. Police are investigating a case of murder.

Two policemen have been killed since Friday and 11 injured in attacks around the country

Eleven policemen were injured, three seriously, in two separate hand grenade attacks in the Eastern Transvaal township, Wesselton, early on Saturday

Police said they were investigating charges of murder, attempted murder and arson

A policeman was found dead on Friday night in the police barracks at Protea in Soweto after being shot by an unknown gunman.

Meanwhile in Natal, two people have been arrested in connection with the death of a policeman, who was stabbed to death at KwaDabeka near Pinetown on Saturday.

Police said at the weekend 90 arrests were made last week in "an intensive crime prevention and stabilising operation in the Soweto/Vaal Triangle area".

Fifteen stolen vehicles and 12 illegal firearms were recovered in Soweto where 62 people were arrested, the statement said

ANC gets some | **HRC's Coleman says business**

Flitestar clinches 22% of market

(269) CT 9/9/92

STEPHANE BOTHMA

JOHANNESBURG — In less than one year of operations, local carrier Flitestar had captured almost 22% of the total domestic market, MD Jan Blake said yesterday

Blake predicted strong future competition in the domestic market, but said it was sad that a year after announcing deregulation of the industry, the government had not yet fully implemented the policy and SAA still enjoyed privileges other airlines did not

Before deregulation, SAA held 95% of the domestic market, and the industry expected the airline to cut capacity to reflect its lower market share But this did not materialise — resulting in an overcapacity in the market

Flitestar's load factor had increased to 60% in July and was just below that last month, Blake said at a function to launch the airline's new frequent flyer scheme.

He added that Flitestar would introduce its first international flight on October 2 — to Bahrain The carrier was currently awaiting approval from Kenyan aviation authorities to fly to Mombasa and approval from the local authorities to fly to Europe and India, Blake said.

Flitestar's frequent flyer programme — the first of its kind to incorporate car rental, hotel accommodation and restaurant dining — would be based on the accumulation of "starmiles", the airline announced

Members of the Escape scheme — membership would be granted on request to any passenger — would earn starmile credits for full-fare domestic flights, as well as for Budget Rent-a-Car rentals, Southern Sun hotel accommodation and Diners' Club purchases.

Benefits include complimentary air tickets, as well as Caribbean cruises, Amazon adventures, hot air balloon trips, camel trekking safaris and river rafting.

Escape members will be given 500 free "start-up" starmiles, and as a special launch offer travellers will earn double starmiles every time they fly with the airline between September 14 and December 31 this year

Flitestar would gives frequent flyers three years to earn and redeem starmiles, as opposed to other airlines' packages which restict the credit to a 12-month period.

Station contracts set to empower blacks

(269)

WILSON ZWANE

THE SA Rail Commuter Corporation (SARCC), which signed contracts for the upgrading of nine Soweto railway stations with five black contractors yesterday, has challenged financial institutions to increase their investment in the township B/DAY

The contractors with whom the corporation signed the contracts are MBS Construction, Mankobi Projects, CJB Construction, LET Property Developers and Sechaba Construction. 9/9/92

Speaking to journalists yesterday, SARCC property development GM Dirk Ackerman said the contracts for the project had purposefully been broken into "bite-size chunks" in order to enable small black entrepreneurs to tender.

This breaking down of contracts not only resulted in substantial cost-savings for the corporation, but it also contributed to the economic empowerment of blacks, Ackerman said.

A sum of R13,8m would be pumped into the project, which was expected to be completed early next year

Ackerman said 60% of this money would go into the upgrading of security facilities, while the rest would go into making the stations more aesthetically pleasing and into building "commercial centres".

The commercial centres would include stalls for hawkers and supermarkets.

Ackerman also disclosed that the corporation was liaising with the taxi industry on upgrading taxi facilities.

The stations are Mlamlankunzi, Phefeni, Phomolong, Naledi, Chiawelo, Nancefield, Mdiway, Nhlazane and Dube.

ETC: Gold production up 8%

Eastern Transvaal Consolidated Mines (ETC) chairman R A D Wilson says that the expected combined mill throughput of the company's three mines and the overall recovery grade will remain relatively constant in the current year. CT 10/9/92

The current year's estimated capex will be about R11,7m.

During the year under review, gold production from the company's three mines rose by 8% mainly because of the higher throughput, but there was only a marginal increase in the average rand gold price. This was more than offset by higher working costs, with the result that the pre-tax profit was slightly down at R26,95m.

Higher capex and the new tax formula reduced the tax charge and, after appropriating R6,7m (R4,8m) for capex, earnings totalled R12,34m (R13,76m) — equivalent to 14,3c per share (15,9c). Dividend payments totalled an unchanged 14c per share.

Special rates under threat on SA flights

CT 10/9/92 (269)

JOHANNESBURG. — Seats on the many airlines now operating out of SA could shortly begin diminishing, and with them the special fares already being offered.

"The number of airlines presently operating from Johannesburg to all parts of the world is beginning to take its toll," according to one travel bureau MD.

"Passenger volumes have remained stagnant. This is mainly due to political uncertainty which has kept the expected influx of overseas tourists from materialising."

Eric Thorne said economics would force airlines to cut the number of South African-bound flights.

Earlier it had made sense to establish an infrastructure to be competitive when SA became a popular destination. To keep their routes to the country viable until the expected rush, airlines began discounting to encourage outgoing South African travellers, he said.

But there were still too many empty seats, and airlines would probably be forced to cut the number of flights.

"This does not mean the airlines will abandon SA as a destination. Uneconomical flights will have to go for the moment, and with them some of the discounted fares," Thorne said.

● Meanwhile reports from London say SA's civil aviation industry's first display at Farnborough, the world's major airshow, is proving a big attraction — with high hopes that business will follow.

Because of the continuing UN embargo, military hardware and software is not on show, but the display co-ordinator Elaine Klingman said serious business had been impressed by the sophistication of the civil aviation products.

SA debts 'no effect on reserves'

CT 10/9/92

Own Correspondent

JOHANNESBURG. — Foreign debt repayments of between $200m and $250m had been paid in August, Reserve Bank gold and foreign exchange GM James Cross said yesterday.

However, this had not had a marked effect on the reserves which rose by R591m to R5,3bn.

Although it was difficult to establish the precise reason for the unexpected rise in reserves in August, the increase could be a result of a weaker dollar which led to forex inflows as forward cover on long-term positions was rolled over, said Cross.

SABC-TV beams to rest of Africa

CT 10/9/92

Business Editor

A NEW TV station broadcasting to 50 countries in Africa will give local advertisers the chance to reach millions of prospective customers, says Lionel Williams, executive editor of SABC External Services.

The station — Channel Africa — will be launched on October 1, initially broadcasting for an hour a day, half in English and half in French.

Williams says the programmes will be available, free, through a multiple access satellite, to any African broadcasting company or organisation. "Initially we expect at least a dozen broadcasters to pick up the service and within the next six months this is expected to at least double."

The programmes will be aimed at an African audience and will contain news and items of interest about Africa which will not necessarily include anything about SA.

Williams says response from broadcasters belonging to the Union of National Radio and Television Organisations of Africa has been favourable. "We met most of the broadcasters at a conference in Dakar in May and they were very enthusiastic. They were particularly keen to explore avenues for co-operation."

The broadcasts will cover an area from Morocco and Egypt in the north to Lesotho and Swaziland in the south, with an estimated population of 600m.

According to the World Radio and TV Handbook there are more than 20m TV sets in Africa but the real figure could be double or even more.

For the first six months Channel Africa will build up an audience profile before seeking advertisers. But Williams said some major SA companies doing business with Africa were already showing interest.

Safren stays on even keel

STAR 10/9/92

By Stephen Cranston (269)

Safren's earnings per share growth fell to 9,1 percent in the year to June from 16,2 percent previously

CE Buddy Hawton describes the results as satisfactory in the light of existing conditions

The dividend has been raised by 7,4 percent to 255c and dividend cover remains 2,4.

Safmarine, which operates primarily in the containerised liner trade, suffered from reduced cargo volumes, resulting in earnings growth of just 7,7 percent to R147,7 million

Star performer was Rennies, which operates bulk terminals and offers cargo, freight forwarding, travel and trading services

It lifted its contribution by 17,9 percent to R46 million Rennies increased market share and improved efficiency despite a reduction in imports

Hotel, entertainment and liquor group Kersaf's contribution increased by 9,5 percent to R137,2 million

There was an adverse change in net interest to fund significant capital developments within the group, notably Lost City.

Buddy Hawton . . satisfactory in light of existing conditions

Kersaf was also hit by the proliferation of unregulated casinos

Safmarine wrote down its investment in CMB Transport, which was the main component of the extraordinary loss of R62,2 million reported by the group.

Group turnover rose by 7,5 percent to R4,698 billion, while operating profit before depreciation was up 8,9 percent to R987 million.

The depreciation charge for the year fell from R243 million to R215 million, which enabled operating profit to rise by 13,5 percent to R772 million

Because of major capital projects, net interest received of R2,9 million in 1991 turned into net interest paid of R28,9 million

Group long-term borrowings increased from R822 million to R1,066 billion. Cash resources fell from R655 million to R418 million.

The net worth per share increased by 17,8 percent to R25,06.

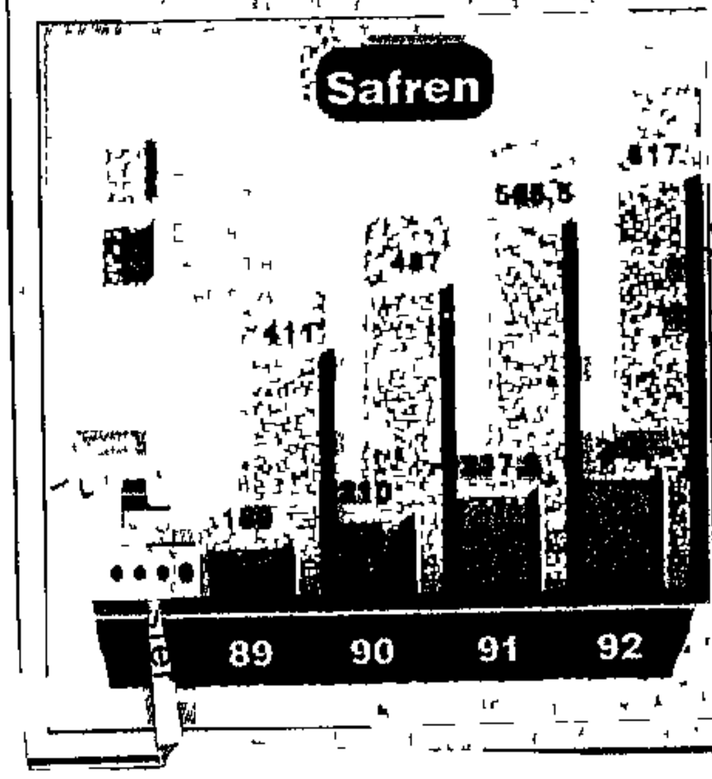
At the present share price of R91,50, Safren sits on a P/E ratio of 14,8 and offers a dividend yield of 2,8 percent — both demanding ratings.

But Safren's two core areas, foreign trade and tourism, are both believed to have good medium-term prospects.

Safren's earnings rise 9%

(269)

LINDA ENSOR



B/DAY 10/9/92

CAPE TOWN — Diversified shipping, transport and leisure group Safren produced a 9% increase in earnings in the year to end-June as the nosedive in international and domestic economies undermined its shipping and tourism-related operations

Heavy capital investments of R1,2bn also meant a R31,8m swing to paying finance charges, compared with the net receipt of interest last year

Earnings a share rose to 617c (565,5c) and a final dividend of 190c (177,5c) a share was declared with an alternative offer of a scrip dividend at a share price of R82,50c

☐ To Page 2

Safren

B/DAY 10/9/92.

(269)

☐ From Page 1

on the basis of 2,30303 ordinary shares for every 100 held.

Deputy chairman and CE Buddy Hawton said Safren — which consists of Safmarine, Kersaf, Interleisure and Rennies — had decided on a scrip dividend to maintain its shareholding in Kersaf, which had decided to issue shares in lieu of a cash dividend Capital of R47m had to be raised to accept Kersaf's scrip and, depending on the level of acceptance, an additional R50m was expected to flow into the group.

Hawton disclosed that Kersaf's offshore subsidiary Royale Resorts would begin negotiations soon to invest hundreds of millions of rands in a Caribbean gaming resort Royale was also looking at joint ventures in Europe.

Turnover increased by 7,5% to R4,7bn, (R4,4bn), operating profit before depreciation by 6,9% to R987m (R923m) and after depreciation by 13,5%.

Operating margins of Safmarine, the biggest contributor to earnings, declined substantially

In the second half of the year the relative stability of the rand against the dollar also meant the exchange rate did not benefit Safmarine

Safmarine's attributable earnings rose by 7,7%

Safair continued to expand its freight transport operations in Africa and had bedded down its domestic freight operation which continued to gain market share Hawton said the expansion of the domestic network was planned and the acquisition of an additional aircraft for about $27m (R75m) was being considered.

CMB Transport, a broad-based European shipping group in which Safren had a 49% stake, had incurred substantial rationalisation costs which had affected its earnings However, Safren was not exposed beyond its initial R78,5m investment.

Hawton said CMB Transport's operating profit had increased but it had a large amount of debt to write off An extraordinary item of R62m reflected the write down of Samarine's investment

Kersaf's attributable earnings rose 9,5% as the proliferation of gaming houses siphoned off a significant amount of business from Sun International's casinos The decline in disposable income also saw Interleisure's earnings fall 6%.

Hawton said Rennies performed well, increasing earnings by 18%, despite the fall-off in imports, through an increase in market share, good cash management, cost containment and the elimination of low-return divisions

Gearing moved up sharply to 26% (8%) because of the heavy capital expenditure programme in Kersaf and Safmarine but was still extremely healthy, Hawton said The use of some of the group's cash resources also meant a large reduction in interest received so that the group paid a net R28,9m in interest compared with the receipt last year of R2,9m.

The group's cash resources fell R237m to R418m (R654,8m)

Capex of R844m had been authorised for this year, part of which would be spent on the acquisition of three new ships.

Hawton was reluctant to make forecasts for the year ahead but said the group would be looking at improving efficiencies and containing costs

Unrest could affect flights to SA

(269)

STEPHANE BOTHMA

ECONOMICS would soon force airlines to cut the number of flights to SA, NedTravel Holidays MD Eric Thorne said yesterday.

Political unrest and uncertainty had kept the expected influx of overseas tourists from materialising, Thorne said. Seats on the many airlines operating to and from Jan Smuts Airport, as well as recently announced special low fares, could soon diminish.

Rennies Travel MD Lilian Boyle said: "The in- and out-bound traffic is stagnant due to political instability in SA and the state of the national and international economy. We have already seen several carriers not taking up negotiated additional flight frequencies to SA and expect carriers, like China Airlines, to cancel flights."

However, major airlines serving SA said yesterday they had no intention of cutting the frequency of flights. British Airways and Lufthansa said they were, in fact, increasing capacity in the next few months.

SAA said the Bisho shootings had not influenced its bookings to date. The airline had no immediate plans to cut capacity, but would monitor the situation.

Spokesman Zelda Roux said political reforms and the scrapping of sanctions had had a very positive effect on SAA international operations during the past 18 months and the airline was still "riding the wave".

Thorne said travellers should make use of the special air fares available because they would not last much longer. "To keep their routes to the country viable until the expected rush, airlines began discounting to encourage outgoing SA travellers."

B/Day 10/9/92

Falling air fares but millions will still go by bus

(269)

ARGUS 12/9/92

■ Falling air fares mean South Africans who were once restricted to rail and bus travel can now look skyward to get around the country, but coach operators are not expecting to lose out.

TYRONE SEALE
Weekend Argus Reporter

MILLIONS of South Africans will continue to use long-distance buses even though air fares are falling as South African Airways relinquishes its monopoly of internal air travel.

SAA's recent reduction of fares by up to 50 percent on a limited number of off-peak seats, on a first-come, first-served basis, and Comair's dangling of low-fare, pre-booked flights, follow the freeing of the country's internal flight paths.

SAA's off-peak fare reduction was announced at the same time as a 12 percent hike in peak, first class and business class seat prices and the package was designed to cut a R33-million loss on its domestic service during the first quarter of this financial year and to attract people who might not normally consider air travel.

Suddenly, Cape Town-Johannesburg return fares of R432 mean people can dash between the major centres at competitive rates.

But major bus operators do not expect their services to come under strain, citing as advantages a better view of the scenery during bus travel, the wide network of destinations and the lack of restrictions on bus ticket bookings.

"Unless you have to get to one of the major cities in a rush, there's no reason to miss out on the beauty along the way and the relaxed nature of road travel," says former Captour chief Mr John Robért, who has been appointed director of the tours and travel division of Intercape Tours, launched 13 years ago.

A fleet of 41 coaches covers 10 000 km daily within a 2 000km radius of Cape Town. Between March 1991 and February this year Intercape transported 163 000 people on inter-city routes. This figure does not include tour groups, charters and other arrangements.

"South Africans and overseas visitors will continue to appreciate the special qualities of road travel," says Mr Robért.

Coach travel makes more than just aesthetic sense, says Mr Robért.

With the introduction of a daily passenger service between Cape Town and Johannesburg through Upington, it is now possible to board an Intercape coach in East London and travel by way of Cape Town to Windhoek and Tsumeb or Walvis Bay and then through Upington to Johannesburg — a distance of almost 5 000 km — for a total fare of R785.

This compares with the equivalent air fare of R2 515.

Miss Elmarie Botha, spokeswoman for Coach Express, the Transnet-owned operator of the luxury Translux Express and the semi-luxury Trancity Express inter-city services — they carried three-million passengers in the past year — believes lower air fares may "potentially influence the coach transport market to a certain extent.

"There is, however, a certain segment of the market that shows a strong preference for coach travel due to the intrinsic qualities offered by coach transport, such as the scenery, the on-board atmosphere and the comforts offered by today's super-luxury vehicles."

Improved service hoped for when state-run terminals go commercial

ARG 12/9/92 (269)

Airports to go 'open'

WILLEM STEENKAMP
Weekend Argus Reporter

■ Commercialisation of state-run airports in South Africa should see vast improvements of services and should bring them in line with other modern terminals throughout the world.

COMMERCIALISATION of state-run airports in South Africa has started in earnest with a strategic business plan being drawn up to form two companies which will take over the airports by April next year.

Airports would undergo comprehensive refurbishment on a priority basis which would bring them on a par with major airports internationally, said Mr Stuart Huckwell, acting chief director of the Department of Civil Aviation.

Twelve committees had been appointed to investigate what needed to be done to achieve commercialisation

Run as commercial ventures, the airports and the air traffic and navigation services would undergo major changes

Mr Huckwell said airports would be run as businesses on the same lines as large shopping centres Services would be upgraded, new shops would be opened and entertainment facilities might be developed at some airports.

Airlines would have to pay a tariff for cargo and air traffic control services which up to now had been free

The principle of "the user must pay" would be strictly applied This could mean that extra costs would be passed on to air travellers.

This was done elsewhere in the world and in the United Kingdom turnover from airports increased from R2 662 million in 1989 to R4 282 million this year.

Investigations into the new tariff structure for services are under way Negotiations have also started with employees, who are with the civil service, over salaries and benefits like pensions and medical schemes

The Cabinet has approved in principle the commercialisation of state airports and draft legislation is under review by the state legal advisers. Changes to legislation to make commercialisation possible is expected to be approved by parliament early next year.

A managing director and other directors who will serve on the boards of the two companies will be nominated by government. This is expected to take place within the year.

Mr Huckwell said restraints on airports and services would be removed under commercialisation, which should lead to an improvement in what was on offer.

"Under commercialisation we should be able to compete and supply services comparable to the best airports in the world."

Another proposed change under commercialisation, which has drawn positive response from airlines, is that service charges levied by the new companies will go into a so-called airport fund. In effect, this will mean that money earned by airports and services will go toward the airport companies for upgrading, and not to the goverment's central funds, which happened in the past.

Financial statements and balance sheets for the new companies will be open to inspection from airlines which should then have an understanding of expences at airports

Mr Huckwell said that under the new dispensation D F Malan Aiport would be refurbished and improved.

A new modern radar system was being installed at the airport This, together with one that had been installed at Suth-erland, would cost more than R25 million At the end of last year, equipment was supplied making it possible for aircraft to land in heavy fog.

SA, Pakistan sign air deal

S/Times (BUSS) (269) 13/9/92

By ROGER MAKINGS

A HISTORIC air services agreement between South Africa and Pakistan was signed in Pretoria on Friday. It opens the way for trade and tourism between the two countries.

Pakistani International Airways (PIA) manager for eastern and southern Africa Iftikhar Ahmed says the agreement — the first between the two countries — is a "tremendous breakthrough".

Pakistan will probably send other government delegations to SA.

PIA is expected to begin twice-weekly flights from Karachi to Johannesburg by November It is not known when SA will take up its reciprocal rights.

Flitestar managing director Jan Blake says his airline has applied to the Directorate of Civil Aviation to fly the route.

Mr Ahmed says PIA will use either a twin-engined Airbus A310 or a Boeing 747 depending on whether flights are direct or through Nairobi.

"The million-strong South African Asian population has strong traditional ties with Pakistan. We have been flying them between the two countries from Nairobi since 1965, but this will change with the introduction of direct flights."

SA Airways plans to start a service to a second US destination before the end of the year.

Top contenders are either Miami or Los Angeles — depending on which is likely to generate the most traffic. SAA will not comment, saying no decision has been taken.

of the benefits it would have had if the agreement

Prison monitors to increase

STEPHANE BOTHMA

THE number of magistrates appointed by Law and Order Minister Hernus Kriel to monitor detainees in police custody would be doubled soon, his department said at the weekend.

Kriel announced that negotiations regarding the appointment of six retired magistrates had been completed and their names would be announced shortly

"In order to increase the effectiveness of this measure, I have decided that the number of these monitors should be doubled as soon as possible to 12 persons," he said.

Kriel and the International Red Cross were also negotiating visits by the organisation to prisoners.

Kriel said the SAP was busy with an intensive analysis of suicide cases in custody to determine if steps, over and above existing measures, could be taken to prevent such incidents.

Monitors would be asked to give urgent attention to the aspect of suicide and to make recommendations to the Minister

Regarding claims by independent pathologist Dr Jonathan Gluckman that alarming numbers of detainees were dying of unnatural causes in police custody, Kriel stated "I still remain fully committed to my pledge to reply in full to his allegations, but due to a number of factors, I am at this stage not able to do so."

He said the attorneys-general of the Witwatersrand, Transvaal and Free State had had discussions with Gluckman, who had consented to make available to police a list of 130 names of people who had allegedly died in police custody under suspicious circumstances since 1986.

To date Gluckman had provided details and documentation regarding 53 cases, Kriel said.

B/Day 14/5/92

Attorneys welcome new-style courts

TIM COHEN

PRETORIA — The attorneys' journal De Rebus has welcomed the introduction of short process courts, suggesting they might become as popular as small claims courts

Short process courts, essentially magistrates' courts with simplified procedures, are likely to reduce legal costs significantly.

The September edition of De Rebus, in an editorial, said the involvement of practitioners in the operation of short process courts would help improve the image of the profession.

According to statistics supplied by members of the Association of Law Society's branches, more than 1 400 cases are heard every month in the small claims courts. The same opportunities to help people and thereby improve the image of the profession and gain experience in adjudication appeared to be inherent in short process courts, the editorial said.

Taking part in the process of adjudication would be important in preparing attorneys for appearances in the Supreme Court and for when judiciary members would be drawn from their ranks, the editorial said

B/Day 14/5/92

Groups meet to end train killings

269

RAY HARTLEY

POLICE, the ANC, Cosatu, Civic Associations of the Southern Transvaal (Cast), SACP and SA Rail and Commuter Corporation representatives agreed at the weekend to meet within three weeks and plan a strategy to end train violence.

B/Day

The six groups decided to consult their constituencies for fresh ideas before the meeting, scheduled for early October.

Cosatu spokesman Amos Masondo said ANC-aligned organisations believed police were not dealing with the problem adequately. "There is no overall strategy that is acceptable to all parties. We hope that at this meeting some clear guidelines will be given," he said.

14/5/92

The number of police deployed on trains and at stations had tripled to 1 201 since May, but only five people had been arrested for violence against commuters.

Of the five arrested, four were "linked to hostels", pointing to a pattern which the police had not investigated adequately, he said.

SA Rail and Commuter Corporation MD Wynand Burger said he was happy with the meeting. "We've made good progress."

The SARCC presented four alternatives to improving station security, including a system using magnetic detection and closed-circut TV. The systems would be tested soon, it said.

SAAF plane boost for SA industry

(269)

CT 16/9/92

Own Correspondent

JOHANNESBURG. — The new trainer aircraft to replace the SA Air Force's ageing Harvard fleet will have a 55% local content — a move to protect South Africa's avionics industry.

The deal, involving the purchase of at least 60 aircraft, is estimated to exceed R500 million

SAAF chief Lieutenant-General James Kriel said SAAF had informed Armscor and the government of their choice of trainer A final decision from the cabinet is expected later this year

He said SAAF had insisted that at least 55% of the contract be local, including electronic cockpit equipment which made up 30% of the total cost of the aircraft. — Sapa

US air giant enters SA war

269

ARG

The Argus Foreign Service

WASHINGTON — An air war has begun in the United States for the potentially lucrative US-South Africa passenger and freight route

United Airlines, one of the world's biggest, has applied to operate a return service from Dulles, near Washington, via New York to Johannesburg and Cape Town.

Its move has drastically altered the battle lines and could mean that one or more of the two smaller airlines that plan to fly the route — USAfrica and Pegasus — will have to withdraw or seek the backing of another US heavyweight.

And it is bound to mean that South African Airways, which has a monopoly on the route, will face the sort of ferocious fare-cutting that is a characteristic of the US airline industry.

United has the financial resources, aircraft, personnel and established international presence to emerge as the strongest of the four carriers which, if all proceed with their plans, will be flying the US-South Africa route

The two new US airlines set up to compete on the US-South African route, USAfrica and Pegasus, had intended a cautious entry to the battle. USAfrica has been granted an operating certificate by the US Department of Transport to fly from all cities in the US to airports in South Africa, Zimbabwe, Botswana and Namibia, via Isla do Sal Pegasus has yet to be granted preliminary authorisation

With United's sudden entry, USAfrica might have to seek a partnership with one of the giants competing in the US against United.

It has leased two long-range jumbos from TWA, which might be a natural partner. But TWA is in grave financial trouble and may not have much enthusiasm for a war against United on a route that has not been tested by a US airline for some years.

The chairman and chief executive of USAfrica, Mr Art Lewis, said he was "watching things very closely, and we are going ahead with our plans" in spite of United's entry to the fray Spokesmen for Pegasus could not be reached for comment.

Commuters stage sit-in at Joburg offices of Receiver of Revenue

Star 17/9/92

(269)

By Shirley Woodgate

Three delegates from the Soweto Daily Passengers' Committee (SDPC) and the Vaal Commuters' Committee (VCC) staged a sit-in in the Receiver of Revenue's offices in Johannesburg yesterday.

They left when they were assured that their demands regarding transport subsidies would be addressed.

SDPC chairman Stephen Sangweni said a planned protest march was aborted but the delegates insisted on handing a memorandum to the Receiver, threatening to sleep on the third floor where they staged their sit-in, unless their case was heard.

He said that during their two-hour wait they were warned they would be removed by the police, but they were allowed to stay when they stressed they were staging a peaceful protest.

Johannesburg assistant Receiver of Revenue S J Mostert eventually accepted the memorandum, which was acknowledged by the Deputy Minister of Finance for handing over to Transport Minister Dr Piet Welgemoed.

Mr Sangweni said their deadline for a response to demands for the reintroduction of the subsidies was September 31. Further action would be taken if their requests were ignored, a VCC spokesman said.

Safair and Transkei in plane deal

(269)

Star 18/9/92

By Stephen Cranston

Safair has bought a BAe 146-200 Quick Change jetliner for $27 million.

Safair MD Braam Loots says that the domestic freight market has grown only marginally in the last ten months, but that Safair has been developing new markets and has lured back traditional airfreight business

To make full use of the aircraft, Safair has entered into an agreement with Transkei Airways in which Safair will use the jet at night on the Johannesburg-Cape Town freight route, while during the day Transkei Airways will fly a passenger service from Johannesburg to Umtata

The service of two diverse markets is possible because the specifications of the BAe 146-200 allow for a change from passenger to freight configuration within 30 minutes.

Mr Loots says the jet is fuel efficient and incredibly quiet.

Its noise output is low enough to enable it to use airports which have night flight curfews.

Transkei Airways will have its logo flying on the tail of the aircraft and Safair will have its name on the fuselage.

Safair is due to take delivery of the aircraft on September 22. Transkei Airways flights begin on October 1 and Safair flights on October 5

SAFREN (269)

FM 18/9/92

Heavier weather

Investors could not have been too optimistic about Safren's results for the year to end-June. But, given the domestic and international economic environment, the performance could be considered good

Across the shipping lanes of the world, growth in trade has shrunk from the levels of a few years ago Obviously, competition becomes greater as suppliers of freight space struggle to capture and retain market share. In the process, margins suffer

In addition, Safmarine saw a reduction in cargo volumes during the year Its 7,7% increase in attributable earnings is, therefore, commendable, but if the economic situation, here and abroad, persists, short-term growth prospects for the shipping line are not encouraging

As the SA economy has been pounded by the recession and tourism retarded by political unrest and violence, so too has Kersaf's earnings performance weakened. Profits from its gambling establishments have also been affected by the plethora of privately owned, unregulated salons that now operate all over the country. Safren CE Buddy Hawton says it's been claimed that about 400 such clubs now account for a monthly turnover of about R200m. Against that background, the 9,5% increase in Kersaf's contribution to attributable income is satisfactory

Safren's Hawton . *efficiencies at grain terminals*

FM 18/9/92 (269)

The smallest of the three main divisions, Rennies, excelled itself by increasing its attributable earnings 18% One aspect of trade that helped Rennies to post improved results was the large-scale import of grain needed because of the drought Hawton says efficiencies at grain freight terminals boosted the results. Other positive factors included rationalisation throughout the division and benefits that followed from stringent administration procedures and adroit management of cash flow and working capital

The R2,1bn capital spending programme involving, among other projects, the construction of the Carousel at Babelegi and Lost City in Sun City over the past two years is nearing an end The investment of these funds took its toll in fiscal 1992 as evidenced by the swing from interest receipts of R3m to an interest bill of R29m Lost City will open in November and begin to make its contribution to offset this cost

At R85, in keeping with the bearish sentiment towards industrial shares, Safren is 16% below its peak of R101 reached in June and is trading at levels similar to those of a year ago It should not be forgotton that only two years ago, it was trading at R35 A reaction to the steady share price rise was long overdue But the price will recover quickly with any sign of improvement in the local economy or international trade

Gerald Hirshon

NEWS FEATURE Cops lack culprits' description

Attacks occured two coaches from police

Sowetan 18/9/92

FOXY CRIMINALS They have carefully studied cops' methods and strike unguarded areas during peak hours:

By Mathatha Tsedu
Investigations Editor

269

THE TRAIN attackers who killed at least three people outside New Canada station on Tuesday, did so only two coaches from a police contingent

Police believe the attackers are well-informed criminals who make a careful study of the patrol and search patterns of the security forces

Meanwhile, as attempts to stem the killings go on, the sealing of coaches is emerging as one of the major contributing factors to the death toll, as trapped commuters have only windows as escape routes

The police are now calling on commuters to stand up and defend themselves.

The head of the New Canada-based Police Mobile Unit that is responsible for Soweto trains, Colonel Frank Sneygans, said the train that was attacked had three groups of policemen in it.

Two of the groups were conducting searches from the back and front while a plain clothes contingent was in another coach

The attackers hit the second coach from the plain clothes policemen Sneygans said the police were unable to move into the affected coach while the train was in motion because the coaches were sealed

"The closure of the coaches is a big impediment because it means our men can only move from one coach to another when the train is stationary," Sneygans said

The coaches were sealed after people stole the outside brass railings which protected passengers moving between coaches while the train was in motion

The coaches have now literally become moving coffins in the event of an attack

The attacks on Soweto trains have taken place mainly between New Canada and Longdale, which is, ironically, just a few metres from the strongest police mobile unit dealing with train attacks

Sneygans said this could be because it is the only long stretch between stations outside Soweto

The attacks are mainly on trains packed with workers and happen within a period of 30 minutes, mostly from 5 45 to 6 15 in the morning and during peak hours in the afternoon.

Commuters, he said, should fight back and defend themselves. "Instead, they vent their anger on the police. They refuse to talk to us They do not give us information or descriptions of the attackers," he said

"As a result, we can't develop a profile of the attackers to see whether the same poeple are involved We have no description, no leads, nothing How can we investigate properly without information from those who witnessed the attacks."

Sneygans said the culprits were not stupid people who merely pounced on any train

"These people watch us They see how we work They saw how we were searching and decided where to attack - in the middle When the train stopped at Langlaagte station, everybody, including the attackers, rushed out of the coach as the police closed in. No one would describe them

Touws River replans future after Spoornet withdrawal

(269)

S/Times [Cape Metro] 20/9/92

By JESSICA BEZUIDENTHOUT

THE Touws River Town Council and several community organisations are to join forces to formulate a strategic plan for future development of the Karoo town following Spoornet's decision to withdraw its Truck and Train Service over the next few months.

As a result of Spoornet's restructuring plans, about 150 employees have been offered early retirement packages, retrenchment packages or transfers to other depots, including Worcester and Beaufort West

Touws River was once the major steam depot in the Western Cape, but this ended with the demise of steam trains.

Mr Kobus de Kock, chairman of the local Business Chamber, said "the majority" of the people affected by Spoornet's plans had decided to accept early retirement and retrenchment packages because they did not want to leave Touws River

Because of this it was important to begin new development to create jobs so that the problems normally caused by unemployment could be avoided, he said.

Touws River had "vast possibilities" for tourism and industrial development, which could create jobs for people already unemployed, as well as those affected by Spoornet's withdrawal.

The municipality, in a bid to attract new businesses, has made 30 ha of land available for industrial purposes at 20c per m².

There are also plans for a "sophisticated" ostrich farm, which had the potential to become a major tourist attracation, to open before the end of the year.

The development phase of the farm, Chez L'autrache — "Home of the Ostrich" — had already provided work for nearly 100 people, said Mr Casper Wolls of Kalani Investments this week.

Plans for the construction of a holiday resort on the farm were in the pipeline, he said

"We hope our tourist development plans will attract the thousands of people travelling between Cape Town and Johannesburg, especially in the festive season," Mr De Kock said

Spoornet spokesman Mr Brian Lotter said the changes would help provide the best service to clients.

B/Day 21/9/92

Egyptair is winging its way to SA

AFRICA'S biggest airline, Egyptair, is to start scheduled flights between Cairo and Johannesburg in November, a move that will strengthen trade and tourism ties between southern Africa and North Africa

The Egyptian national carrier's vice-president for Africa, Mohammed Osman, confirmed the inauguration of services during a recent visit to Johannesburg.

He said the airline would initially operate one weekly return flight using a 206-seater Boeing B767-200.

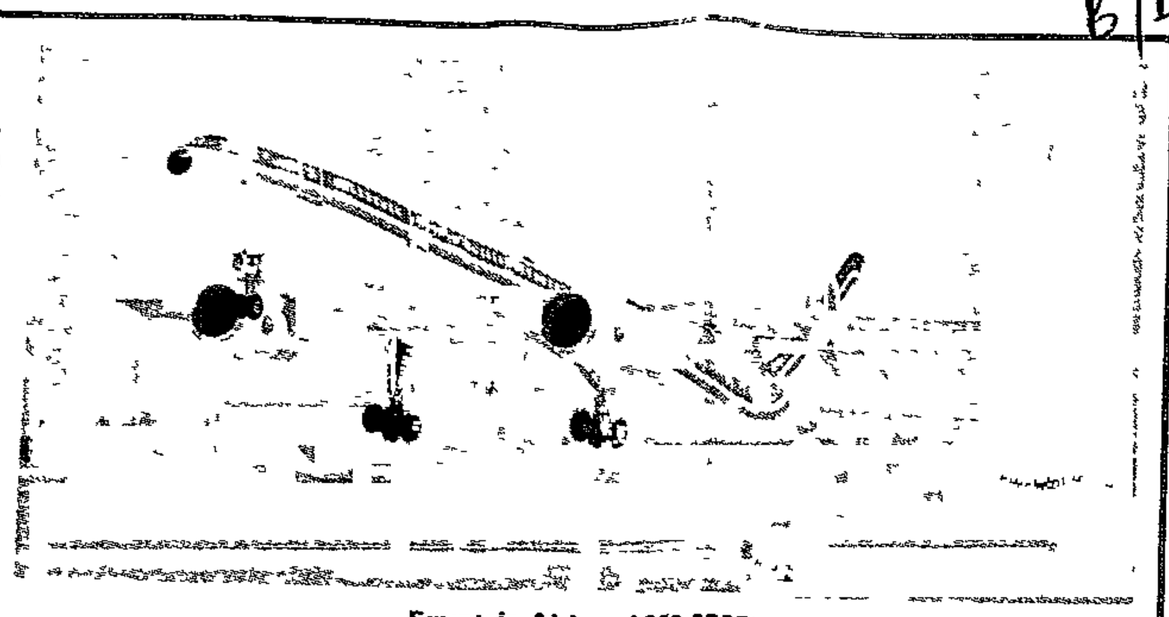
Saturdays

Osman says southbound flights will take-off from Cairo at about 1am local time on Saturdays, arriving at Jan Smuts at 10am. The northbound return flight will leave Jan Smuts at 12.30am on Sundays, arriving back in Cairo at about 8.30am.

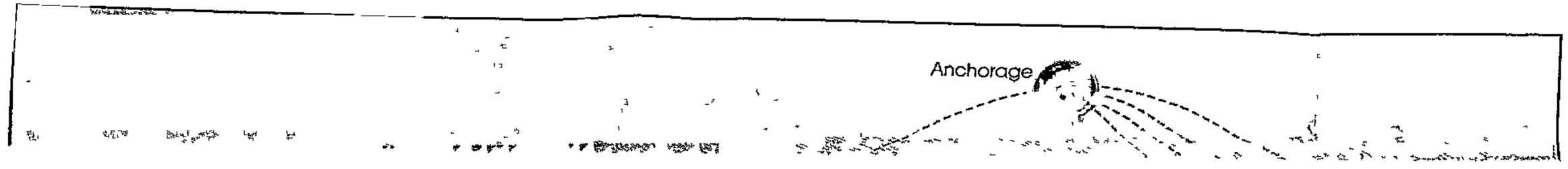
The aircraft are configured to seat 10 passengers in first class, 16 in business class and 180 in economy class.

Egyptair is no stranger to SA skies, having flown 10 charter flights on behalf of SAA last June, when it's aircraft ferried members of the local Muslim community to Mecca for the Haj.

Osman says the new service has been made possible through an agreement signed by Egyptair and SAA.



Egyptair Airbus A300-600R.



Planes to pay more land at state airport

AIRLINES and smaller aircraft operators face an increase in operating costs if they either land at any of the state-owned airports or overfly a government-owned air traffic navigation beacon from April 1993.

The Directorate of Civil Aviation (DCA) recently announced it had received Cabinet approval to implement a "user pays" revenue generating structure for the 17 air traffic navigational services (ATNS), and to restructure fee schedules at the 9 state airports

At a Transport Department conference in Midrand last month, DCA officials and consultants from Lexetrans and Price Waterhouse outlined the reorganisation blueprint

In what is broadly termed "commercialisation" two companies, which will remain wholly state-owned, are to be set up One will manage the airports, the other the ATNS.

They will be charged with converting these current albatrosses to lean profit-makers

Responding to the latest remarks from ANC quarters that it would renationalise any state bodies currently being privatised, the officials and consultants said that because there was no plan to privatise the two companies, there would be nothing to "renationalise"

At present, aircraft operators are billed for landing and parking charges according to aircraft weight

There is no difference in fees for the same type of jetliner landing at Jan Smuts or at Upington

Formulae

DCA acting chief director Stewart Huckwell said new formulae for calculating fees would take into account the facilities provided by the airport (including instrument landing devices) and the time of landing. There would be a differentiation between peak and off-peak traffic times

He said that operators would be given at least three months notice of any tariff changes

Earlier this year DCA announced a universal increase in landing and parking fees at state airports

Under the present management system the state-run airports and ATNS require state subsidies to the tune of 35% of all costs

The airports currently generate a combined turnover of about R120m a year ATNS services are currently provided to users for free

The airports combined annual operating costs, excluding capital expenditure, amounted to R135m last year

The new policy arose from the recommendations of several studies and a government commission of inquiry during the past decade

It also follows in the slipstream of SA's domestic (and to a lesser degree, international) airline policy deregulation which last year resulted in the emergence of a second major airline, Flitestar

Huckwell added the airport company would seek additional revenue by improving non-aeronautical sources at the airports, such as retail franchises, hotels, conference facilities and car parks

Jan Smuts Airport, SA's major international gateway, currently handles about 2-million passengers a year, but industry forecasts said that with the further promotion of SA as a tourism destination and increased trade, a passenger throug be expected

Huckwell gave ance that curren ments to the air ease pressure o tional departures — the hot mean te and high altitud of Jan Smuts prov atively small wi long-haul take-off payload penalties

Handfu

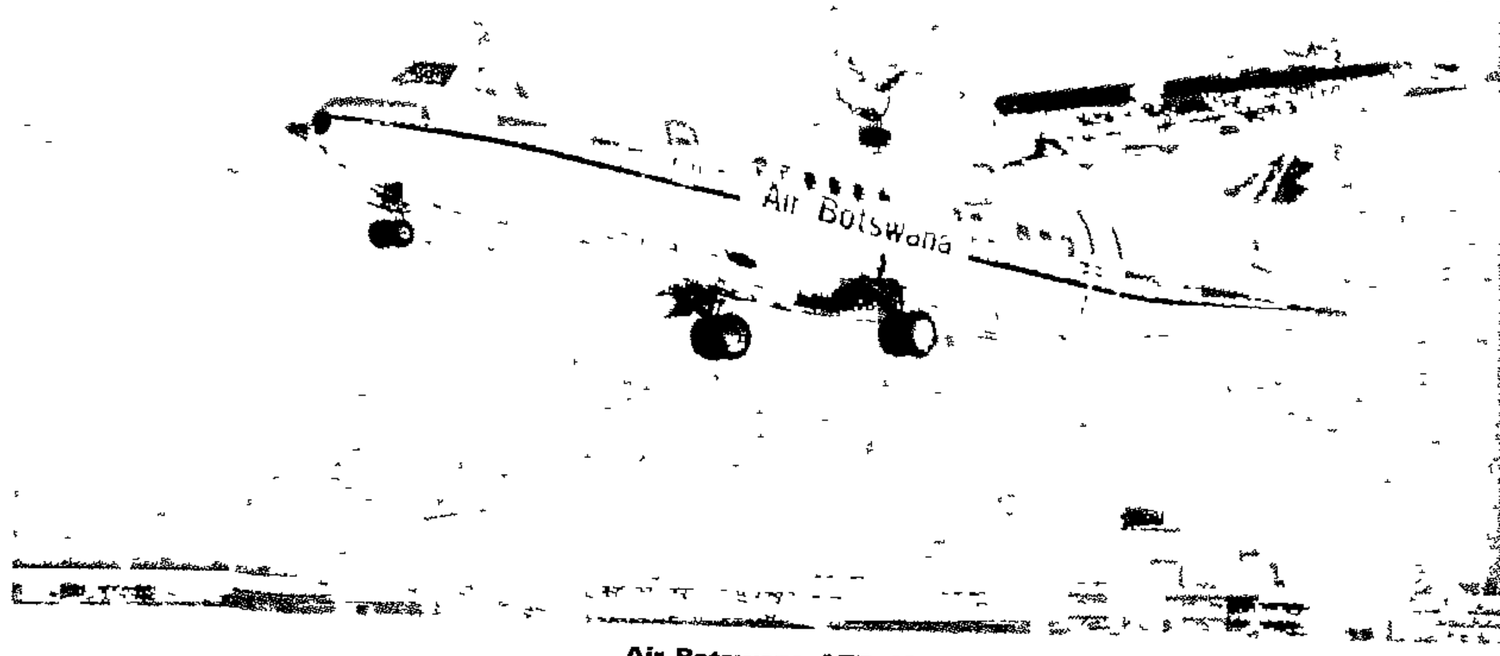
Most internati partures take p tween 6pm and with the excepti handful of flights t East

These improv which are costin R120m, will provid bridges to the mai an enlarged passp trol area and the ing of duty-free o new domestic term tween the two para ways is planned fo

Airline represe said they hoped the port structure wo solve the long-st complaint that they rely on SAA for ram ling as it currently monopoly on these s at the state airport

travel up to the end year.

managed to sypher more than 20% of the market applications for licences to



Air Botswana ATR-42

France chalks up R1,5bn in export sale

FRANCE has been a major beneficiary of SA's airline deregulation policy, having

multinational consortiums, their products are assembled and delivered

options on seven and two more A320s respectively

ada's De Havilland is tively hawk

estimated to have a combined value of about US$550m (about R1,5bn)

Two European consortiums, Airbus Industrie and Avion Transport de Regional (ATR), have been on the receiving end with orders from SAA and Flitestar for 11 Airbus A320s (each worth about US$45m) and two ATR-72s (valued at about US$35m a piece)

Although both firms are owned aeronautical giant, Aerospatiale, in Toulouse For this reason each delivery is noted as a French export and contributes to France's trade figures

SAA currently operates six A320s while Flitestar has four and operates both of the ATR-72s on the country's register

SAA will receive its seventh A320 next year.Both airlines retain convertible

to the consumer too Because these advanced-technology planes have much lower operating costs (about 30% cheaper while carrying up to 50 more passengers) than other aircraft in their class, both SAA and Flitestar have been able to cut their airfares

ATR's dominance of the new-generation turbo-prop market in the region is currently under threat as Can-

based Bass Airways with the newly fo feeder airline, Airlink

Two other contende the market are Germ Dornier Do-328 and Netherland's Fokker

Although the Dutch pany has not indi what its marketing s gy will be, the Bav firm stated in May it like to increase its sou African market share

Relief is in sight after tough times in the industry

THE difficulties encountered throughout the airline and aircraft-manufacturing industries during the last 18 months should give way to improved economic conditions in the last quarter of this year, Airbus Industrie has forecast in its latest market review.

The European jetliner manufacturer began 1992 with a backlog of 952 aircraft worth a combined US$71,2bn. Careful management of its order book and an adjustment of production rates has allowed it to minimise any possible long-term negative effects of the worldwide recession on its business.

Significant

The French-German-British-Spanish consortium predicts that significant worldwide recovery in airline passenger traffic will begin to be noticed by the end of this year.

Beyond 1992, growth is predicted to return, stabilising at an annual global level of about 4,9% until 2000, rising to 7,9% in the Asia-Pacific region

Airbus Industrie forecasts that global aircraft deliveries by all manufacturers over the next 20 years will total about 12 050 units. About 7 050 of these will represent aircraft replacement and the remainder additional aircraft, as carriers expand fleets to meet expected traffic growth

The consortium has the world's second-largest market share of the jetliner industry, behind the US's Boeing In 1987, it overtook the other US commercial airliner firm, McDonnell Douglas, which has been relegated to third largest in the market

For Africa, Airbus Industrie's outlook is similarly positive It predicts further growth in Africa as airlines look for ways to update their currently noisy aircraft fleets — to meet stringent noise and exhaust emission regulations being phased in by the European and US civil aviation authorities

Some European countries have proposed an "emissions tax" — a penalty — to be levied against every airline flying noisy and smokey aircraft over and to those countries Analysts have said that mooted punitive measures could either force carriers to stop flying to lucrative European and US destinations, or to consider fleet upgrades

Airbus Industrie marketing manager for Europe and Africa Pierre Carpent says most-pressured will be African airlines using older aircraft Most are from countries with soft currencies They have to either convert to US dollars or dip into foreign exchange reserves to pay for the higher operating costs of those planes

Lease

This they are doing while their governments are calling for foreign exchange spending cuts This situation could lead some state-owned carriers to either lease or buy new-generation planes, such as Airbus A340s and A320s, Carpent explains

He agrees that with the IMF's and banks' general inclination not to give credit to state-owned African airlines, carriers would be forced to seek alternative financial arrangements if they insisted on a purchase, or they would have to consider the option of leasing aircraft

Czech aircraft make recces the region

CZECHOSLOVAKIAN aircraft builder Let has cently wrapped up a month-long southern Afri flight demonstration campaign for its 19-seater L UVP-E twin turbo-prop.

Local firm Advanced Aviation Industries, hea by Lex Erasmus, Eddie Renton and Leon van Rh has acquired sole rights to market the aircraft and Motorlet Walter turbine engine in the region. It pl to invest about R10m in a sales and service centre Wonderboom airport near Pretoria.

Let marketing manager Jaroslav Tupy confir that the unpressurised aircraft will sell for less th US$2m, about a third of the price of its "Weste competitors — the Dornier 328, British Aerospa Jetstream 31, the Beech 1900D, and the De Havilla Twin Otter Erasmus says the pricetag inclu ground support and crew training.

The aircraft is well-suited to the following rol Flying doctor; emergency rescue ambulance; ga surveillance; aerial and photogrammetric surve and as a cargo mule.

"This aircraft has the potential to put every sm town and village with a dirt strip on the map, a provide them with an aerial link to major and seco dary centres. With its very low operating costs, makes air transport much more accessible to t masses," explains Erasmus.

Tupy says Let will consider purchase and flexib lease-purchase deals — the latter extending for fo years with bank guaranteed payments.

B/Day 21/9/92

Foreign airlines have flocked to Johannesburg

JUST as in 1991, this year has seen a heavy increase in the number of airlines entering the SA travel market, most offering links to South East Asia

At the beginning of the year, Australia's Qantas kicked off the migration when it resumed direct flights between Sydney and Johannesburg

Qantas had closed down its SA-route in the late '70s as part of Australia's sanctions against SA

The re-opening of the route followed the dropping of the five-year ban on SAA's traffic and landing rights in Perth and Sydney

Singapore Airlines (SAI) was next to park its planes on the tarmac at Jan Smuts SAI is ranked the world's most profitable airline (Airline Business) and is consistently ranked in the top three for service both onboard and on the ground

China Airlines (Cal) reduced its number of flights to SA, citing political unrest as a depressant on business

Linking

Making up the shortfall was the joint venture between Thai Airways and SAA on direct services linking Johannesburg and Bangkok

Thai Airways is currently evaluating the market, if it proves viable, it may take up its reciprocal traffic rights on the route, a spokesman said recently

The only other Pacific Rim carrier to confirm its entry this year has been Malaysian Airways, which has already begun recruiting local staff in the run up to the inauguration of flights between Kuala Lumpur and Johannesburg next month

Negotiations between SAA and Japan Air Lines appear to have stalled, because the Japanese cannot accomodate SAA at Tokyo's prime and over-subscribed Narita airport

On the brighter side, a delegation from Korean Airlines visited SA recently and has strengthened ties with SAA No announcements or hints have been made regarding flights though

This year has also seen commitments from West Africa's Air Afrique to start flights linking Dakar, Abidjan, Brazzaville, Kinshasa and Johannesburg using its new Airbus A310 jets

Angola's TAAG and SAA have formed a joint venture with SAA operating flights from Jan Smuts to Luanda

Kenya Airways has introduced two flights a week between Nairobi and Johannesburg, while Egyptair will begin a weekly service to SA in November

Interest from the US is picking up with that country's (and the world's) second biggest airline, United, filing for traffic rights between Washington DC and Johannesburg

Meanwhile, Miami based USAfrica — a newly formed carrier — has also applied for permission to start flights to SA

Several of the major European carriers, including Lufthansa, KLM, British Airways, Swissair and Austrian Airlines, have either increased the number of weekly SA-bound flights and/or introduced non-stop flights in both directions

Hi-tech

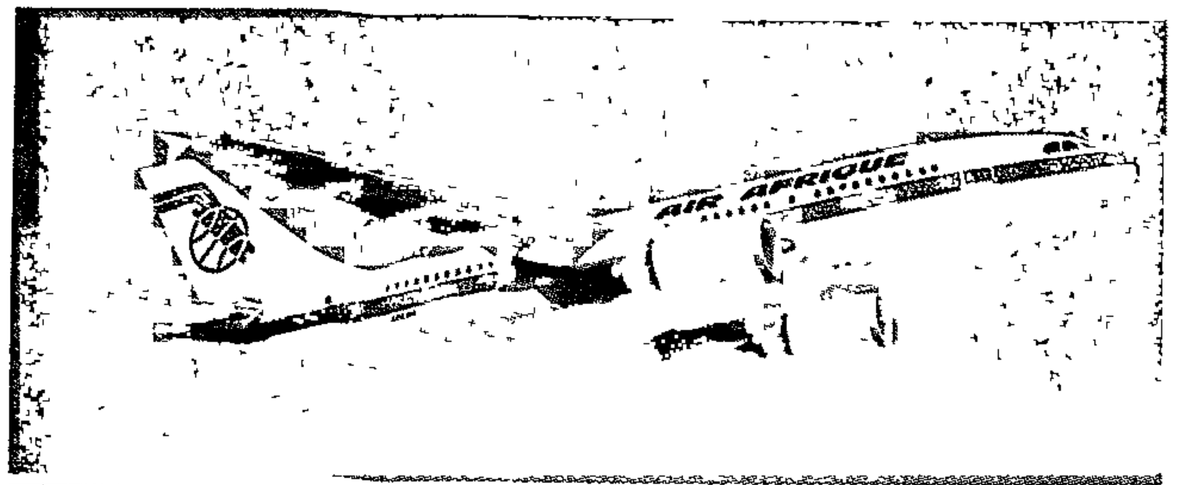
Lufthansa has added Durban, Cape Town and Windhoek to its service, KLM and British Airways have added just Cape Town

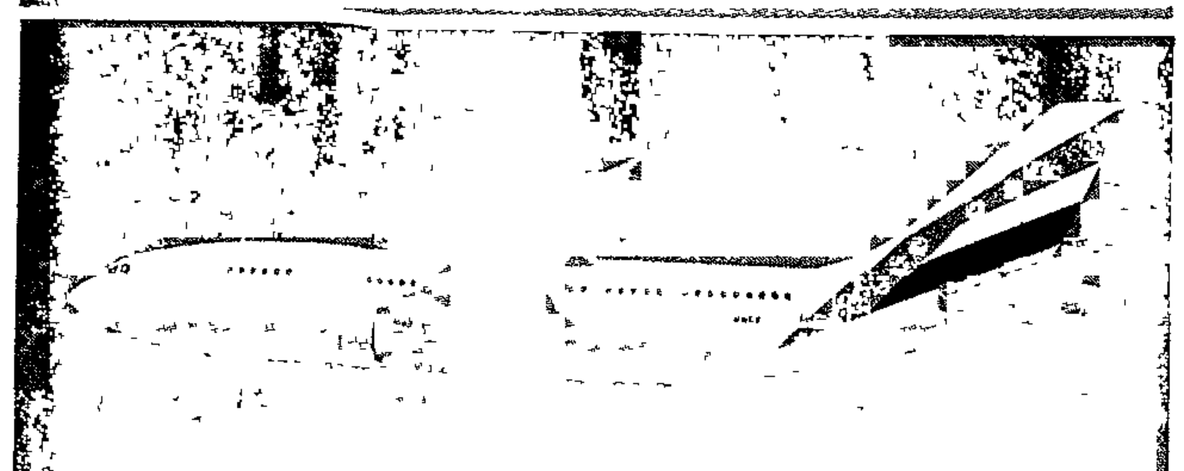
SAA's latest European destination is the ultra-modern hi-tech airport at Munich which opened for business in May

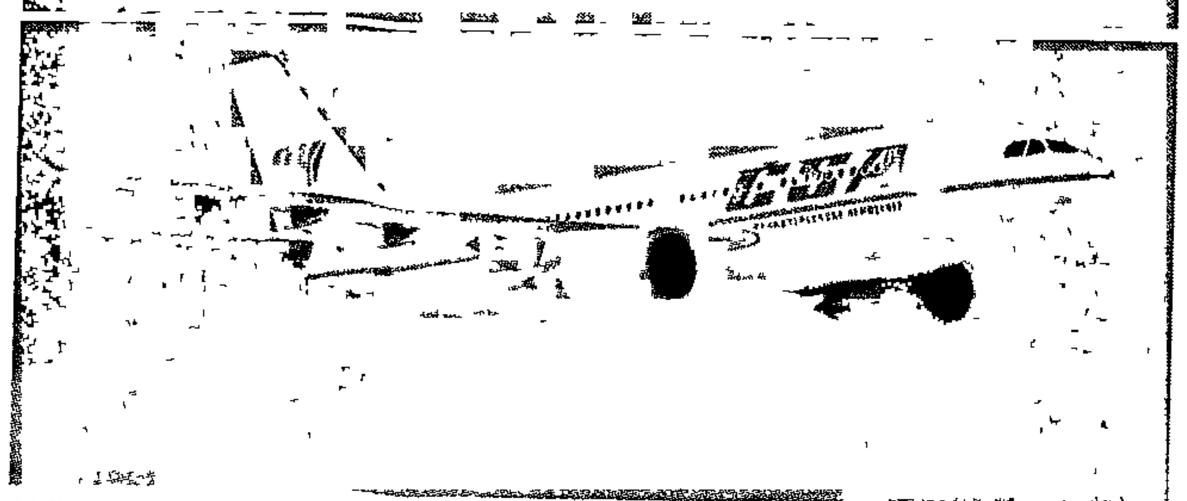
However, the biggest letdown of the year must be the "all talk and no action" Virgin Atlantic which failed to show its red-faced tail despite all of the promises made by its flamboyant and undoubtedly talented entrepreneur owner, Richard Branson

The blame was dumped on Heathrow Airport's scheduling committee for not giving Virgin the required number of take-off and landing slots

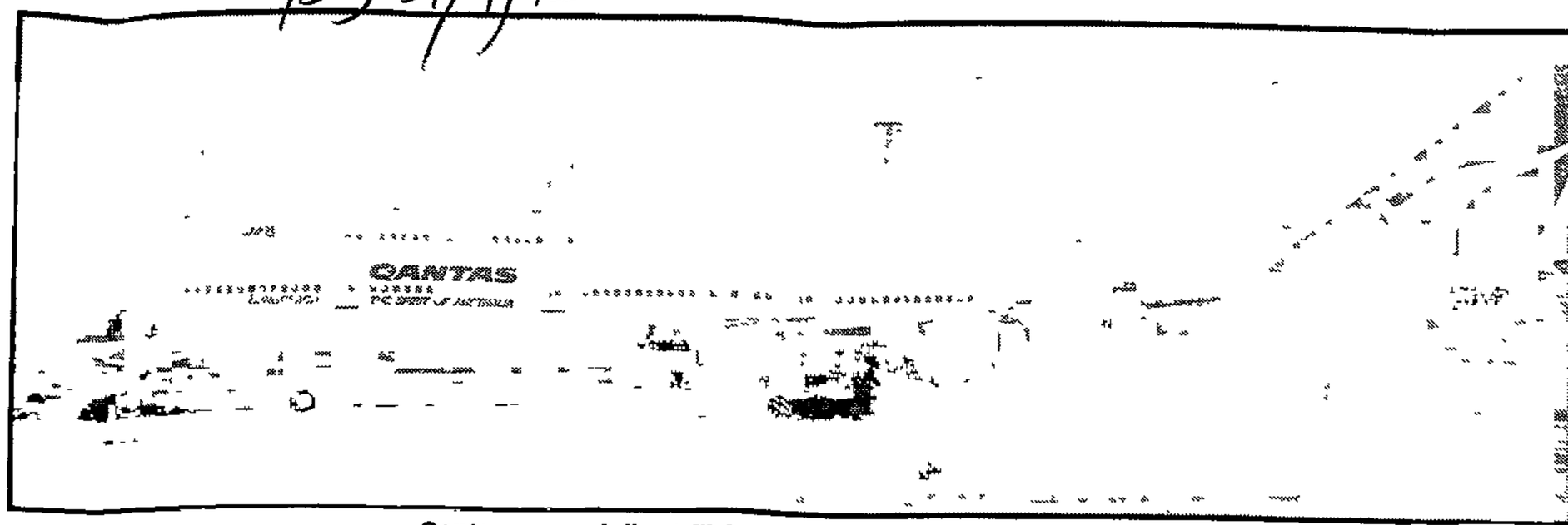
But industry feeling is that SA no longer presents an attractive market to Branson, whose Virgin is adopting a "not until I'm older and you are more mature" attitude to the SA market.







Airlines due to start flights to SA before the year-end include Air Afrique (top), Emirates (centre) and Ceskoslovenske Aerolinie (above).

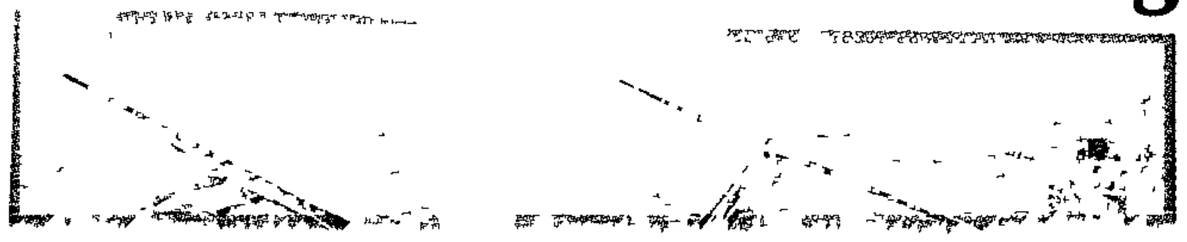


Qantas resumed direct flights to SA at the beginning of the year.

New regional alliance in the making

NON-SA southern African airlines have agreed to join forces and will present SAA

egional alliance in a bid to rotect themselves from urther encroachment by



A thumbnail sketch of he plan was outlined by ır Botswana GM Brian 'ocock, who was ın SA last ıonth to attend the Trans-ort Department's airline eregulation conference

Last year SAA CEO Gert an der Veer proposed that outhern African carriers orm a protective alliance vith SAA This suggestion vas met with reservations y Botswana, Namibia and imbabwe, which felt their ırlines would be suffocat-d and would lose their ompetitive independence f they joined an SAA-ın ıed alliance

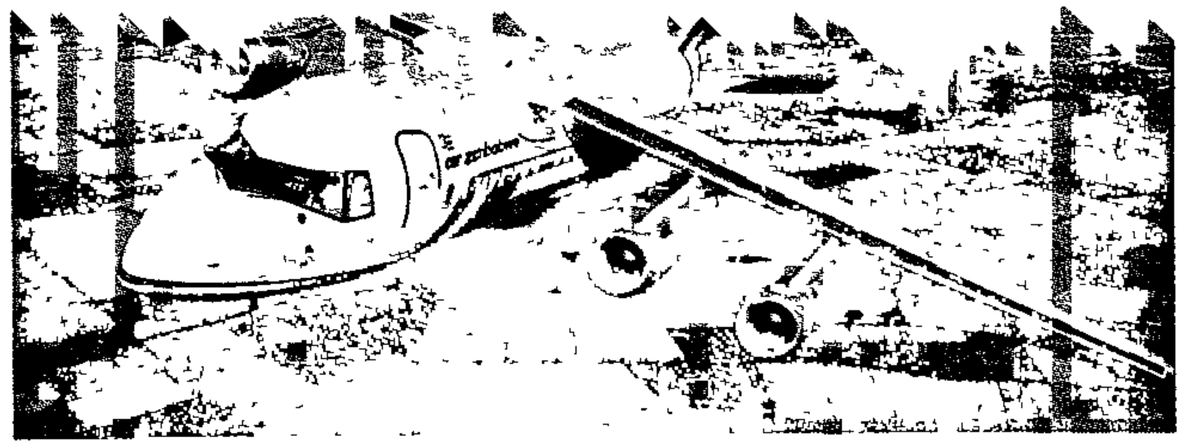
SAA ıs Africa's second ıiggest airline, but the argest on the sub-conti-ıent The move by the nainly SADC states' air-ınes to create their own ılliance before approach-ıng SAA ıs an attempt to elevate their bargaining status with the region's gi-ant Pocock says

besides nern Af- ... successful air-line in terms of earnings), Air Namibia, Air Zimbabwe, Zambia Airways, Angola's TAAG, Air Malawi, Royal Swazi Air-lines and Mozambique's LAM will join the alliance

The SADC alliance was mooted at last month's SADC formative confer-ence held in Windhoek SADC is the successor ı to the Southern African De-veloping Countries' Confer-ence (SADCC)

Air Botswana, specifical-ly under guidance of Po-cock, has already proved that limited joint regional ventures are viable The airline, which has a fleet of three jets and four turbo-prop aircraft, has collabo-ements with we, Lesotho ... LAM, Air Tan-zania and Zambia Airways

Van der Veer recently said SAA still considered the formation of a regional airline bloc as strategically essential to the airline's survival



An Air Zimbabwe BAe-146

There's now a new way to 'escape'

FLITESTAR has revamped its frequent-flyer pro-gramme, replacing its ini-ıial accumulative corpor-ate discount scheme with one that credits individual travellers

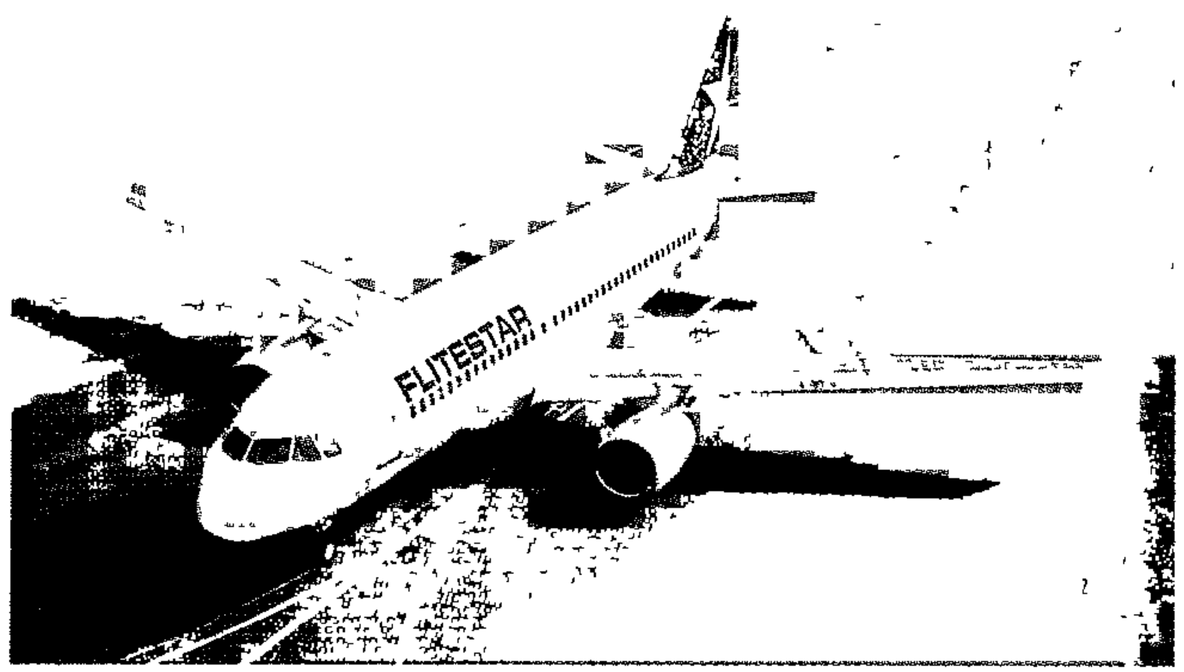
The new scheme, called 'Escape", works on the principle of credits award-ed for the number of "Star-miles" bought and flown

Flitestar MD Jan Blake says that as the airline has grown, so regular travel-lers have demanded a broader frequent-flyer package

The "Escape" scheme sees Flitestar join forces with Budget Rent-A-Car, Diners' Club and the South-ern Sun Hotel group Star-miles can be accrued on Flitestar domestic tickets, car rentals, hotel accom-modation and Diners' Club purchases

In addition to using Star-miles as credit against a complimentary air ticket, they will also be redeem-able on a range of leisure activities and holiday pack-ages ranging from a forest weekend getaway to a Car-ribean cruise

Unlike most other fre-quent-flyer packages which operate on an annual miles-flown basis, Flitestar's "Es-cape" members are al-lowed to collect Starmiles over three years New members will be given a 500-Starmile start-up bonus and will earn double mile-age for travel up to the end of this year



Flitestar sets its sights on Middle East and Europe.

Flitestar set to spread its wings

FLITESTAR is set to spread its wings to Kenya, the Middle East and Europe before the end of the year

The airline recently won a milestone hearing by the National Transport Com-mission on the three-way dispute it had been locked into with SAA and small charter firm, Air Supply, to start weekly charter flights to Mombasa

A Flitestar source said the only outstanding docu-mentation was the Kenyan government's official granting of landing and traffic rights for the airline

Since its inception as SA's "alternative" domes-tic airline, Flitestar has managed to syphen more than 20% of the market away from SAA on their common routes

Blake said indications were that if Flitestar sus-tained current rates of pas-senger growth, then it would be in a break-even position by the end of the current financial year

Stimulate

The airline recently re-launched its frequent flyers programme in a bid to stimulate further growth

The SA government's more liberal approach to international bilateral air services agreements with foreign countries has enabled Flitestar to bid for overseas market share

The airline recently filed applications for licences to operate flights between Jo-hannesburg, Dusseldorf and Stuttgart

It has also shown keeness to join SAA and British Air-ways on the lucrative Lon-don-Johannesburg route

Flitestar executive di-rector Jan Blake was quo-ted by the French aeronau-tics magazine Revue Aerospatiale as saying the airline was considering the acquisition of additional aircraft so that it could meet predicted route-expansion induced growth

Flitestar currently oper-ates four Airbus A320s and two ATR-72s and holds op-tions on another two A320s

He said the airline was studying a project to modi-fy the ATR-72s to provide night-time cargo flights

B/DAY 21/9/92

Tourism infrastructure needs overhaul

SA's predicted tourism boom — when and if it happens — will be a one-off phenomenon unless tourism infrastructure is radically improved.

That was the warning by Rennies Travel MD Lilian Boyle who added that if the boom occured before any upgrade it was likely to result in holiday makers coming to try the country out once but never again

LILIAN BOYLE

Hopeless

"We don't have the required service standards, our ground transport infrastructure is hopeless — we've got no fast trains or adequate luxury coaches This is a big country and we need all of those things," she said

Boyle said travel agents had taken a severe battering in the wake of deregulation, liberalisation and continuing political violence

Deregulation and the fares wars which followed, had led to a halving of earnings and a sharp increase in operating costs

Income was cut because agents worked on a fixed commission basis (of about 9%), which had not changed, even though fares had dropped by as much as R2 000 on some routes

Overheads had increased with the arrival of new airlines, each offering special fares and deals

"In the past if a client said he wanted the best fare to a destination, it usually entailed making two, maybe three telephone calls Now that everyone is on the playing field we have to make upwards of six calls per enquiry," said Boyle

She said Rennies Travel would be able to ride out the worst of the recession as its business was 75% in the corporate travel sector

Discounting was shown to be doing more damage to the market than good

Erosion

"We have seen very little incremental growth as a result of discounting, but at the same time we have witnessed the erosion of revenues from the existing traffic base which is now being discounted," she explained.

Political unrest had cost the tourism industry hundreds of millions of rands in losses since June this year.

"Within four days of the Boipatong massacre industry cancellations from people who wanted to visit SA in 1993 and 1994 were worth more than a hundred million rands," said Boyle

She added that the market had remained flat in the wake of Boipatong and that it had been starting to show signs of slight recovery until the Bisho massacre on September 7.

"In the first quarter of the year the market improved 15% over the same period on 1991, granted that this quarter coincided with the Gulf War last year The market showed prospects of 18%-19% growth for this year

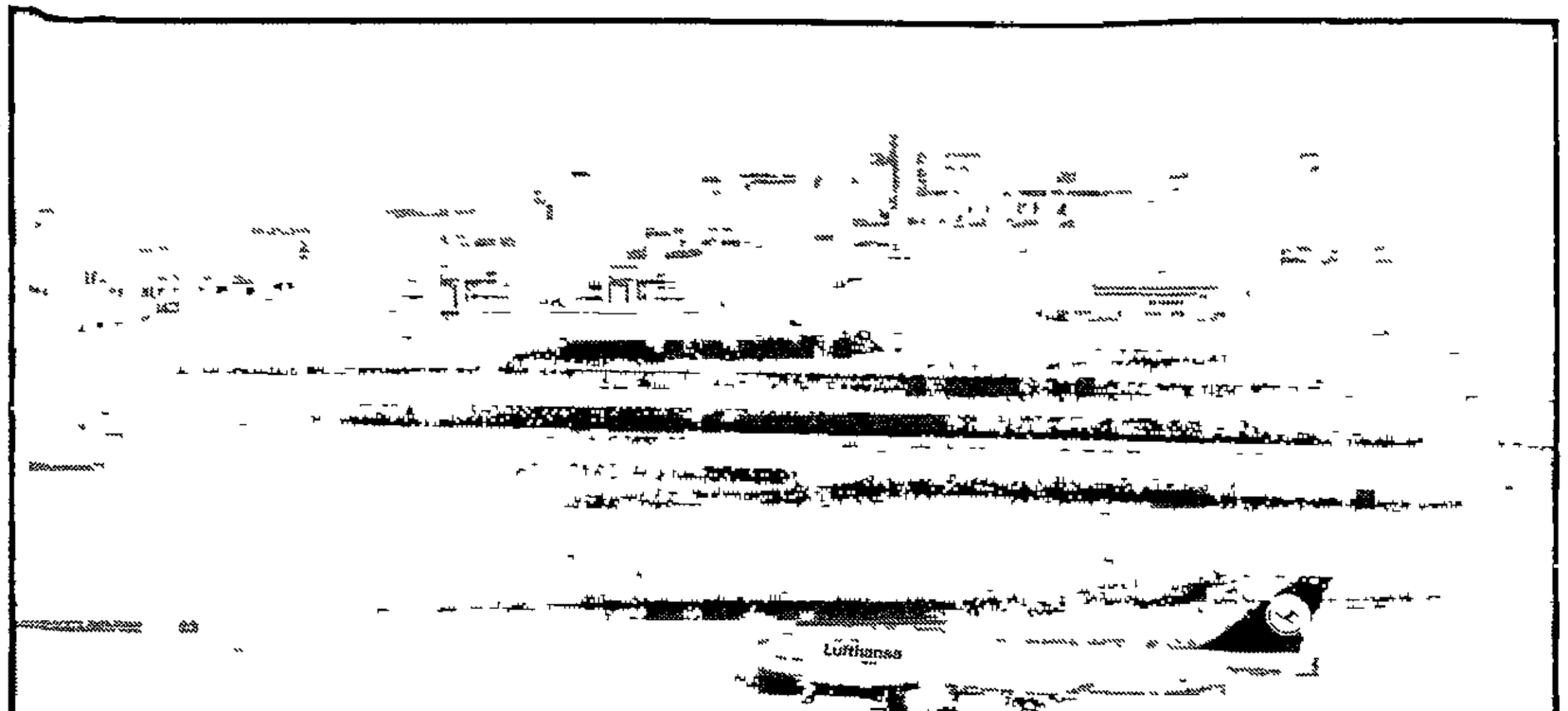
"Now it's all just gone 'poof'," said Boyle

Business travel had remained more or less constant, but pure tourism, especially from the US and Italy, had diminished

Steady

Visiting Friends and Relative (VFR) travel from Germany and Britain had remained fairly steady

Boyle said it was unlikely the violence would cause any carriers to think of withdrawing their services to SA or that it would deter any of the US carriers from entering the market in the long term



A Lufthansa Boeing 747-400 landing at Munich's new airport.

SA far behind trend towards mega-carriers

SA REPRESENTS only a minute portion of the world airline and travel market — Africa is considered to represent 5% of the airline market, SA less than 20%

And its rapidly liberalised approach still lags behind activities elsewhere in the world

The US was the first market to opt for deregulation in 1979 Initially this caused a proliferation of domestic carriers, such as Piedmont, USAir and Midway and ultimately caused the demise and near collapse of traditional players such as Pan Am ('91), Eastern ('91), TWA ('91), Continental ('91) — the latter two are under Chapter 11 bankruptcy protection

The current phenomenon is the formation of "mega-carriers" through mergers, buy-outs, stake acquisitions or co-operative alliances.

This has resulted in three airlines — American, United and Delta — emerging as the most powerful US airlines

However, as these carriers have expanded their operations abroad, they have forced European and Far East airlines to consider taking similar steps in order to compete with the US mega-carriers Some airlines have sought alliances with the US majors in a bid to soften the blow of competition — it also helps reduce duplicity where the market is not big enough to sustain two carriers on one particular route

Upset

Recently British Airways upset the US applecart when it proposed buying a 25% stake in USAir

The Pittsburgh-based airline was ranked last in the Salomon Brothers list of US major airlines Anti-trust laws prevent BA from taking a bigger stake, but crucial to the deal is the clause giving BA four positions (more than 20% voting power) on the USAir board Any major spending or expansion has to be approved by an 80% majority vote by the USAir board

Delta, United and American have formally opposed the proposed deal citing that BA's veto on the USAir board constitutes a breach of the Anti-Trust laws

US legislature will announce its decision on the deal soon

If it is approved, it will give BA greater access to the US market and could pave the way to greater US liberalisation of its international civil aviation code

France has severed its diplomatic agreement with the US, blaming Washington for adopting a protectionist stance

Germany is under pressure from Lufthansa to follow the French example It is demanding equal proportional access to the US that US airlines have in Germany and elsewhere in Europe

None of the players are quite sure what the state of play will be after January when the EC trading bloc offially comes into being

Other alliances/mergers/buy-outs/etc recently formed or under negotiation include American Airlines — Canadian Airlines, Canadian Airlines — Air Canada, Air Canada — Continental, USAir — TWA, Delta — Pan Am, Qantas — Australian Airlines, Sabena — Air France, UTA — Air France, Air Inter — Air France, Lauda Air — Lufthansa, CSA (Czechoslovakia) — Air France, KLM — Northwest, Egyptair — Kuwait Airways, Lufthansa — looking for any useful US partner, Ansett (Australia) — Northwest, Ansett — United, Ansett — Thai Airways International, Aeroflot — British Airways, Iberia — Aerolineas Argentinas, Iberia — Ladeco (Chile), Iberia — Viasa (Venezuela)

Travel stagnation to continue until next y

SA's travel industry should not expect any growth from incoming visitors for at least another year, and then only if socio-economic and

tions it caused were enormous Bisho just exacerbated the situation," Rutter said

He said the discount

better service to our clients than ever before"

It was unlikely that fares would drop any lower than

increase in the nu airlines "each loo its own pot of gol but they had ente

Compu syste to boo efficien

IN an effort to productivity, S NedTravel ha barked on a c tive venture wh resulted in the i tion of the new computer rese system (CRS)

Galileo, wid garded as one most advanced available, has development several years. vesting in it, S taken a quantu forward in tec and placed itse par with world

NedTravel Holdings, whi cludes America press Travel, Travel, NedTrav days, AATB and other subsidiarie on-line with Gal month.

Contract

Most airlin travel agencies tracted or own s CRS systems. In Sabre is a major while Amadeus strong in Europ has its own cus CRS, Saafari, w has installed at offices and ap agents

With heavy c tion in their prim tivities, like pr an airline service carriers have be ing the CRS as a tional item in the petitive arsenal CRS systems offe lar facilities — air reservation hire, hotel bookin theatre tickets, b all differ sligh cost, speed and

political stability is achieved in the country, warned NedTravel's American Express MD Rod Rutter

He said the industry was under pressure from rampant airline discounting and vacillating market confidence as a result of the continuing violence.

"Boipatong had a devastating impact on the market, the losses in cancellations-induced squeeze on travel agents' commissions and profits made productivity increases imperative if agents wanted to stay in business

"We've introduced the new Galileo computer reservations system specifically to boost our productivity Not only will it result in a 25% increase in productivity, but it also enables us to provide a far

were already operating on marginal profits

Negative

Deeper discounts would be detrimental to the market's long term survival, said Rutter

Deregulation had overall had a negative impact on the industry's economic performance

There had been a sharp

fuel to the fire by increasing available capacity, he explained

NedTravel Holidays, the company's leisure division, was really feeling the pinch

"The price of holiday packages has come down, but the man in the street no longer has the disposable income to buy them," Rutter added

Cheaper fares are 'Just The Ticket'

BUCKET shops in SA are not the same as those in Europe, but the general idea of buying "left-over" seats at wholesale discount prices from airlines and reselling them cheap has proven viable in SA

Sandton-based Just The Ticket has grown in leaps and bounds during the past year Airline deregulation and increased competition, with the resultant surplus capacity, has created a climate ripe for Just The Ticket to exploit the situation, the company's MD Kevin Rawnsley says

He says his company is constantly fine-tuning its position to take full advantage of the market, and that it has recently invested in the Galileo computer reservations system and has computerised its telephone network

Outgoing

Unlike traditional retail outlets, ongoing political violence has not had a negative impact on Just The Ticket's business Rawnsley attributes this to the fact that all of the firm's business is outgoing traffic

"We concentrate mostly on the leisure market, with the majority of our customers being first-time travellers to a destination, or VFR (visiting family and relatives) travellers

"Current discounting among airlines is great for these two market segments, as they can take advantage of the low fares, and (the VFR) people generally don't have to worry about costly accommodation when they get to their destinations"

Rawnsley predicts that the next destination

B/DAY 21/9/92

(269)

Business Day SURVEY

SAA is reeling from the effects of airline deregulation in SA. Outgoing CE Gert van der Veer says private sector investment is essential for the carrier's survival. While talk of privatisation is being dismissed (for the time being), past industry experience has shown that growth can only be stimulated by outright privatisation. ***LINDEN BIRNS*** *reports.*

Talk of expansion as Airlink flies high

A NEW feeder airline — Airlink — launched in Johannesburg at the end of July, is the largest operation of its type in South Africa with a fleet of more than 45 aircraft at its disposal.

The carrier, based on fixed assets and infrastructure acquired by Airlink's shareholders from liquidators of the now-defunct Link Airways, is aiming to boost load factors — and turnover — by more than 30% before the end of the year.

It currently operates a mixed fleet of Cessna 421s, Piper Chieftains, Beech King Airs and Fairchild Metroliners, but is talking to De Havilland and ATR about the possible acquisition of a 40 to 50-seater aircraft in the Dash-8/ATR-42 class

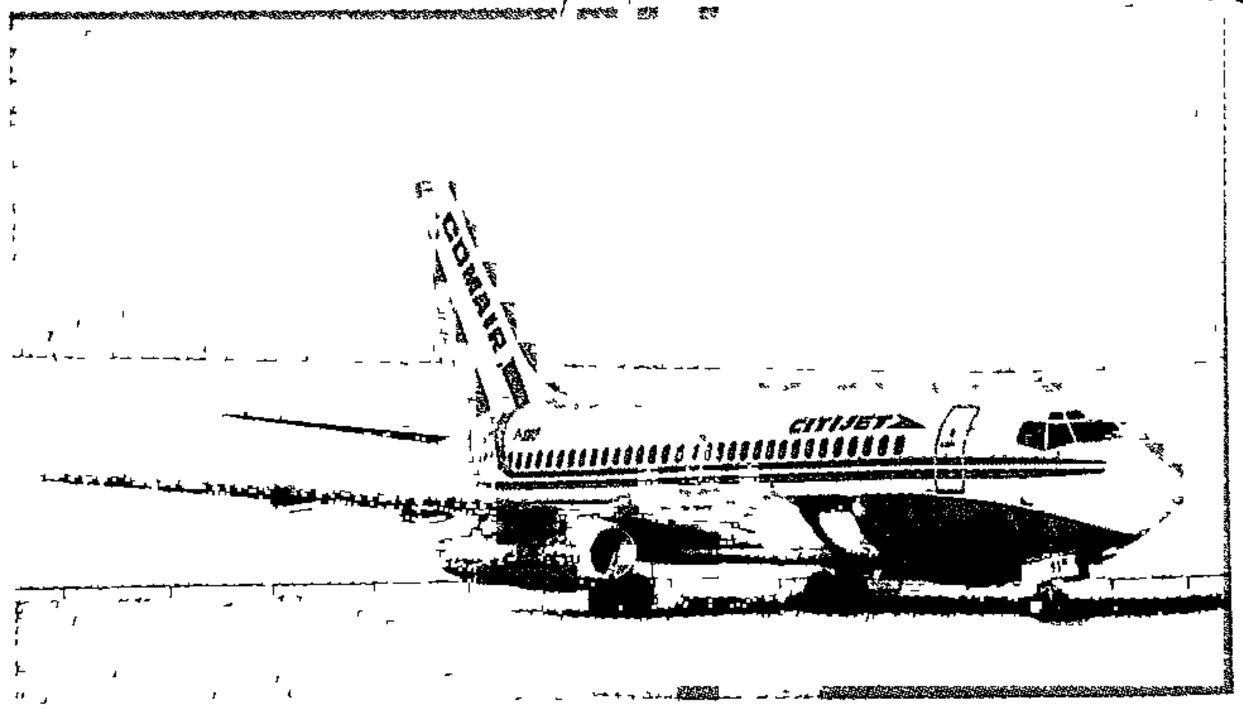
Refurbishment

The airline has been set up by Rodger Foster, Barrie Webb and David White, and will also have at its disposal Foster Webb Charter's 40-strong fleet of light twin-engined planes.

Foster says shareholders will invest R3m for refurbishment and restoration of existing ex-Link Airways aircraft, plus R2,5m for replacing some of the fleet's older small planes

The current route network includes domestic and cross-border scheduled services to Maputo, Matsapa (Swaziland) and, from this month, a twice-daily service to Maseru (Lesotho) SA departure points are Johannesburg, Durban, Nelspruit, Bloemfontein, Pietersburg, Maritzburg, Umtata, East London and Port Elizabeth.

He says there is no intention of competing directly with SAA or Flitestar, and where they are operating on the same route, Airlink is competing only in terms of departure convenience Airlink's fares will remain equivalent to SAA's Business Class tariffs on some routes, but could be reduced once larger aircraft are introduced



The Boeing 737-200 used for Comair's Citijet service

Comair soaring to new heights

THE take-off of SA's newest jet airline, Comair, has been met with favourable response by the domestic market, with the carrier taking the lead in fare discounting

It's Citijet service, using a Boeing 737-200 leased from SAA, operates return flights between Johannesburg and Cape Town twice daily on weekdays, and once a day on weekends

Increased

Following deregulation, the number of flights on the Johannesburg-Cape Town route has increased by nearly 80%, with about 20% of that attributable to Comair's Citijet service

Next month the airline takes its second step into the realms of jetliner operation when it introduces its 80-seater Fokker F28 twinjet on the evergreen Jan Smuts-Skukuza route

Comair commercial director Bert van der Linden says reservations on the Citijet service are healthy and that advance bookings have been "exceptionally good"

"Companies which regularly have as many as 50 employees commuting between Johannesburg and Cape Town tell us they are effectively saving as much as R14 000 a month on airfares by booking their staff on the Citijet service," says Van der Linden

Comair is SA's longest-established airline after SAA It was the wartime brainchild of three SA Airforce Squadron 5 members — Mike Martin, As Joubert and Leon Zimmerman — who formulated the idea of a privately owned airline while sitting outside their tent in the western Sahara Desert during the Second World War

Skies

Under the trade name of Commercial Air Services, Comair took to the skies for the first time on July 14 1946

Today it has a fleet comprising a Douglas DC-3 Dakota, Fokker F27 Friendships, B737-200 and the Fokker F28 jetliners

Private investors needed to bail out SAA — CE

SAA outgoing CE Gert van der Veer has called for private sector investment in the carrier which is reeling from the effects of airline deregulation in SA

Van der Veer told delegates at the Transport Department's civil aviation policy conference last month, that private sector investment was essential for SAA's survival.

Enhancing

This survival would benefit SA's economy through further enhancing trade and tourism links

Although he dismissed (for the time being) any talk of outright privatisation for SAA, Van der Veer said he still believed private sector investors were prepared to put money into the airline and relieve government to pursue other more pressing socio-economic projects

However, past airline industry experience has shown that when government retains control of an airline, private sector investment remains conservative and the carrier's growth improves only marginally Dynamic growth has been stimulated by outright privatisation

Van der Veer — who steps down as SAA's CE in March — said it was imperative that the airline improved its productivity, efficiency and passenger service and sought alliances with other carriers within and outside southern Africa

SA's re-acceptance into the world community combined with the recently introduced limited deregulation of SA's international civil aviation policy has cost SAA more than 63% of its capacity share on Far East routes this year. This is expected to drop by a further 10% in October when Malaysia Airlines inaugurates its service between Kuala Lumpur and Johannesburg

Similar capacity share reductions can be expected when a US carrier is designated and takes up reciprocal rights to flights to SA, said Van der Veer.

Fare reductions, recent and forthcoming frequency increases by British Airways, Lufthansa, Austrian Airlines, KLM and Alitalia, combined with the entry of Condor, Martinair, Britannia and (the currently domestic airline) Flitestar on international routes are expected to place SAA under pressure on its traditionally lucrative north-south or "golden routes"

Upgrade

SAA began a R3bn fleet upgrade in 1987 when it ordered four B747-400s and seven A320s (two and six of which have been delivered respectively, the remaining three aircraft due for delivery later this year and in 1993) The airline's inability to sell its older planes has resulted in a surplus capacity on the SA market, and drained SAA's operating budget

This surplus capacity has also sounded alarm bells at Flitestar, whose executive director Jan Blake told the conference that Flitestar would delay its decision on converting options on another two A320s while it waited to see what SAA did with its extra aircraft

South African Airways Airbus 320.

Since its inauguration last October, Flitestar has taken away 20% of SAA's domestic business The two carriers are currently locked in a fierce "deep discounting" battle for market share, which both sides refuse to acknowledge as a fares war resulting from deregulation

SAA is currently not obliged to publish an annual report, but Van der Veer disclosed that its turnover for 1991/92 was R3,2bn, R1,8bn from international services The airlin hibited from cross-s ing its domestic ar national divisions

The total inter aviation market from SA from Apri March 1991 amou R4,7bn, of which 64 to foreign carriers plained The entr foreign airlines in year and another pected by 1994 is e to further shrink market and profit

Rusian airfreighters allow Safair to expand

AFRICA'S largest air freight carrier Safair and the continent's second biggest airline SAA have clinched contracts to augment their fleets with a range of Commonwealth of Independent States (formerly USSR) aircraft

Safair will market and manage several types of Russian heavy-lift helicopters and airfreighters, icluding the Antanov An-124 (until recently the world's biggest aircraft)

The deal, between Safair and Russian firm Eco-trends, covers Safair operations and marketing campaigns in Africa It effectively allows Safair to offer an expanded and more versatile fleet than its current mainstay of Lockheed Hercules L-100s

Meanwhile in a surprise move SAA took delivery of three Antanov An-32 turboprop and two Ilyushin Il-76 jet freighters which it has wet-leased (hired the plane and crews) for a year They will be used on dedicated cargo flights to Africa, the Far and Middle East, Europe and the US

SAA acquired the aircraft through a commercial agreement with the Air and Navigational Transport Agency of the Ukraine

SAA senior GM John Hare said the aircraft would fill the niche left open by the advent of non-stop mixed passenger-/cargo flights The airline had recently established a cargo division, but was not able to offer dedicated freight services as its aircraft were configured to carry a mix of passengers and cargo.

Safair MD Braam Loots said the company's recent experience was that businesses in many African countries hitherto indisposed towards dealings with SA were now turning to Safair for assistance in air freighting essential items and for aircraft maintenance

Safair sources said the company was studying the viability of using several An-124s for relief aid flights to various drought-stricken areas on the continent

Russian Antonov An-124 Condor

America Airlines dwarfs t opposit

THE US carrier, A Airlines, recently t spot as the world's airline in terms (US$12,89bn), even its profits totalled U survey by Airline magazine found

Second and thi ings went to Uni lines and Air Fr spectively, whil moved from sixth position jumping

Competition Board goes on the prowl

THE Competition Board has confirmed it is now investigating SAA's business practices in the run-up to deregulation of SA's scheduled domestic air services

The investigation follows claims by SAA's privately owned domestic rival Flitestar that it is being treated unfairly by SAA in baggage-handling and other services which SAA has a monopoly over at the country's main airports

A Competition Board representative says it is not certain that the board's findings will be released to the public

He says "That is at the discretion of Public Works and Enterprise Minister Dawie de Villiers He may decide to withhold the findings for use in Parliament"

At the recent Transport Department's civil aviation conference in Midrand, Lexetran aviation consultant Victor Prins said the investigation into SAA was necessary to facilitate the introduction of steps to privatise the airline

Assessment

He says an assessment of SAA is also valid if government's civil aviation policy on commercialisation is to provide equal and fair treatment to all domestic airline operators

Prins says it is not yet clear whether steps have been taken to ensure SAA is operating autonomously and on a commercial basis without cross-subsidisation between the airline's domestic and international divisions, and without cross-subsidisation between SAA and Transnet

The investigation and any recommendations should ensure that SAA, as a result of its relations with the Transport Department, Transnet and the government, would not obtain any unfair competitive advantage over the other participants in SA's deregulated air transport industry, he adds

Prins says the Competition Board's primary objective will be to ensure that SAA, and any other SA airline, does not involve itself in any "restrictive practices" These could include predatory pricing fluctuations and abuse of a dominant market position

He says it is also the board's duty to take steps to ensure that SAA will not apply discriminatory practices in its domestic activities in the sense that they will pose an obstacle to another airline's entry on to the market

Ensure

The board will also have to ensure that SAA does not prevent other domestic competitors from having equal access to supporting services such as maintenance, training and computer-reservations systems and British Airways

Profitable

BA was the most profitable carrier in the top 15, while Virgin Atlantic was rated the fastest-growing airline with sales up 81% to US$584m

The top 20 airlines added a combined 374 aircraft to their fleets while the next 80 carriers withdrew a total of 123 planes from their combined fleets

Overall, the top 20 airlines were able to cut their losses from US$2,7bn in 1990/91 to US$830m in 1991/92, largely because of the two big loss-making US airlines — Eastern and Pan Am — having gone out of existence during 1991

Bureaucrats frustrate good intentions

B/DAY 22/9/92. (269)

RAY HARTLEY

SLOW-moving, reluctant bureaucracies could be the single biggest factor limiting progress towards ending political violence.

While the President and his Ministers acted promptly in accepting the recommendations made by institutions like the Goldstone commission, the same cannot be said for those charged with implementing them

Government bureaucracy moves slowly enough on its own. The process of consulting the bureaucracies of other organisations has created a treacle-like procedure that often obscures the tragic reality of daily unrest deaths.

The issue of continuing violent attacks on commuters is a case in point. Goldstone commission recommendations, which went so far as to comment on changes to the physical structure of train coach doors and windows, were accepted by government

But since that gesture a month ago more than 30 people have died on trains and very little has been done, even at a superficial level, to improve security at some of the stations where violence has occurred.

A visit to Johannesburg station the day after a commuter had been shot dead on a train in the vicinity bore this out. Not only were the two policemen at the station lounging in the sun outside the building, but private security guards were nowhere near platforms where commuters were boarding trains. There were no searches, no metal detectors and no guards.

The problem does not lie with the intentions of SA Rail Commuter Corporation (SARCC) managers, who are obviously sincere in their concern about passenger safety. But instead of direct, immediate action, they are bound by the slowness of their own bureaucracy and a series of snail-pace consultations with police, the ANC and its allies

The last two meetings between the parties to discuss train violence illustrate the point well The first meeting was postponed after police could not say how many officers were deployed to protect commuters or how they were deployed.

The second meeting made no decisions, but reached agreement on a further meeting in three weeks time to discuss guidelines for train security. Parties did not have enough time to discuss four models for train security developed by the SARCC. And the police finally produced their statistics — including the amazing figure of five arrests for 195 train killings.

It is no longer trite to wonder how many commuters will be shot, hacked and bludgeoned to death because meetings had to be postponed.

Another case in point is the implementation of the Goldstone commission's recommendations on securing hostels which have become flash-points for violence in surrounding communities.

Last week a detective was shot by inhabitants of the Wolhuter hostel in Jeppe Street. A few weeks ago residents of KwaMadala hostel — from which the Boipatong massacre was launched — fired on policemen arresting a rapist.

A spokesman for Iscor, which owns and runs KwaMadala, later admitted that residents were not searched for arms when entering the premises, despite the fact that a massive steel fence had been erected around the hostel for "security". Police said they did not have the personnel to conduct the searches, which were Iscor's responsibility anyway.

Somewhere between the laudable decisions of leadership and the inertia on the ground there lies a series of procedures that blunts and ultimately buries good intentions If effective action is to be taken, these bureaucratic processes have to be short-circuited

Interminable meetings need to be transformed into action-orientated task groups with the financial backing of government, so they can focus their energies on problems and pursue them with urgency

Judge Richard Goldstone set an example for this when he announced his new investigative unit The unit will be unencumbered by the procedures, traditions and rigmarole of police structures. Instead they will be focused on the priority of establishing the causes of violence and will report directly to Goldstone.

Goldstone's accelerated inquiry into the Bisho massacre, which will now be completed in October, is another example of the kind of prioritising that is required

But the Goldstone commission, however streamlined and responsive it becomes, is nothing if the legislative and executive arms of government and the processes of consultation they are involved in cannot match its urgency and decisiveness Goldstone's bark must be matched by government's bite.

REVIEW

TRANSPORT VIOLENCE

(269)

ARG 22/9/92

Death on the buses

Bus drivers have become a target in the townships. Staff Reporters DENNIS CRUYWAGEN and EDWARD MOLOINYANE investigate the latest shootings.

FACELESS gunmen struck in the early hours of the morning, killing two bus drivers, and injuring another, in four different ambushes

Four passengers were also wounded in yesterday's attacks, which came shortly in the wake of a warning by Golden Arrow that certain elements wanted it to withdraw from Cape Town's black townships.

But who are these elements? The taxi industry, Golden Arrow's main competitor in lucrative black passenger market, which has just recovered from a bloody taxi war?

"No, we're not at war with Golden Arrow. There's no war being waged against bus drivers," said Convention for a Democratic Taxi Association (Codeta) spokesman Mr Kidwell Magwayi.

Codeta had said before that "there are enough passengers for all of us in the townships". Some residents preferred buses to taxis, therefore Golden Arrow had a democratic right to operate in black townships.

He said Codeta was proud of the peace in the taxi industry and did not want violence to resurface.

"We stand for peace and condemn attacks on buses. We condemn today's attacks and want to express our condolences to the families of those killed."

Mr Johan Slabbert, representing a committee of the Goldstone commission of inquiry into Cape Town's taxi war, said he had spoken to Codeta.

He had been assured that the organisation was not attacking buses. "It's not part of their official policy"

So who is to blame? At this stage no-one knows.

There is speculation that it could be linked to the axing of about 200 workers from the company more than a month ago.

The dismissed workers, who include about 141 bus drivers, have staged protest marches and lobbied the community to boycott buses until their demands have been met.

The workers, many of them members of the Transport and General Workers Union, demand that they be reinstated.

In a memorandum handed to representatives of the ministers of Transport, Manpower, and Justice and Law and Order a fortnight ago, the union said the rights of commuters were being disregarded because the government chose not to negotiate with players in the sector.

"Bus fares are exorbitant and repeated increases have caused a lot of conflict This was a result of the cut in the bus subsidies, which has led to the closure of bus companies and the retrenchment of workers," the union said.

Three dismissed Khayelitsha bus drivers who spoke on condition of anonymity said they believed "sympathetic community members" were behind the attacks.

Picture ANDREW INGRAM, the Argus

QUIET: Bus terminuses serving Cape Town's black townships were unusually quiet last night after attacks on buses earlier in the day. In Mowbray there appeared to be fewer passengers boarding buses for the black townships No such decline was observed on bus services to other townships.

Union sources said drivers had had discussions with political and community organisations, Congress of South African Trade Unions, and the National Council of Trade Unions on a bus boycott

They said the strike was hurting drivers, some of whom were in arrears with electricity, water, and other payments

"They constitute the majority of drivers driving in dangerous areas. During the taxi war they risked their lives by going into these areas for the sake of their passengers.

"They are workers who have been very central in building the company and identify very strongly with it.

"Since September last year they have demanded bullet-proof cabs They are easy targets. Today's shootings confirm it. They are alone and not protected

"We don't think the solution is bullet-proofing the cabs, but resolving the chaos in the passenger industry in the Western Cape. There is room for taxis, minibuses and bus operators."

One source said he could see not how the demands of striking bus drivers could result in attacks on bus drivers.

"We are not fighting a war against drivers. Safety is the central demand of drivers."

According to Golden Arrow general manager Mr Frans Mayoss "a large force of taxi drivers" kidnapped four inspectors and five drivers in Khayelitsha on August 17.

"At one stage in a protracted meeting the company was given to understand the lives of workers were in danger unless we gave in to their demands which included the withdrawal of bus services from the area."

But Mr Magwayi said Codeta drivers were not involved.

"We've got nothing against Golden Arrow. Mr Mayos knows where to find us if he wants to meet us."

He said Mr Mayoss should give Codeta details, if he has them, of drivers involved in the meeting.

"We'll support him if our drivers were part of the group which kidnapped Golden Arrow employees The law must take its course if our members are involved."

Driving a Golden Arrow bus in the townships is a risky business.

Mr Mayoss said for the past few weeks Golden Arrow buses and vehicles used by field supervisors have been attacked

"There have been stonings, shootings and arson attempts and petrol bomb attacks. Drivers have been seriously injured, one died as a result of his injuries."

Drivers have been threatened with personal attacks should they continue driving in the black areas.

Passengers have also been threatened with violence.

Mr Mayoss said passenger bus services were a vital element in the life of any metropolitan complex

"It is imperative for the social and economic stability of any city for all its residents to be able to depend upon free access to safe and reliable public transport services."

● Bus driver Mr J G Roskruge, 26, was shot in the head on the corner of Bonga Drive and Lansdowne Road, Khayelitsha at 6 40am yesterday.

A colleague, Mr O B Kerchhoff, 47, was killed five minutes later, 700 metres away in Site C. There were no passengers on the buses.

A third driver, Mr William Swanepoel, 37, was ambushed on the corner of Zwelitsha Drive and Miller Road, Nyanga, at 6.20am. He and four passengers were wounded.

Golden Arrow has offered a R50 000 reward for information leading to the arrest and conviction of the killers. The police are offering a further R10 000.

UTA to fly direct to Cape Town

STEPHANE BOTHMA (269)

FRENCH airline UTA will introduce direct flights from Paris to Cape Town next month — the first since the carrier started flying to SA almost 40 years ago.

The move follows similar earlier announcements by German carrier Lufthansa, Dutch carrier KLM and British Airways, despite travel industry speculation that major airlines will cut capacity on flights to SA shortly.

SAA and international carriers serving SA have denied any intention of cutting flights in the foreseeable future and have said they would increaseflights and services UTA fares from Cape Town to Paris, London, Amsterdam, Frankfurt, Munich and several other European destinations would be available from R2 700 with certain conditions such as seasonal blackout periods and a R800 cancellation fee, UTA spokesman Wilma Lawson Turnbull said. B/DAY 22/9/92

In addition, UTA would introduce non-stop flights between Paris and Johannesburg and flights to Namibian capital Windhoek. The first UTA aircraft would fly into Cape Town on October 29, she said. The airline had been operating in SA since 1953 but this was the first time it would fly to Cape Town.

However, no traffic rights between Johannesburg and Cape Town and Johannesburg and Windhoek existed on the UTA flights and therefore domestic passengers would not be able to board a UTA flight at Johannesburg, she said.

Smoking ban hangs in air

B/DAY 22/9/92

CAPE TOWN — The Tobacco Action Group (Tag) — an anti-smoking lobby — yesterday urged government to support a proposed ban on smoking on international commercial flights.

Tag said the International Civil Aviation Organisation would consider a resolution to prohibit smoking on international flights at its meeting in Montreal, Canada, this week

Tag, which represents the Heart Foundation, the National Cancer Association and the National Council Against Smoking, said the meeting would ask member states to phase out smoking on international flights as soon as possible but no later than July 1, 1994 A majority vote was needed, Tag said — Sapa.

Greed blamed for poor crayfish sales

B/DAY 22/9/92

Political Staff

CAPE TOWN — Profiteering by restaurateurs — and not government's quota system — was why so few crayfish and perlemoen were consumed in SA, Environment Minister Louis Pienaar said yesterday

His comment follows criticism that government was making available insufficient stocks for the tourist trade

Pienaar said local demand for crayfish had been lower during the past few years than the 25% of the total commercial catch allocated for sale within SA

Far from there being a shortage, permission had to be given for the unused portion of the local quota to be exported, he said.

"If restaurateurs did not have the wish to make extraordinary profits on these sought-after products — some rumours hint at 300% — South Africans would indeed scoop up the 25% of the production."

LINDA ENSOR reports that Western Cape Restaurant Guild chairman Aldo Girolo said it was impossible for Cape restaurateurs to obtain crayfish in season and they were forced to pay 10% to 15% more at the end of the season.

Western Cape Marine Society chairman Vic Kabalin, speaking at Fedhasa's AGM in Cape Town yesterday, said SA's resources of rock lobster, kingklip and abalone were being depleted by gross mismanagement Signatures were being collected for a petition calling for exports to be stopped.

Smokers face ban on flying

ANDREA WEISS, Health Reporter

SMOKERS facing long-haul international flights will have to invest in worry beads to make it through the night if a resolution before the International Civil Aviation Organisation is passed.

The resolution, to be considered at a meeting in Montreal this week, will ask all member states to phase out smoking on international flights as soon as possible but no later than July 1, 1994.

Among the strongest arguments for the resolution, compiled by the Australian and Canadian governments, is that a ban would increase safety It says·

- Cockpit crew and flight attendants exposed to high concentrations of carbon monoxide could develop headaches, breathing problems, light-headedness and other reactions which might impair their performance during an emergency;
- An aeroplane is an enclosed area containing thousands of litres of flammable fuel. Open flames and lighted cigarettes pose a fire hazard.
- Safety equipment can be damaged by cigarette smoke. There is at least one documented case in which oxygen masks failed to release at a time when the cabin was losing pressure The failure was attributed to tobacco tar build-up on latches holding the masks.
- Environmental tobacco smoke may also affect the efficiency of pressurisation and air-conditioning
- Airline passengers reviewed in surveys have voted for smoke-free flight. Some international airlines, including Air Canada, Northwest in North America, Lauda Air and Scandinavian Airlines in Europe and Cathay Pacific in Asia offer smoke-free international flights.

South Africa is a member of the ICAO and has been asked by the Tobacco Action Group to support the resolution.

The group is conducting a survey among passive smokers on their feelings about being caught in confined spaces with smokers, particularly in the workplace. The number to call is ☎25 4509

Comair cuts fares to less than R400

STEPHANE BOTHMA (269)

COMAIR has cut its return fare to Cape Town to less than R400 on a limited number of seats — slashing the cost of flying the route to 1970s levels

The new fare was for reservations made and paid for two months in advance, with effect from December 1, Comair MD Piet van Hoven said at a media conference yesterday. B/DAY 25/9/92

More than 1 400 seats a month on Comair Citijet flights will be allocated to low-fare passengers on a first-come-first-served basis

A discounted Cape Town return ticket on Comair will now cost R396 To date, the lowest fare available has been R432 on SAA's off-peak flights for tickets booked and paid for three months in advance.

Normal Comair fares are R678 return, 30% cheaper than the SAA economy fare of R962.

The good response Comair received from travellers since the introduction of its all-economy Citijet flight to Cape Town last month had prompted the carrier to add a second aircraft to the route and to cut fares, Van Hoven said.

There will be three return flights from Johannesburg to Cape Town daily.

The airline will take the new aircraft — a 80-seater Fokker F28 twinjet — into service in October.

The plane will also be used for some flights between Johannesburg and Manzini in Swaziland.

Population crisis

Sowetan 25/9/92 (269)

■ There are more than 200 problems related to transport alone:

GIVEN the anticipated population growth rate, the PWV area may have to cope with up to 12,8 million people by the year 2000

Apart from obvious socio-economic problems, the huge increase would also require an efficient and well-managed transportation system, said Mr Ahmed Arbee, MEC for Road and General Provincial Services of the Transvaal

He was speaking at a report-back meeting of the PWV Public Transportation Study in Pretoria yesterday

Mr Arbee said a host of meetings, involving all relevant parties, had already identified more than 200 problems related to public transport - but these could be solved or bridged if sufficient planning was done

Current urbanisation trends pointed to the PWV population increasing from its present 9 million to about 12,8m by 2000

"This means we will have to cater to transport for an additional 3,8m people However, it will offer unprecedented opportunities for economic growth if well-managed

Food aid demand increases

B/DAY 25/9/92

DROUGHT, political violence and economic woes had swelled the number of families seeking food aid from Operation Hunger, executive director Ina Perlman said in her report for the financial year.

Mounting demands for relief aid had forced the organisation to reverse its principle of independence and accept financial assistance from government, Perlman said.

Under government's R220m hunger relief programme, Operation Hunger had received R10m "after a five-month battle"

Perlman said a steady slide in the economy, increasing unemployment, retrenchments on the mines, violence and the return to rural areas of people fleeing warfare had swelled numbers seeking assistance.

"It is worse, much, much worse than we anticipated," she said

"Field trips are journeys of discovery into previously uncharted depths of misery, human suffering and want"

Perlman said the organisation would have to halve its rations in September, knowing this would affect more than 2-million people

In the northern Transvaal, which has been devastated by drought, 269 000 people were receiving food aid "Prospects are frightening," regional director Johann Rissik said in his report.

Rissik expected an increase of between 20% and 60% in numbers seeking relief from Operation Hunger.

The organisation was feeding 250 000 in the Free State, 350 000 in the eastern Cape and Border region and 102 000 in the western Cape

In Transkei, Operation Hunger was feeding 70 000 children at 350 schools and creches.

About 60 000 people threatened with starvation were waiting to be placed in feeding schemes in the eastern Cape and Border, said regional director Glynis Baer

The drought had also affected vegetable-growing schemes started by the organisation in Hammanskraal, Mafikeng, Rustenburg and the Free State

Deputy director for relief and development Mpho Mashinini said that of the large-scale agricultural schemes started a year ago, only 1 000 farmers in KwaZulu had a chance of yielding 30% of their harvest

"It is no longer a case of part-intervention All intervention must now be 100%," he said.

Perlman said "Central to all our thinking these past 12 months has been that hugely increased relief must be linked to long-term development" — Sapa

Public transport revamp facing many challenges

269

B/DAY 25/9/92

GERALD REILLY

PRETORIA — Lack of development finance and an urbanisation strategy were two barriers in the way of solving the problem of an adequate public transport system in the PWV, TPA MEC for roads Ahmed Arbee said yesterday.

He said a public transport study by a consortium appointed in 1990 by the TPA was on course and more than 200 problem areas had been identified Among them were the poor quality of public transport services and facilities, lack of co-ordination, unplanned development, and the fact that only certain public transport modes received subsidies.

Arbee said the challenge facing transport planners in the PWV area was to provide public transport for a population of 12,8-million people in an urbanised area of 210 000 hectares by the end of the century

The population of the PWV increased from 7-million in 1985 to 9-million in 1991 A projected rate of increase of 3,8% a year would increase it to 12,8-million by 2000

Provision would, therefore, have to be made for an increase in the transport requirements of 3,8-million people over the next eight years

"The picture looks bleak if all the associated social costs are taken into account" Arbee said it was important to acknowledge transport was as legitimate a need as education, housing and health.

Currently only about 51% of the increase in the worker population could be absorbed by both the formal and informal economies. Close analysis revealed only 5% were absorbed by the formal sector

The absorption rate of the formal economy was likely to steer transport even more in favour of public transport in future. The study showed this trend would be supported by decreasing per capita incomes in the PWV area, Arbee said.

He said the PWV economy could not absorb the work-going population increase of 3,9% a year since 1985

In addition to the 333 000 people without work in 1985, 417 000 workers had since become unemployed, the study showed.

The limited capacity of the informal sector had also been stretched by about 673 000 workers finding a livelihood within it.

Arbee said 82% of all commuters in the low income group used public transport

More than 250 representatives of interest groups were invited to the consortium's first series of group discussions, aimed at pinpointing transport problems A further series of meetings was planned for October

Fruit and greens earned R1,51bn

RAY HARTLEY

SA FARMERS sold 2,4-million tons of fruit and vegetables worth R1,51bn at 15 markets across the country in 1991, producer representative Philé van Zyl said at the SA Agricultural Union fresh produce conference yesterday

This represented an increase in volume of 1,65% a year.

About 20 000 producers traded at fresh produce markets, generating about 17-million transactions a year B/DAY 25/9/92

Producers wanted fresh produce markets "in every centre" and existing markets expanded.

Johannesburg City Council informal trading chief officer Dinkie Pillay told delegates the informal sector accounted for 15% of GDP and employed about 35% of the labour force. 25/9/92

Phile said the informal sector provided significant opportunities which could be exploited by business and farmers.

Meanwhile, the Milk Producers' Organisation decided at its annual meeting in Port Elizabeth yesterday that the industry needed selective deregulation.

MPO chairman Boy Blackenberg said a working committee had been established to investigate the long-term effects of deregulating the industry.

Challenges to SAA could see more fares drop

(269)

MANDY JEAN WOODS
Weekend Argus Correspondent ARG 26/9/92

DOMESTIC airline Comair has applied to fly internationally in opposition to SAA. It is one of 36 South African applicants seeking similar permission from the Department of Civil Aviation and could see airfares tumbling still further.

"If these applications are granted, then we can definitely expect to see a lot of fare innovations on regional and international routes," said Comair's managing director Mr Piet van Hoven.

Already, Comair's competitive pricing structures on its services to Cape Town has seen SAA introduce a whole new range of discounted fares.

The Comair deal on flights to Cape Town will see prices plunge to levels last enjoyed before 1972.

Travellers planning their holidays in the Mother City will fly one way for just R198 providing they book and pay for their seat 60 days before departure. A 20-percent cancellation fee is applicable.

This fare undercuts not only SAA and Flitestar's cheapest, but also challenges other forms of transport (buses, cars, trains) which have grown in popularity because of the high cost of air travel

The beauty of this special fare, Mr Van Hoven noted, was that it was not restricted to times or flights. A total of 1 400 seats a month would be available indefinitely on Citijet flights at the special rate

"Every airline has a certain number of seats which it does not fill. We believe we can make these seats available at a satisfactory price to commuters who generally cannot afford to fly," he said.

Comair this week also took delivery of a new Fokker F28 Mk4000 twinjet aircraft from Holland to be introduced on the Cape Town service from October 1.

Fistful of dollars buys a slice of the West

South 26/9-30/9/92.

There have been remarkable changes in Russia in the past year, but has there been progress? After a five-day visit to Moscow recently, **REHANA ROSSOUW** had her doubts:

(269)

IF LENIN could see the Moscow of 1992 he'd turn in his tomb The founder of the world's first socialist state would see capitalism taking root on Russian soil

Nowhere is this more obvious than on Manezh Square opposite the Kremlin where a Coca-Cola kiosk has been set up in the shadow of the building's looming walls

"The Pepsi-Cola generation" is one of the new terms which have been adopted by Russians in the last two years It describes the young people who stroll through Red Square wearing their Reebok running shoes, Levi jeans, Benetton sweaters and Ray-Ban sunglasses

Most of the stores which sell these fashion statements for the wealthy prominently display two signs "Hard currency only" and "Prices in US dollars"

The average monthly salary of a Russian worker is $15 (about R40) The average price of a pair of jeans is $90 (about R240).

No-one is sure whether the US dollar is a legal currency in Moscow One thing is certain, if you want to buy a little more than the basic necessities of life, you can only do it with "hard currency".

The country which overthrew a regime because its privileged elite enjoyed top lifestyles while the masses were oppressed under communist rule is creating a new elite — the "underground millionaires"

Today everything is for sale in the former Soviet Union Of particular interest to the West are the secrets hidden in the KGB archives, especially Archive Number Seven which is rumoured to hold evidence of dirty tricks perpetrated during the Cold War

Russian editors complain bitterly that the rouble is so undervalued that the guardians of the archives will be tempted to deal with the west and their hard currency

More astonishing is the attitude of the Russian attorney-general, Mr Valentin Stepankov, who investigates human rights abuses committed by party officials

Stepankov charges at least $500 (about R1350) for interviews about his work because "interviews are creative works"

He plans to publish a book on the information he unearths The date of publication has been set for just before trials are scheduled to start Any journalist interested in the progress of the investigations will have to wait to buy the book.

CLASHING SYMBOLS: A Coke kiosk on Manezh Square

Russians value everything Western However, their understanding of the West is warped as they were denied access to the West and its media for decades

They refuse to believe that countries such as America and Britain suffer serious social problems including unemployment, poor health care and drug addiction They prefer to regard these countries as utopias to emulate

"I've been to the West and have seen these problems, but I still think people there are better off than people in Russia," says Mr Evgevny Milchacov, a new entrepreneur who buys clothing in Taiwan and resells it for hard currency in Moscow

"What we have to learn now is that is going to be the survival of the fittest in the new Russia. Only those with drive are going to succeed," says Milchacov.

Ukranian journalist Mr Misha Mostitska, who remains a committed socialist, believes Russia and the other republics are being "led by the nose" by Western capitalists whose sole interest in the countries is the wealth they can exploit

"The population is unbelievably apathetic. Even though people's standard of living has droppped, they believe democracy has come to the former Soviet Union because there is now a MacDonalds nearby.

"Our politicians are selling the country to Western capitalists without trying to privatise properly or build small enterprise for the benefit of the people," says Mostitska

One place where the changes were obvious was a night-club called the Red Zone which caters to the new hard currency elite

It costs $15 to enter and at first glance the place resemble a normal disco "I'm too sexy for my shirt" blared from the speakers, strobe lights flashed and nubile teenagers gyrated on the dance floor

But along one wall are four metal cages in which topless women slithered erotically to the music

Arrows along the wall point to a "VIP lounge" where an extra $5 could buy a chance to see "erotic dancing", which turns out to be no less than a strip-tease act The women are trained at a school run by a former gynaecologist

The bouncer angrily dismisses suggestions that his show is decadent "This is normal for a club in the West. We have to put on the kind of entertainment Western businessmen are used to," he says

Yes, there has been change in Moscow Places like the Red Zone did not exist three years ago, but it sure isn't progress

Cheap airfares slash travel agent income

By TERRY BETTY

TRAVEL agents are choking as airfares are cut, sending their commissions plummeting.

The cost of international and domestic fares has dropped by between 20% and 40% since the deregulation of SA aviation on July 29, 1991

Association of Southern African Travel Agents president Laurie Wilkinson says travel agents' income has dropped by the same amount because there has been no increase in sales volumes.

S/Times (Buss) 27/9/92

Margins

International travel has been static for the past 10 years at about 500 000 passengers a year It is estimated to be worth R3-billion now

Rennies Travel managing director Lilian Boyle says the trade expected discounted fares to lift sales by 20% to 25%. Instead there was a 10%-to-15% decline, hammering revenue even further

Mrs Boyle says agents' net profit margins of about 2% have nearly been squeezed to zero as they battle to keep their heads above water

About 650 licensed operators are competing for a share of the shrinking market. A few operators have gone under and the number will increase if trading conditions do not improve

Agents attribute declining sales to the SA and worldwide recession hitting disposable income.

American Express Travel managing director Rod Rutter says leisure package tours are the cheapest ever.

"If you include airfares and accommodation, it is cheaper to spend a week in Mombasa, Mauritius, or any of the other Indian Ocean islands than to have a holiday in SA"

But business travel has held its own

"It is always counter-cyclical to leisure travel because when the economy is bad businessmen look for export and other offshore opportunities."

Mr Wilkinson says air travel in SA is price insensitive

"This is not like a baked bean special being advertised in the supermarket window — people will pop in to buy a few cans"

He says businessmen and people travelling to visit family and friends do so irrespective of price

(295) (269)

Beer

SA has a relatively small travelling population, unlike the US where sales and revenues soared when air travel was deregulated.

Mrs Boyle says the ticket is no longer the most expensive part of a trip abroad

"Because of the weak rand it costs about R1 000 a day to stay in London and there is little room to down-trade"

She says a small beer in Sweden costs R23. A cup of tea in London costs as much as two boxes of teabags in SA.

This calls into question the future of discounted airfares. But SA Airways and British Airways say they are happy with the sales of discounted tickets.

'Watch corps' to guard railway

PRETORIA — A special task group examining the protection of train commuters and Spoornet properties has introduced a security force comprising special constables and known as "Wagkorps", a Goldstone committee heard yesterday.

The commanding officer of the SA Police's Physical Service Division, Major-General Michael Bester, told the committee inquiring into violence on trains that the decision to establish the unit had been taken after meetings involving the SAP, the SA Railway Commuter Corporation and Spoornet.

(269) CT 29/9/92

General Bester said the unit did not fall under police control, but under the SARCC and would prove effective on the Witwatersrand.

Commuters to be guarded

A SPECIAL task group examining the protection of train commuters and Spoornet properties has introduced a security force comprising special constables and known as "Wagkorps", a Goldstone committee heard yesterday. (269)

Commanding officer of the SAP's Physical Service Division, Major-General Michael Bester, told the committee inquiring into violence on trains the decision to establish the unit had been taken after meetings involving the SAP, the SA Railway Commuter Corporation and Spoornet — *Sowetan Reporters* and *Sapa*.

Sowetan 29/9/92

Iscor share values dive against assets

B/DAY 29/9/92

EDWARD WEST

ISCOR'S market value was R1,53bn at 82c a share yesterday, which, compared with its R6,7bn asset value, would normally make it a prime target for a takeover with a view to selling off its assets, analysts said.

Based on its current net asset value of 361c a share and the number of shares in issue, its assets are worth about R6,7bn. Anybody who bought all Iscor's shares at its listing price of R2 a share could theoretically sell off its assets and realise a profit of R1,80 on every share.

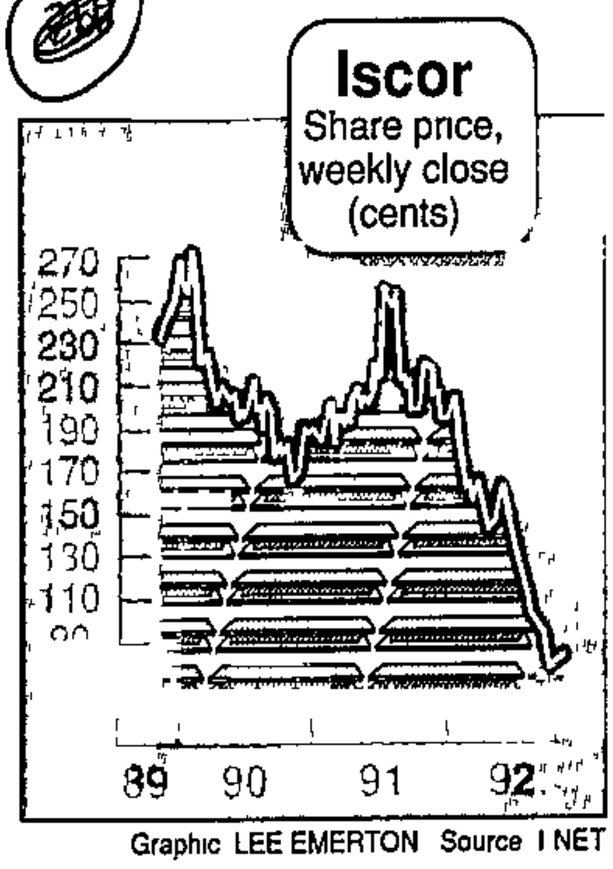
However, with local and foreign investors limited to a 20% stake and individual investors to a 10% holding in terms of the group's listing prospectus, a takeover is impossible.

Major shareholders include the Industrial Development Corporation with a 16,5% holding, Standard Bank Nominees with 13%, SA Mutual Life Assurance Society with 10% and CMB Nominees with 8%.

Iscor's share price has been trading at record lows because of the weak local economy, and overcapacity in international steel markets which shortens earnings potential

Simpson & McKie analyst Hennie Vermeulen said the share price prevented Iscor from raising funds by a rights issue because a shares increase would further dilute earnings, and the share was poorly rated.

He suggested unbundling might be the way for Iscor to go For instance, its Sishen iron ore facility and its coal mining operations could be floated off as separate entities.



Graphic LEE EMERTON Source I NET

However Frankel, Max Pollack, Vinderine analyst Kevin Kartun seriously doubted the feasibility of this idea, as Iscor's strategic advantage lay with it being self sufficient for 68% of its raw materials.

Vermeulen said it would be best not to buy Iscor shares in the next six months as its interim earnings were expected to fall to about 6c from 9c a share last year However, his medium term forecast was good.

He said Iscor's steel dispatches increased by 10% and 6% in June and July over the respective preceding months, but fell again by about 10% in August

Kartun suggested that because the share was tradeable, buying and selling should be done in tandem with the commodity cycle. However, the big question was how long the cycle would remain in a trough

Poor landings hurt Natrawl

B/DAY 28/9/92

LINDA ENSOR

CAPE TOWN — Natal Ocean Trawling (Natrawl), which catches prawns off the Natal and Mozambique coasts, recorded a 5,5% increase in attributable earnings in the six months to end-June as a result of poor landings of inshore prawn and a sharp drop in prices

An additional factor was that no contribution was made by Natrawl's Mozambican associate company.

Earnings dropped to 2,79c (5,56c) on an increase in the number of shares in issue to about 41,6-million (19,8-million), after last year's rights issue of about 19,8-million and this year's bonus share offer.

Chairman Frank Walsh announced that Natrawl was negotiating the sale of part of its stake in its Mozambican associate company in which it had a 40% interest

"Deep water fishing results in Mozambique have remained satisfactory but trading conditions there have become extremely difficult," he said. Whereas in 1991 Natrawl derived R400 000 in dividend income from its Mozambican associate, no contribution was expected for the current year.

Turnover increased 41% to R7,6m (R5,4m) with gross income from fishing rising by only 15%. Margins fell to 19,8% (22,4%), generating a 21% growth in operating income to R1,5m (R1,24m).

The bottom-line result was undermined by higher finance charges arising from the increase in long term loans to R7,8m (R5m).

Walsh was not optimistic about prospects for the final results.

"It is difficult to forecast what to expect from the second half of the year, but if the prevailing circumstances continue, earnings are unlikely to rise," he said.

Rentbel achieves remarkable turnaround

B/DAY 29/9/92

LINDA ENSOR

CAPE TOWN — Rationalisation and improved efficiencies saw diversified industrial holding company Rentmeesterbeleggings (Rentbel) achieve a remarkable R8m turnaround in operating profit in the year to end-June, even though turnover fell 30%.

However, the tax bill and heavy losses from associated aviation company Trek Airways, which launched Flitestar in competition with SAA, wiped out these gains to such an extent that bottom-line losses were larger than last year

The loss made by associates amounted to R3,4m compared with last year's R5,4m profit. The group suffered a loss of 116,8c a share compared with last year's 73,3c loss and no dividend has been declared

MD Joggie Vermooten said Flitestar's competition with SAA on major routes had resulted in fare dilutions which had placed pressure on margins. He expected this situation to continue for some time because of overcapacity and an inadequate fare structure in the domestic market.

Start-up costs of Flitestar and initial losses had been capitalised and would be amortised over 60 months.

Group turnover declined to R94,4m (R135m) but an operating profit of R5m was generated compared with last year's R2,9m loss. The interest bill dropped to R4,6m (R6,6m) While the total attributable loss increased to R4,2m (R2,7m), the attributable loss from subsidiaries improved from R8,7m to a loss of R97 041

Dispute mediator's evidence challenged

Star 30/9/92

A witness testifying before a Goldstone committee inquiry into violence on trains said yesterday that while observing station security measures in Soweto one day in August, he did not notice any policemen on duty.

Nathi Gaisa was working for the Independent Board of Inquiry at the time, a body acting as a mediator in disputes, and his brief was to observe and report on railway station security.

During cross-examination he said that although he did not see policemen at the Soweto stations, he was told by a passenger that special policemen were sometimes on duty.

Asked by counsel for the South African Police why he did not mention the presence of the SAP-controlled special police in his report, he said he did not place emphasis on the information because he did not see policemen when he was at the stations.

Mr Gaisa said when he visited Nancefield station later in August he saw two policemen in camouflage uniforms.

If there were other policemen who were dressed in plain clothes, he would not have been aware of them.

He said he saw security personnel wearing uniforms with SS written on the shoulders at Merafe station, and was told they had been brought in from a Meyerton-based security firm to examine the security at stations.

He also saw four ticket examiners at Merafe station, and identifyied them by their uniforms.

At Nhlazane station, he was not asked to present his ticket when he walked on to the platform.

He did not see any ticket examiners on the platform, Mr Gaisa said.

Assumption

Asked by counsel for Spoornet if he was aware that because of violence on trains and intimidation, ticket examiners could not wear their uniforms, Mr Gaisa said he had seen newspaper reports to that effect.

He conceded that because there were no uniformed ticket examiners and because he was not asked to produce his ticket, he had assumed that there were no ticket examiners at that station.

Committee chairman Gert Steyn adjourned the sitting until today. — Sapa.

Isotec probe shows drip contamination

KATHRYN STRACHAN

ISOTEC Nutrition yesterday admitted its investigations had found bacterial contamination in drips which allegedly caused the deaths of seven babies last week.

Isotec MD Iain Rosekilly said the results of independent laboratory testing, commissioned by the company, were released yesterday. Three intravenous solutions were contaminated, he said. B/DAY 30/9/92.

Investigations are being conducted by the SA Institute of Medical Research and the Medicines Control Council, as well as researchers abroad, to find the exact cause of the contamination. The preliminary results of these tests will be available today.

Isotec buys some of the ingredients for the solutions from Sabax, the company which supplied drips given to 13 babies who died in 1990.

Rosekilly said that due to the highly complex nature of the solutions, a sterilisation process of the final product could not be performed

The components therefore had to be mixed in a totally isolated sterile environment and sealed prior to distribution, he said.

"This is not a generally prescribed intravenous solution," said Rosekilly. "They are in fact highly specialised solutions which are usually only prescribed and administered to patients who are already critically ill."

Meanwhile, two babies who were given intravenous feeding last week are still in intensive care. A Johannesburg General Hospital spokesman said 19-day-old Louise Bender was still in a critical condition, but the condition of the baby at Park Lane Clinic had improved.

35 hurt as police open fire on Ratanda march

B/DAY 30/9/92

RAY HARTLEY

AT LEAST 35 residents of Ratanda township near Heidelberg were injured — two seriously — when police opened fire on protesters at Ratanda police station yesterday, ANC PWV spokesman Ronnie Mamoepa said.

The residents marched to the police station to demand demolition of the Ratanda Hostel from which a grenade attack, in which one person was killed and others were injured, was allegedly launched on Monday.

Ten protesters were arrested during the demonstration, he said.

Ratanda Hostel is believed to be among 15 hostels targeted by government and ANC negotiators for fencing by mid-November.

The ANC called for urgent security measures to be implemented at the hostel "to prevent further flare-ups in the area".

But the call to fence hostels has elicited furious protests from Transvaal hostel residents, with one threatening "bloodshed" if such a move is attempted, reports THEO RAWANA.

President F W de Klerk and ANC president Nelson Mandela agreed at their meeting on violence that hostels would be "adequately fenced" and that there would be security patrols and a police presence outside the hostels.

But East Rand Hostel Residents' Association chairman Zakhele Mlambo said De Klerk and Mandela should first explain why hostels should be fenced

"It is not acceptable, because governmen took a decision without the hostels' leadership It is not going to happen — there will only be bloodshed if it is attempted," said Mlambo.

While Mandela said hostels were sources o. violence, hostel dwellers saw Umkhonto we Sizwe at its root, he said.

Transvaal Hostel Residents' Association chairman Joe Kubheka said his organisation was surprised at the agreement on hostels. It would meet today to decide what to do.

"We are going to react strongly," he said.

"Even National Housing Minister Leon Wessels recommended to the Goldstone commission that hostels should not be fenced."

Meanwhile, Sapa reports that four people were killed on Monday night at Chicken Farm squatter camp near Kliptown, Soweto.

Khabisi Mosunkuthu of the Soweto Civic Association said yesterday the four were shot and hacked in separate attacks.

"Residents managed to apprehend seven of the attackers, but three escaped later," he said The suspects were handed over to police.

In Umlazi's G section, Durban, Gabriella Dlamini was found shot in the head late on Monday night. The body of an unidentified man was found in Umlazi's T section yesterday

Hospital staff alarmed by murder of doctor

B/DAY 30/9/92

KATHRYN STRACHAN

STAFF at Baragwanath Hospital in Soweto were deeply shocked and upset at the killing of a German doctor on his way home from the hospital, sources at the hospital said.

Dr Stephan Walter, 29, was shot by unknown gunmen after leaving work on Monday evening. He was found unconscious at the turnoff on the M1 North, close to Baragwanath, and was taken to hospital. He died without regaining consciousness.

Walter came to SA from Munich in January to work at Baragwanath.

Baragwanath Hospital spokesman Annette Clear said the killing had not only shocked those close to Walter, but had left a feeling of fear and uncertainty that could be sensed throughout the hospital.

It was also possible that the attack would turn away doctors and nurses who might otherwise have applied for jobs at the hospital, she said.

"All staff members fear for their safety wherever they go," said Clear, adding that the attack had intensified that fear.

"This hospital has been through a trying time in the past few months with the strike and the violence, and this has only made it worse," she said.

Clear said Walter was shot on a road which many of the staff used as a short-cut through the township.

Hospital superintendent Chris van den Heever appealed to staff members yesterday not to go into areas about which they had any doubts.

Train boycott looms in PWV

B/DAY 30/9/92

RAY HARTLEY

ANC-aligned organisations in the PWV have agreed in principle to boycott commuter trains because of the failure of police and SA Rail and Commuter Corporation to implement agreements.

The decision was taken at a PWV Action Council meeting which included representatives of Cosatu, the SACP and the ANC, but would have to be vetted by individual organisations before it was implemented, ANC PWV spokesman Ronnie Mamoepa said.

He said it was unacceptable that a new rail guard would only come into operation in April 1993 instead of the end of the year.

PEANUTS

By Charles Schulz